PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 472 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2007–2008

COMPRISING PERIOD
18 February 2008—7 March 2008

HER MAJESTY'S GOVERNMENT

MEMBERS OF THE CABINET

(Formed by the Rt. Hon. Gordon Brown, MP, June 2007)

Prime Minister, First Lord of the Treasury and Minister for the Civil Service—The Rt. Hon. Gordon Brown, MP
Chancellor of the Exchequer—The Rt. Hon. Alistair Darling, MP
Secretary of State for Foreign and Commonwealth Affairs—The Rt. Hon. David Miliband, MP
Secretary of State for Justice and Lord Chancellor—The Rt. Hon. Jack Straw, MP
Secretary of State for the Home Department—The Rt. Hon. Jacqui Smith, MP
Secretary of State for Defence and Secretary of State for Scotland—The Rt. Hon. Des Browne, MP
Secretary of State for Health—The Rt. Hon. Alan Johnson, MP
Secretary of State for Environment, Food and Rural Affairs—The Rt. Hon. Hilary Benn, MP
Secretary of State for International Development—The Rt. Hon. Douglas Alexander, MP
Secretary of State for Business, Enterprise and Regulatory Reform—The Rt. Hon. John Hutton, MP
Leader of the House of Commons, Lord Privy Seal and Minister for Women and Equality—The Rt. Hon. Harriet Harman, QC, MP
Secretary of State for Work and Pensions—The Rt. Hon. James Purnell, MP
Secretary of State for Transport—The Rt. Hon. Ruth Kelly, MP
Secretary of State for Communities and Local Government—The Rt. Hon. Hazel Blears, MP
Parliamentary Secretary to the Treasury—The Rt. Hon. Geoffrey Hoon, MP
Secretary of State for Children, Schools and Families—The Rt. Hon. Ed Balls, MP
Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster—The Rt. Hon. Edward Miliband, MP
Secretary of State for Culture, Media and Sport—The Rt. Hon. Andy Burnham, MP
Secretary of State for Northern Ireland—The Rt. Hon. Shaun Woodward, MP
Secretary of State for Wales— The Rt. Hon. Paul Murphy, MP
Leader of the House of Lords and Lord President of the Council—The Rt. Hon. The Baroness Ashton of Upholland
Chief Secretary to the Treasury—The Rt. Hon. Yvette Cooper, MP
Secretary of State for Innovation, Universities and Skills—The Rt. Hon. John Denham, MP
Captain of the Honourable Corps of Gentleman-at-Arms—The Rt. Hon. The Baroness Royall of Blaisdon

DEPARTMENTS OF STATE AND MINISTERS

Business, Enterprise and Regulatory Reform—

Secretary of State—The Rt. Hon. John Hutton, MP

Ministers of State—
Minister for Trade Promotion and Investment—The Lord Jones of Birmingham
Minister for Employment Relations and Postal Affairs—Pat McFadden, Esq, MP
Minister for Energy—Malcolm Wicks, MP

Parliamentary Under-Secretaries of State—
Gareth Thomas, Esq, MP
The Baroness Vadera

Cabinet Office—

Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster—The Rt. Hon. Edward Miliband, MP

Minister of State—
Minister for the Olympics and London (Paymaster General)—The Rt. Hon. Tessa Jowell, MP*

Parliamentary Secretaries—
Phil Hope, MP (Minister for the East Midlands)*
Tom Watson, Esq, MP

Children, Schools and Families—

Secretary of State—The Rt. Hon. Ed Balls, MP

Ministers of State—
Minister for Schools and Learners—Jim Knight, MP
Minister for Children, Young People and Families (Minister for the North West)—The Rt. Hon. Beverley Hughes, MP*

Parliamentary Under-Secretaries of State—
Kevin Brennan, MP
The Lord Adonis

Communities and Local Government—

SECRETARY OF STATE—The Rt. Hon. Hazel Blears, MP

MINISTERS OF STATE—
Minister for Local Government—John Healey, MP
Minister for Housing—The Rt. Hon. Caroline Flint, MP (Minister for Yorkshire and the Humber)*

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Baroness Andrews, OBE
Parmjit Dhanda, Esq, MP
Iain Wright, Esq, MP

Culture, Media and Sport—

SECRETARY OF STATE—The Rt. Hon. Andy Burnham, MP

MINISTER OF STATE—
The Rt. Hon. Margaret Hodge, MP, MBE

PARLIAMENTARY UNDER-SECRETARY OF STATE—
Gerry Sutcliffe, Esq, MP

Defence—

SECRETARY OF STATE—The Rt. Hon. Des Browne, MP

MINISTER OF STATE—
Minister for the Armed Forces—The Rt. Hon. Bob Ainsworth, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Rt. Hon. The Baroness Taylor of Bolton
Derek Twigg, MP

Environment, Food and Rural Affairs—

SECRETARY OF STATE—The Rt. Hon. Hilary Benn, MP

MINISTERS OF STATE—
Minister for Sustainable Food and Farming and Animal Health—The Rt. Hon. The Lord Rooker
Minister for the Environment—Phil Woolas, Esq, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Joan Ruddock, MP
Jonathan Shaw, MP (Minister for the South East)*

Foreign and Commonwealth Affairs—

SECRETARY OF STATE—The Rt. Hon. David Miliband, MP

MINISTERS OF STATE—
Minister for Europe—Jim Murphy, Esq, MP
Minister for the Middle East—Dr. Kim Howells, MP
The Rt. Hon. The Lord Malloch-Brown, KCMG
The Lord Jones of Birmingham

PARLIAMENTARY UNDER-SECRETARY OF STATE—
Meg Munn, MP

Government Equalities Office—

MINISTER FOR WOMEN AND EQUALITY—The Rt. Hon. Harriet Harman, QC, MP

MINISTER FOR EQUALITY—Barbara Follett, MP*

Health—

SECRETARY OF STATE—The Rt. Hon. Alan Johnson, MP

MINISTERS OF STATE—
The Rt. Hon. Dawn Primarolo, MP
Ben Bradshaw, Esq, MP (Minister for the South West)*

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Lord Darzi of Denham, KBE
Ann Keen, MP
Ivan Lewis, Esq, MP

Home Office—

SECRETARY OF STATE—The Rt. Hon. Jacqui Smith, MP

MINISTERS OF STATE—
Minister for Security, Counter-Terrorism, Crime and Policing—The Rt. Hon. Tony McNulty, Esq, MP
Minister for Borders and Immigration—Liam Byrne, Esq, MP (Minister for the West Midlands)*

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Vernon Coaker, Esq, MP
Admiral The Lord West of Spithead, GCB DSC
Meg Hillier, MP

Innovation, Universities and Skills—

SECRETARY OF STATE—The Rt. Hon. John Denham, MP

MINISTERS OF STATE—
Minister for Lifelong Learning, Further and Higher Education—Bill Rammell, MP
Minister for Science and Innovation—Ian Pearson, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
David Lammy, Esq, MP
The Baroness Morgan of Drefelin

International Development—

SECRETARY OF STATE—The Rt. Hon. Douglas Alexander, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Gareth Thomas, Esq, MP
Gillian Merron, MP
Shahid Malik, Esq, MP

Justice—

SECRETARY OF STATE—The Rt. Hon. Jack Straw, MP

MINISTERS OF STATE—
The Rt. Hon. David Hanson, Esq, MP
Michael Wills, Esq, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Lord Hunt of Kings Heath, OBE
Bridget Prentice, MP
Maria Eagle, MP

Law Officers' Department—

ATTORNEY-GENERAL—The Rt. Hon. The Baroness Scotland of Asthal, QC

SOLICITOR-GENERAL—Vera Baird, QC, MP

ADVOCATE-GENERAL FOR SCOTLAND—The Lord Davidson of Glen Cova, QC

Leader of the House of Commons—

LEADER OF THE HOUSE OF COMMONS, LORD PRIVY SEAL AND MINISTER FOR WOMEN AND EQUALITY—The Rt. Hon. Harriet Harman, QC, MP

DEPUTY LEADER OF THE HOUSE OF COMMONS—Helen Goodman, MP

Northern Ireland—

SECRETARY OF STATE—The Rt. Hon. Shaun Woodward, MP

MINISTER OF STATE—
Paul Goggins, MP

Privy Council Office—

LORD PRESIDENT OF THE COUNCIL AND LEADER OF THE HOUSE OF LORDS—The Rt. Hon. The Baroness Ashton of Upholland

Scotland Office—

SECRETARY OF STATE—The Rt. Hon. Des Browne, MP

MINISTER OF STATE—
David Cairns, MP

Transport—

SECRETARY OF STATE—The Rt. Hon. Ruth Kelly, MP

MINISTER OF STATE—
The Rt. Hon. Rosie Winterton, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Jim Fitzpatrick, MP
Tom Harris, Esq, MP

Treasury—

PRIME MINISTER, FIRST LORD OF THE TREASURY AND MINISTER FOR THE CIVIL SERVICE—The Rt. Hon. Gordon Brown, MP

CHANCELLOR OF THE EXCHEQUER—The Rt. Hon. Alistair Darling, MP

CHIEF SECRETARY—The Rt. Hon. Yvette Cooper, MP

FINANCIAL SECRETARY—The Rt. Hon. Jane Kennedy, MP

EXCHEQUER SECRETARY—Angela Eagle, MP

ECONOMIC SECRETARY—Kitty Ussher, MP

PARLIAMENTARY SECRETARY—The Rt. Hon. Geoffrey Hoon, MP

MINISTER OF STATE—Liam Byrne, Esq, MP (Minister for the West Midlands)*

LORDS COMMISSIONERS—
Frank Roy, Esq, MP
Steve McCabe, MP
Alan Campbell, Esq, MP
Dave Watts, Esq, MP
Claire Ward, MP

ASSISTANT WHIPS—
Siobhain McDonagh, MP
Michael Foster, Esq, MP
Tony Cunningham, MP
Alison Seabeck, MP
Ms Diana R. Johnson, MP
Mark Tami, MP
Sadiq Khan, Esq, MP
Bob Blizzard, Esq, MPs
Wayne David, Esq, MP

Wales Office—

SECRETARY OF STATE—The Rt. Hon. Paul Murphy, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—
Huw Irranca-Davies, MP

Work and Pensions—

SECRETARY OF STATE—The Rt. Hon. James Purnell, MP

MINISTERS OF STATE—
Minister for Pensions Reform—Mike O'Brien, Esq, QC, MP
Minister for Employment and Welfare Reform—The Rt. Hon. Stephen Timms, Esq, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Anne McGuire, MP
James Plaskitt, Esq, MP
The Lord McKenzie of Luton
Barbara Follett, MP (Minister for the East of England and Minister for Equality)*

Her Majesty's Household—

LORD CHAMBERLAIN—The Rt. Hon. The Earl Peel, GCVO, DL

LORD STEWARD—The Duke of Abercorn, KG

MASTER OF THE HORSE—The Lord Vestey

TREASURER—The Rt. Hon. Nicholas Brown, MP (Minister for the North East of England)*

COMPTROLLER—The Rt. Hon. Thomas McAvoy, MP

VICE-CHAMBERLAIN—Liz Blackman, MP

CAPTAIN OF THE HONOURABLE CORPS OF GENTLEMAN-AT-ARMS—The Rt. Hon The Baroness Royall of Blaisdon

CAPTAIN OF THE QUEEN'S BODYGUARD OF THE YEOMAN OF THE GUARD—The Rt. Hon. The Lord Davies of Oldham

LORDS IN WAITING—The Lord Bassam of Brighton, The Lord Truscott, The Lord Bach

BARONESSES IN WAITING—The Baroness Farrington of Ribbleton, The Baroness Crawley, The Baroness Morgan of Drefelin, The Baroness Thornton

**Regional Ministers. Full list:*

Ministers for the English Regions—
Ben Bradshaw, Esq, MP (Minister for the South West)
The Rt. Hon. Nicholas Brown, MP (Minister for the North East of England)
Liam Byrne, Esq, MP (Minister for the West Midlands)
The Rt. Hon. Caroline Flint, MP (Minister for Yorkshire and the Humber)
Barbara Follett, MP (Minister for the East of England)
Phil Hope, MP (Minister for the East Midlands)
The Rt. Hon. Beverley Hughes, MP (Minister for the North West)
The Rt. Hon. Tessa Jowell, MP (Minister for the Olympics and London)
Jonathan Shaw, MP (Minister for the South East)

SECOND CHURCH ESTATES COMMISSIONER, REPRESENTING CHURCH COMMISSIONERS—Sir Stuart Bell, MP

HOUSE OF COMMONS

THE SPEAKER—The Rt. Hon. Michael J. Martin, MP

CHAIRMAN OF WAYS AND MEANS—The Rt. Hon. Sir Alan Haselhurst, MP

FIRST DEPUTY CHAIRMAN OF WAYS AND MEANS—Mrs. Sylvia Heal, MP

SECOND DEPUTY CHAIRMAN OF WAYS AND MEANS—Sir Michael Lord, MP

CHAIRMEN'S PANEL

David Amess, Janet Anderson, Peter Atkinson, Hugh Bayley, Anne Begg, Joe Benton, John Bercow, Sir John Butterfill, Martin Caton, Christopher Chope, Frank Cook, John Cummings, Janet Dean, Roger Gale, Mike Hancock, Jim Hood, Joan Humble, Eric Illsley, Martyn Jones, Dr. William McCrea, David Marshall, Eric Martlew, Edward O'Hara, Bill Olner, Greg Pope, David Taylor, Mike Weir, Hywel Williams, David Wilshire, Ann Winterton, Sir Nicholas Winterton

HOUSE OF COMMONS COMMISSION

The Rt. Hon. The Speaker (Chairman), Sir Stuart Bell, MP, The Rt. Hon. Harriet Harman, QC, MP, Nick Harvey, MP, The Rt. Hon. David Maclean, MP, The Rt. Hon. Mrs. Theresa May, MP

SECRETARY OF THE COMMISSION—Andrew Kennon

ASSISTANT SECRETARY—Jenny McCullough

ADMINISTRATION ESTIMATE AUDIT COMMITTEE

The Rt. Hon. Mrs. Theresa May, MP (Chairman), Nick Harvey, MP, Sir Thomas Legg, KCB, QC, David Taylor, FCA

SECRETARY OF THE AUDIT COMMITTEE—Tracey Garratty

MANAGEMENT BOARD

Malcolm Jack, PhD (Chief Executive), Douglas Millar, CB (Director General, Chamber and Committee Services), John Pullinger (Director General, Information Services), Andrew Walker (Director General, Resources), Sue Harrison (Director-General, Facilities) (Temporary), Joan Miller (Director of Parliamentary ICT) (External Member)

SECRETARY OF THE MANAGEMENT BOARD—Philippa Helme

SPEAKER'S SECRETARY—Angus Sinclair

SPEAKER'S COUNSEL—John Vaux

SPEAKER'S CHAPLAIN—Rev. Canon Robert Wright

MEDICAL ADVISER TO THE SPEAKER—Dr. Ron Zeegen, OBE, FRCP, MRCS, DObst, RCOG

PARLIAMENTARY COMMISSIONER FOR STANDARDS—John Lyon, CB

PARLIAMENTARY SECURITY CO-ORDINATOR—Peter Mason

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 472**

SIXTH VOLUME OF SESSION 2007-2008

House of Commons

Monday 18 February 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Poverty

1. **Ms Celia Barlow** (Hove) (Lab): What steps he proposes to take to work with the voluntary sector to tackle poverty. [186542]

The Secretary of State for Work and Pensions (James Purnell): The Government see a vital role for the voluntary sector in tackling poverty. In 2006, more than a quarter of new deal main contracts were awarded to voluntary sector organisations and more than a third of subcontractors are from the sector. Next week, the Department will publish its commissioning strategy. Throughout the consultation on the strategy, we have made it clear that the voluntary sector will play a growing role.

Ms Barlow: Volunteering provides a much-needed road into employment for many of the long-term unemployed. Brighton and Hove volunteer centre in my constituency has worked with more than 400 voluntary organisations this year, providing the unemployed with much-needed skills, necessary references and some confidence. What does my right hon. Friend hope to do to help provide that service?

James Purnell: I wish to start by paying tribute to my predecessor and the radical programme of welfare reform that he established. I am honoured to be building on the work that he achieved.

I congratulate the centre that my hon. Friend mentioned and reassure her that volunteering and the voluntary sector are at the heart of our programmes to get people back into work. Volunteering can teach people important skills that bring them closer to the labour market, and the voluntary sector plays a growing role in getting people who are on incapacity benefit and those in the new deal back into work.

Chris Grayling (Epsom and Ewell) (Con): I welcome the Secretary of State to his position and look forward to debating with him in the months ahead. I also welcome the Minister for Employment and Welfare Reform to his new Front-Bench job. He and I have had debates in the past and it is a pleasure to see him there.

Are the Government on track for achieving their target of halving child poverty by 2010?

James Purnell: The Government are committed to the goal of reducing child poverty. We continue to keep the strategy under review and we will make announcements at the appropriate time. However, it is surprising that the hon. Gentleman raises the issue when I do not believe that the Conservative party is committed to even an aspiration, let alone a pledge, to reduce child poverty. Perhaps he would like to answer that point.

Chris Grayling: I look forward to our changing jobs in the near future. From the lack of an answer to my question, I judge that the Government will not achieve their target of halving child poverty by 2010. Will the Secretary of State give the House a sense of when the Government hope to achieve that target?

James Purnell: As I said, the Government are committed to the target. The House will notice that the hon. Gentleman ducked the question on whether the Conservative party is committed to the goal. Under his predecessor, it was at least an aspiration, but it is not even that now. He is not prepared to say that he shares the aspiration of getting children out of poverty in this country, which is shameful.

Child Support Agency

2. **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): What assessment he has made of the performance of the Child Support Agency following the introduction of the operational improvement plan. [186543]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): The agency's performance has improved significantly since the operational improvement plan was launched in April 2006.

In simple terms, thanks to the plan, so far, 80,000 more children are being supported by an extra £140 million of payments. The number of uncleared cases is falling steadily and processing times are speeding up.

Mr. Flello: Several of my constituents are on the old CSA system and fear that they are consequently worse off. What advice can my hon. Friend give my constituents? In what time frame can they expect to be moved off the old system?

Mr. Plaskitt: We all have a sense of frustration about the timing, and about the difficulties that the existence of two schemes running side by side creates. However, as we have always said, transfer from one to the other could not be undertaken safely or have any chance of being completed until the IT system was up to scratch. That is where the big problem lies. My hon. Friend knows that, as part of the operational improvement programme, major investment is now being made in IT and that there will be a major re-engineering at Easter. From next year, as we move to the new commission arrangement, parents will be able to choose whether to have a private arrangement, stick with an existing scheme that works or move into the new system. After that, we can migrate everyone to one unified system.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The Under-Secretary may know that I held an Adjournment debate as long ago as 24 July last year on the CSA constituency case of Mrs. Sonia Poulton. I do not know how he can stand at the Dispatch Box and say that the agency's performance is getting better. I have corresponded with him since the Adjournment debate, to which the Under-Secretary of State for Work and Pensions, the hon. Member for Stirling (Mrs. McGuire) replied. I tabled a pursuant question for answer on 17 January, and it has not been answered—

Mr. Speaker: Order. Another Adjournment debate might be in order.

Mr. Plaskitt: I said that the CSA was performing better; I did not say that it had reached a state of perfection. I hope that the hon. Gentleman will acknowledge that the fact that 80,000 more children are being supported, that £140 million more is being collected in maintenance, that the number of uncleared cases is down by 45 per cent. since the plan started and that the agency is now clearing 50 per cent. of cases within six weeks is all improvement. I fully accept that there are still problems with some cases, and I will look into the constituency case that he raises. I will consult colleagues who have dealt with the correspondence and come back to him.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I welcome the improvements in the operational improvement plan that my hon. Friend outlined. He mentioned the computer upgrade, which is due at Easter and upon which a great deal depends. Will he meet me to discuss how staff such as those at the Plymouth office can be encouraged in the work that they are doing, despite the uncertainty that the future holds for them, so that he can continue to make such announcements at the Dispatch Box in future?

Mr. Plaskitt: My hon. Friend will know that I have visited the Plymouth office, where I discussed with the staff both the agency's current performance and the move to the new commission arrangement. I am pleased to report that the staff are behind the work that the Department is doing and fully support the move to the commission. In so far as they have any reservations about their status, which they raised when I visited, we have been able to resolve them by telling the staff that they will remain Crown employees. The staff fully support the changes that we are making, because they want to be part of a child maintenance arrangement that works.

Andrew Selous (South-West Bedfordshire) (Con): The abolition of pension contribution limits means that children are suffering, as huge pension contributions are now allowable deductions from income assessed for child support. A mother from your hometown, Mr. Speaker, has called this "a loophole that can be exploited by parents lining their own pockets, rather than paying for their responsibilities." Her MP, the hon. Member for East Renfrewshire (Mr. Murphy), has called this clearly unfair. Does the Minister agree, and will he ensure that the law is changed?

Mr. Plaskitt: As I have already pointed out, despite such issues, the agency is collecting £140 million more in child support than it was before, on behalf of 80,000 more children. The hon. Gentleman knows that when the commission takes over later this year, there will be an opportunity to review other aspects of the agency's arrangements—he and I have debated the issue in Committee, and he knows that to be the case. The important thing is to ensure that we build a platform of success within the existing agency for when the commission takes over. It will then have the opportunity to review all the arrangements covering the current maintenance systems.

Mr. Frank Field (Birkenhead) (Lab): I congratulate the Minister on the improvements he has announced today. Will he indicate—if not now, in a note in the Library—how many children have to wait six months and how many have to wait more than 12 months before the first of their often irregular maintenance payments arrives?

Mr. Plaskitt: I can certainly supply my right hon. Friend with that information. He is right that there are unacceptable waits in some cases—after all, 38 per cent. of non-resident parents are failing to pay part or all of their maintenance assessment. That is clearly not acceptable, but we are dealing with people who will sometimes go to the most extraordinary lengths to avoid facing up to their clear responsibility, and the agency cannot always do all that it would like in going after them. However, in addition to the improvements to which I have referred, the agency is now taking a record level of enforcement action to go after the non-resident parents who will not pay, with record numbers of charging orders, suspended committal sentences, removals of driving licences and deduction from earnings orders, as well as doing more than ever before to collect arrears.

Poverty

3. **Mr. Greg Hands** (Hammersmith and Fulham) (Con): What recent assessment he has made of poverty rates among disadvantaged groups. [186544]

The Secretary of State for Work and Pensions (James Purnell): We have made considerable progress in tackling poverty. Since 1998-99, the number of pensioners in relative poverty has fallen by more than 1 million, and the number of individuals in relative poverty living in households continuing a disabled person, after housing costs, has fallen by about 900,000. There are now 600,000 fewer children living in relative poverty, before housing costs, than there were in 1998-99.

Mr. Hands: The UK has a higher proportion of children living in workless households than any other EU country and, according to the Sutton Trust, social mobility in the UK is at the lowest level of any developed country. What connection does the Minister make between those two facts?

James Purnell: I make the connection that, for 18 years, there was a huge rise in child poverty—*[Interruption.]* That is a serious point. We cannot measure the life chances of a child who is 10 years old, which is the oldest that they could be if they had spent the whole of their life growing up under this Government. Those figures clearly measure life chances over the past two or three decades. We inherited a significant problem of child poverty; we have cut it by 600,000, and we have measures in place to cut it by another 300,000. The proportion of children in workless households has fallen by 400,000 under this Government. It was rising under the Tories, which damaged children's life chances, but it is now falling under us. Over the next 20 years, as we are able to judge those children's life chances, I believe that we will see a significant improvement.

Tony Lloyd (Manchester, Central) (Lab): Will my right hon. Friend confirm that, when dealing with families living at the bottom end of the economic ladder and those with young children, there can be no scope for using the removal of housing as part of the process of getting people back into the world of work? Will he confirm that there are better ways of doing that, and that it would be unworkable and unacceptable to use housing as a weapon in that way?

James Purnell: I think that my hon. Friend is referring to the debate that the Minister for Housing has started about people's responsibilities in respect of social housing. It is right that, when people get social housing, which is much sought after, we should talk about the responsibilities that go with that. That is exactly the debate that my right hon. Friend has started. One thing that could be done, for example, is to ensure that applicants for social housing get employment support alongside it. We could take other measures as well. That is a debate that my right hon. Friend the Minister and I will be happy to have with my hon. Friend in the coming weeks.

Tony Baldry (Banbury) (Con): The Department's own statistics on households on below-average incomes show that, since 2001, the bottom 10 per cent. of families have become worse off. They are going backwards and getting poorer. How has that come about?

James Purnell: The figures on the proportion of people who are on below 40 per cent. of median earnings—I think that is what the hon. Gentleman was referring to—have been described by the Office for National Statistics as not reliable. For example, there are many people in that category who do not declare any income at all. There may well be a certain amount of fraud in those figures, and the sample size is too small anyhow. The figures that are internationally recognised, which relate to those on less than 60 per cent. of median earnings, have shown a fall of 600,000 since 1997, and we have measures in place for another 300,000 to be taken out of poverty. The clearest contrast, however, is the one between this Government, who are committed to reducing child poverty, and the Opposition, who will not even say that they have an aspiration to reduce it.

David Taylor (North-West Leicestershire) (Lab/Co-op): I see from the Annunciator that, following these questions, the Chancellor is to make a statement that will help us to deliver on our 1983 manifesto pledge on banking. Will the Secretary of State tell us whether it will be 25 years before we deliver on our 2005 manifesto commitment to a full programme of action to support disabled people in leading independent lives and to increase their inclusion in the economy and in society? The Independent Living Fund has just announced that it is raising from £200 to £320 the threshold sum that a disabled person must be receiving from local authorities in order to access ILF funding. Will not this worsen poverty and increase disabled people's exclusion from society?

James Purnell: I believe that that was done in consultation with local authorities and will not affect existing claimants. We do not think that a significant number of people will be affected. My hon. Friend is right, however, to say that the Government have a radical goal of getting equality for disabled people by 2025, and we have a number of policies in place to achieve that. However, I would be happy to talk to him if he has any further suggestions on what course the Government should be pursuing.

Mr. Mark Harper (Forest of Dean) (Con): The recent report by Leonard Cheshire Disability shows that disabled people are twice as likely to live in poverty as non-disabled people; I know that the Secretary of State will be

familiar with that. Over the past 10 years, the employment rate of people with work-limiting disabilities has risen by just 3.7 per cent., according to the Government's own figures. What specific policies do the Government have to enable them to do better in future, and why should anyone think that they are any more likely to be successful?

James Purnell: I look forward to meeting Leonard Cheshire Disability and I am happy to look into the suggestions it has made. As the hon. Gentleman says, there has been an improvement in the employment rate of disabled people, but we want to go further. Reforming incapacity benefit by introducing the employment and support allowance will, we believe, help to get about 1 million people off incapacity benefit and into work. At the end of the spectrum where people have really significant barriers to work, we should be clear that we are not saying that they cannot work—we want to support everyone who wants to work—but we are seeing what more control we can give people in that situation so that disabled people, like everybody else, can have the expectation of being able to get into work.

Pensions

4. **Mr. Henry Bellingham** (North-West Norfolk) (Con): If he will meet pensioner groups from East Anglia to discuss payment of old age pensions and related benefits. [186545]

The Minister for Pensions Reform (Mr. Mike O'Brien): I regularly meet national pensioners' organisations, which seek to reflect the views of pensioners from East Anglia and other parts of the country. I hope to visit Norwich in the next few months and I intend to meet a pensioners' group there.

Mr. Bellingham: I thank the hon. and learned Gentleman for that reply, but is he aware that the number of pensioners living in households earning less than 40 per cent. of the national average income is rising to a figure of nearly 500,000? Is he aware, more particularly, that pensioners in East Anglia have been hit especially hard by council tax increases—so much so that many pensioner households are now spending a very large percentage of their income on council tax bills? What plans does the Minister have to help those pensioners who just miss out on council tax rebate to get some respite?

Mr. O'Brien: I would hesitate, if I were a Conservative, to complain about pensions, given that under the Conservative Government the poorest pensioners were forced to exist on only £69 a week—barely enough, one would have thought, to pay for a bottle at the Bullingdon club. We have done an awful lot to help pensioners, and the number of pensioners living in relative poverty has fallen by more than 1 million since 1997. Just before Christmas, I announced some new proposals to help large numbers of pensioners who are not claiming pension credit or, indeed, the help that they need with council tax at the moment. When these proposals come into effect next year, we will mount a campaign to encourage pensioners to apply for help with council tax, which will automatically bring them some of the other benefits to assist them more widely. Pensioners' organisations asked for that, and they have broadly welcomed it.

Andrew Mackinlay (Thurrock) (Lab): Will the Minister look again into the disadvantage suffered by people who reach retirement age, but are in receipt of a carer's allowance and are caring for their loved ones? By what logic are they penalised or disadvantaged, particularly bearing in mind the fact that some devolved Assemblies in the UK are about to consider unilaterally remedying that wrong?

Mr. O'Brien: I looked into this problem recently, as some carers raised it with me. The benefits system does not allow for double payments. We are looking into ways of helping pensioners better to deal with some of the problems that they face. There are anomalies whereby someone living in an area receives help while the person living next door does not—and these are a matter of concern to us. I do not have an easy answer for my hon. Friend now, but I recognise the nature of the problem. It is an expensive problem to resolve, but we are still looking into ways of doing so.

Child Poverty

5. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): Whether his Department plans to simplify the welfare system with a view to reducing child poverty as recommended by the Scottish Affairs Committee in its report, "Child Poverty in Scotland". [186546]

The Minister of State, Department for Work and Pensions (Mr. Stephen Timms): The reduction in poverty has been greater in Scotland than elsewhere, but there is undoubtedly more to do. I welcome the Scottish Affairs Committee report and we will respond to it fully in due course. We need a simpler benefits system to make it easier for people to make claims and understand their responsibilities.

Mr. Carmichael: The Minister will be aware that one of the ideas canvassed by the Scottish Affairs Committee, for which some enthusiasm was expressed by those giving evidence, was the equalisation of child benefit rates. What consideration is the Department giving to that idea, and when can we expect it to share its thinking with us?

Mr. Timms: All I can say at this stage is that we will respond in full to the proposals in the report, which I welcome, as I welcome the hon. Gentleman's contribution to it. We are taking a number of steps to simplify the benefits system, including the introduction of the employment and support allowance, to which my right hon. Friend the Secretary of State referred earlier. We want a system that makes it clearer to people what they are entitled to and how they can access it. As I say, we will respond to the detailed proposals in the report in due course.

Mr. Jim Devine (Livingston) (Lab): As a member of the Committee, may I say that one of the most concerning aspects that we came across was that disabled children are four times as likely to be in poverty as non-disabled children? Does my right hon. Friend share my concern

that of the £34 million allocated by the Government and specifically targeted on that disadvantaged group, not one penny has reached a health board, a local authority or a social work department? Will he join me in condemning the Scottish Government for their behaviour?

Mr. Timms: I am very happy to condemn the Scottish Government. My hon. Friend raises an important point. He knows that the children and young people's review, conducted as part of the comprehensive spending review, has a major focus on the needs of disabled children and improving their life chances. I welcome his contribution.

Miss Julie Kirkbride (Bromsgrove) (Con): Will the Minister answer the question posed by my hon. Friend the Member for Epsom and Ewell (Chris Grayling) but ducked by the Secretary of State on what year the Government intend to reach their target of halving child poverty in Scotland and elsewhere in the United Kingdom?

Mr. Timms: I understand that the target has been reached in Scotland. As my right hon. Friend the Secretary of State said, we remain committed to making further progress and to the abolition of child poverty entirely by 2020. We have made good progress. The number of children growing up in poverty has fallen by 600,000 since 1997, it having doubled under the policies of the Conservatives.

Worklessness

6. **Mr. David Gauke** (South-West Hertfordshire) (Con): What assessment he has made of trends in the level of worklessness among under 25-year-olds since 1997. [186547]

9. **John Penrose** (Weston-super-Mare) (Con): What assessment he has made of trends in the level of worklessness among under 25-year-olds since 1997. [186552]

The Minister of State, Department for Work and Pensions (Mr. Stephen Timms): The level of 16 to 24-year-olds not in work or full-time education has fallen from 17.8 per cent. in 1997 to 16.9 per cent. today.

Mr. Gauke: I welcome the Minister to his new position. Given the high figure of people aged 16 to 24 who are out of work, and in particular given that the number of people in that age group who are economically inactive and not in full-time education has increased by 144,000 since 1997, does he still maintain the position that the current Prime Minister advocated in 2005, that youth unemployment has been virtually abolished?

Mr. Timms: I thank the hon. Gentleman for his kind welcome. Let me make two points. First, it is true that the population of young people has increased, but the percentage—the proportion—not in education, employment or training has fallen, as I said to him. Secondly, it is also the case—this is the important point—that many fewer young people today are unemployed for long periods, and the periods in which they are out of education, employment or training tend to be short.

To pick up on the point about my right hon. Friend the Prime Minister, in May 1997, more than 85,000 18 to 24-year-olds had been claiming jobseeker's allowance for more than 12 months. That fell last month and it is now fewer than 7,000. My right hon. Friend was absolutely right.

John Penrose: May I pick the Minister up on his point about the duration of employment of young people? Does he agree that it is scandalous that the proportion of people who have been through the Government's new deal for young people and still have a job within one year of leaving is less than one half of those people who get a job in the first place? In other words, one out of two lose their job within the first year. Does he agree that that figure urgently needs to be improved?

Mr. Timms: I can tell the hon. Gentleman that 750,000 young people have gone into work through the new deal; much of that has been sustained work. That is the reason for the dramatic improvement in unemployment across the economy. He may well have seen the employment figures published last week, which show that more people in the UK are in work than ever before—almost 29.4 million—and that for the first time since June 1975 the number of people claiming unemployment benefits has fallen below 800,000. That is dramatic progress. The new deal for young people is an important part of the explanation for that. Of course we need to go further, and we will do, but employment opportunities today are unprecedented for young people and others. We are determined to make the most of them.

Andrew Miller (Ellesmere Port and Neston) (Lab): Will my right hon. Friend look at the progress made in the Cheshire Oaks retail area in my constituency, where he will see a partnership between the FE college, local authorities, the DWP and employers, who together have set up a retail training centre, which has had a profound impact on the life chances of people from some of the most disadvantaged parts of the constituency? Will he discuss that with his opposite numbers in the Department with responsibility for employment and see whether the model can be applied elsewhere?

Mr. Timms: My hon. Friend is absolutely right. Very good progress is being made as a result of the partnership arrangements that he describes. He gave a good constituency example of local employment partnerships. Last Thursday I was at the Nissan plant in Sunderland, signing a local employment partnership with the company. We have said that through Jobcentre Plus and its partners we will ensure that people have the skills and abilities to secure the jobs that are available, the other side of the deal being that employers will give disadvantaged unemployed people a fair crack at those jobs. I am confident that we will continue to make substantial progress in reducing the number of people who have been out of work for some time.

Mr. David Kidney (Stafford) (Lab): This September, the new 14-to-19 curriculum and the first of the new diplomas will begin. The number of apprenticeship places is expected to continue to rise, from the current 240,000 to the eventual target of 400,000 a year, and in

due course we will make it compulsory for 16 and 17-year-olds to remain in education and training. How will Jobcentre Plus be involved in those developments? May I suggest that it can play an important role in continuing to engage employers in providing for the necessary expansion in skills training opportunities?

Mr. Timms: Jobcentre Plus will continue to play a central role in brokering partnerships and the other arrangements that my hon. Friend has described. It is true that we must address skills increasingly in the welfare system.

My hon. Friend was also right to draw attention to the growing number of apprenticeships, which almost disappeared altogether under the last Government. Now, 100,000 apprenticeships are being completed each year, and we have the longer-term objective outlined by my hon. Friend. In future, people taking up the flexible new deal will go to Jobcentre Plus, where they will be helped by advisers; specialist tailored help will then be given by others who are contracted through Jobcentre Plus, which will thus have a central role, while working with a wide array of partners.

Ann Winterton (Congleton) (Con): Is it not a fact that 1.25 million people between the ages of 16 and 24 are neither in work nor in full-time education, more than when the Government came to office? Is it not also true that half a million young people up to the age of 35—I consider them still to be young—are not in employment at all? Have not the millions of pounds spent by the Government on various schemes missed their target?

Mr. Timms: Certainly not. Let me repeat what I told the hon. Member for Weston-super-Mare (John Penrose). The proportion of young people not in education, employment or training is down, not up, and many fewer young people are unemployed for long periods. I also refer the hon. Lady to the employment figures published last week. They showed a rise in the employment rate and a fall in the unemployment rate, a fall in the claimant count in every English region—and in Wales and Scotland—a rise in the number of vacancies, and the fewest redundancies across the economy in the last quarter of last year since records began in 1995. Those are the results of the new stability achieved in the United Kingdom's economy over the past 10 years, and of our active labour market policies.

Mr. James Clappison (Hertsmere) (Con): I join others in welcoming the Minister to his new post. May I gently suggest that he avoid some of the woes that his predecessors have experienced in trying to suggest that the huge increase in the number of foreign workers is some sort of answer to the deep-seated problem of youth unemployment? Should he not face the fact that the new deal has too often acted as a revolving door taking young people from one period on benefits to another, which is reflected in the statistic that youth unemployment is 13 per cent. higher than it was when the Government took office? Is there not also a connection between that and the 400,000 increase in the number of young people living in poverty since 1997, which means that nearly a third of them are in that position? Is it not time that the Government faced up to those problems, and we saw some fresh thinking?

Mr. Timms: I am grateful to the hon. Gentleman for his welcome, but he needs to look at the figures a little more closely. It is a shame that Opposition Members were not worrying about this group of young people when the Government they supported were doubling the rate of child poverty between 1979 and 1997. He appears in the figures he has cited to have included full-time students, who are certainly in no sense part of a lost generation; they are being prepared for the opportunities ahead. Unemployment is down, the claimant count is down, and the number of young people claiming jobseeker's allowance for more than 12 months has fallen from 85,000 in May 1997 to fewer than 7,000 today. We will continue to make sure that the substantial number of opportunities being created in the economy are available, including to people who have been out of work for a long time.

Sunbeds

7. **Mrs. Siân C. James** (Swansea, East) (Lab): If he will hold discussions with the Health and Safety Executive on the regulation of sunbeds. [186548]

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): The Government's cancer reform strategy commits the Department of Health to review options for controlling health risks through regulation of the sunbed industry, in consultation with relevant stakeholders, including the HSE.

Mrs. James: I thank my hon. Friend for her answer, but I ask her to make representations to the HSE on the leaflet IND(G)209. I am particularly concerned about the leaflet, as it has not been updated since 1995 and it needs to include important information for young people on sunbed use. Please will she ensure that?

Mrs. McGuire: I thank my hon. Friend for her question, which is important as malignant melanoma of the skin is among the five most common cancers in the 15 to 24 age range, and it is estimated that skin cancer rates will treble over the next 20 to 30 years. I can give my hon. Friend the assurance that the HSE is shortly to put out for consultation a revision of its guidance on sunbeds, and that the guidance advises that all tanning salons should be staffed and calls up World Health Organisation guidelines that people under 18 years of age should avoid sunbed use.

Affordable Credit

10. **Mr. Russell Brown** (Dumfries and Galloway) (Lab): What steps he is taking to improve the access of benefit recipients to affordable credit; and if he will make a statement. [186553]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): Access to affordable credit is vital to help tackle vulnerability and reduce poverty. Total Government investment in the growth fund has now reached £80 million, and that is helping to fund tens of thousands of affordable loans to people in receipt of benefit.

Mr. Brown: I thank my hon. Friend for that response, but many benefit recipients remain exposed to the activities of some loan companies that conduct their business along the lines of sub-prime lending. Does he agree that there is much to be gained by his Department co-operating with colleagues at the Department for Business, Enterprise and Regulatory Reform in the promotion of easy-to-access credit unions?

Mr. Plaskitt: Yes, I agree with my hon. Friend, and he is absolutely right to point out that many people are victims of the doorstep loan sharks, who sometimes apply interest rates in excess of 1,000 per cent. without, of course, declaring that. We want to protect people from having recourse to such unaffordable credit, and the investment we are making through the growth fund is leading to a substantial expansion of the credit union movement. My hon. Friend is right that we are working with colleagues in the Department for Business, Enterprise and Regulatory Reform, which is funding hundreds of advisers who are working in local areas giving free, face-to-face advice to people on managing their debt.

Mr. Bill Olner (Nuneaton) (Lab): Will my hon. Friend redouble his efforts and get in contact with credit unions, which up and down the country do tremendous work in ensuring that good credit is available to low-income families? My own union in Nuneaton is doing very well, but I have to say that if we put as much effort into this area as we have done into saving Northern Rock, we would help an awful lot more people at the poor end of the stick.

Mr. Plaskitt: The credit union in Nuneaton is one of the credit unions that is receiving additional support through the growth fund investment that we are making. That investment is helping to increase substantially the scope of this country's credit union movement. I know that in some areas where growth fund money is being invested the number of people joining local credit unions has doubled, and we hope to see much more of that as we go forward with the next two or three years of growth fund investment. We are finally putting resources behind expanding an important sector that is working in all of our communities and assisting people on low incomes.

Lone Mothers (Work Assistance)

11. **Mr. Eric Joyce** (Falkirk) (Lab): What recent steps he has taken to help lone mothers into work. [186554]

The Minister of State, Department for Work and Pensions (Mr. Stephen Timms): There has been a welcome and large rise in lone-parent employment in the past 10 years. From October, lone parents with older children will be required to seek employment. From April, the in-work credit will be available nationally, and we will pilot a new credit to ensure that lone parents are at least £25 a week better off in work.

Mr. Joyce: I thank my right hon. Friend for that answer. Recently, I visited the solve-it programme at Falkirk football club with my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne). It has an objective of getting 65 per cent. of single mothers who attend back into work, and it has recently been hitting that objective successfully. Will my right hon. Friend the Minister join me in commending the solve-it programme and all those involved in it? Does he agree that it is a great example of how a football club can truly serve its local community?

Mr. Timms: I am pleased to share my hon. Friend's commendation of that initiative. We are also ensuring that lone parents are better off financially in work, because work is good for people's health, their children and the self-esteem of their children. Everybody benefits when lone parents can get back into work, and I welcome the work in my hon. Friend's area.

Miss Anne McIntosh (Vale of York) (Con): Everybody would wish to support genuine lone mothers back into work when that is appropriate. However, does the Minister not appreciate that the current tax and benefits system discriminates against married couples? Will he look into that at the earliest possible opportunity?

Mr. Timms: The hon. Lady is absolutely right that everybody is better off when parents are in work. We have made the changes that I have referred to for lone parents, but the point also applies to couples. It is in everybody's interests for people to be in work. Where there is a question whether people are better off in work, Jobcentre Plus advisers can make a calculation to show the financial gains of work, and the better off in work credit will help further. I think that we can agree across the House that it is in everybody's interests for parents to be able to work.

Kerry McCarthy (Bristol, East) (Lab): My understanding is that, under the new deal for lone parents, when lone parents attend jobcentres for interviews their child care and travel costs are met, whereas when they move to the new jobseeker's allowance regime they have to meet those costs from their benefits, which could act as a bit of a disincentive and perhaps lead to sanctions. Will the Minister undertake to look into that, to ensure that lone parents who move from the new deal to the JSA regime are not disadvantaged in such a way?

Mr. Timms: I will certainly examine that point. We want to ensure that lone parents plan for a better future for themselves and their children, and that will require lone parents moving on to more appropriate benefits when their youngest child is 12 and over from October this year, as she knows, and 10 and over and seven and over later. I shall certainly examine her point and drop her a line in response.

Fuel Poverty

15. **Paul Flynn** (Newport, West) (Lab): What plans his Department has to provide further assistance to people experiencing fuel poverty. [186560]

The Minister for Pensions Reform (Mr. Mike O'Brien): We expect to pay 12 million winter fuel payments this winter. In addition, the Pension Service is currently working with energy suppliers to target further help to 250,000 vulnerable pensioners in receipt of pension credit throughout England, Scotland, and Wales. We

are also working closely with other Departments to develop a cross-governmental strategy to help further reduce fuel poverty.

Paul Flynn: Will the allowances for fuel increase in line with the cost of fuel this coming year?

Mr. O'Brien: That is a decision that the Chancellor will no doubt announce in due course. It is not for me.

Mr. Speaker: I call Anne Moffat; I call Anne Snelgrove. Is Sally Keeble here? No—what I can do is to move on to Topical questions.

Topical Questions

Mike Penning (Hemel Hempstead) (Con) *rose—[Interruption.]*

Mr. Speaker: Order. It is not the hon. Gentleman's fault that others cannot be here.

T2. [186533] **Mike Penning:** If he will make a statement on his departmental responsibilities.

The Secretary of State for Work and Pensions (James Purnell): Last November the Government announced a strategy for reducing the number of young people who are not in education, employment or training. As part of those proposals, from next April all young people who have not been in employment, education or training for at least 26 weeks by the time of their 18th birthday will be fast-tracked to the intensive support and sanctions regime of the new deal. If they fail to find work after six months, they will be referred to a specialist provider from the voluntary or private sector.

I can announce today that we will look to contract with providers who will work with young people in this category to do substantial amounts of work-related activity, underpinned by a minimum of four weeks' full-time work-related activity relevant to the individual. That is an important new initiative to connect young people to the world of work and ensure that they learn basic skills such as teamwork and work-related disciplines, including timekeeping.

Mike Penning: May I say that that was absolutely fascinating? However, two years on from the Buncefield, explosions the inquiry is still going on behind closed doors. Although I criticise its being done behind closed doors, I have no criticism of Lord Newton and his team. Could the Secretary of State assist the inquiry team in reaching a conclusion on whether a criminal prosecution should take place and whether compensation can be paid to my constituents who have suffered so much?

James Purnell: I hope that the hon. Gentleman is interested in my more general announcement, as many Conservative Members have raised the issue of people not in employment, education or training.

I know that the hon. Gentleman has been campaigning vigorously on the issue that he raises. I will ask the Health and Safety Executive for an update on progress and I would be happy to meet him to discuss his concerns. Clearly, everyone wants to bring the matter to a conclusion as rapidly as possible.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I congratulate the Secretary of State on his deserved promotion, but since he took office pronouncements on welfare reform have sent mixed messages: on the one hand, they have threatened to take people's houses, and on the other, they have promoted the idea of financial incentives. When will he face up to the real barriers put up to benefit claimants by the huge complexity of the benefit system, which he has not so far addressed? Will he start by introducing plans for a single working-age benefit, which would do a lot to reduce barriers to work for many benefit claimants?

James Purnell: As the hon. Gentleman knows, I am happy to consider the issue that he raises. It has been considered by many Secretaries of State and the question is always how one moves to such a system without creating a large number of losers, which would it make very difficult to introduce, and compensating all those losers, which would make it very expensive. A single working-age benefit system is desirable in theory, but whether it could be achieved cheaply in practice is a very different question.

Mr. Jim Devine (Livingston) (Lab): This week I am meeting the office bearers of the Livingston and Blackburn credit union, who are a formidable group. At present, only individuals can join credit unions, but the officers want to know whether groups, such as mother-toddler groups, can be allowed to join. Has my right hon. Friend given any thought to that idea?

James Purnell: I am happy to raise that point with colleagues in the Treasury and the Department for Business, Enterprise and Regulatory Reform. As my hon. Friend knows, we are increasing significantly the support that we give to credit unions to address financial exclusion. There is also a significant role for the social fund, and we will bring forward proposals shortly.

T3. [186534] **Mr. Gerald Howarth** (Aldershot) (Con): How much is being spent on benefits for migrant workers and their families, especially those from eastern Europe? Is he aware that there is growing concern about what many people believe to be an abuse? What is he going to do about it?

James Purnell: If the hon. Gentleman knows of a specific abuse, he should raise it and I would be happy to look at it. A key part of being in the European Union is that, just as when people from this country retire to Spain they have access to social services there, when people from other parts of the EU come here, they have access to the same support here. The European Union has been very good for our economy and those of other member states, and it will continue to be so. I believe that we disagree on that particular issue.

David Taylor (North-West Leicestershire) (Lab/Co-op): In reference to the Secretary of State's earlier announcement, does he agree that the Connexions

organisation is doing a superb job in trying to tackle the category of young people who are not in education, employment or training—the NEETs? Connexions Leicester Shire, which has an office next door but one to mine, is a wholly owned subsidiary of Leicestershire county council and Leicester city council. This year, Connexions Leicester Shire is targeting especially white British young people who live in disadvantaged areas of west Leicester and west Leicestershire. Is it right that it should target specific subsets of hard-to-reach young people? NEET numbers do show some resistance to decline over the years.

James Purnell: My hon. Friend is right to say that the Connexions service plays a vital role in the agenda. My announcement included the need for Jobcentre Plus and Connexions to work closely together. They will work closely with young people before those young people reach the age of 18. A key part of that policy will be to raise the education leaving age to 18. We are saying that we believe that once people reach 18, if they have been out of education, employment or training for six months, they should be fast-tracked into a system whereby, if they do not find a job within six months, they will be required to do a substantial amount of work-related activity for at least four weeks. We will also be looking for providers who want to put that at the heart of their strategy to get young people back into work.

T4. [186535] **Justine Greening** (Putney) (Con): Will the Secretary of State meet me to discuss regeneration on the Alton estate in my constituency? Despite his deprived areas stats and all the money that is being targeted at communities to help tackle joblessness, the subject of opportunities is being missed. Only the cohort of people in such areas is considered, rather than the opportunities that are provided afterwards in those areas for people who live there already. Will he meet me to talk through the issues so that we can make the most of regeneration in Roehampton and not miss the important opportunities for those who live on the Alton estate?

James Purnell: I know that the hon. Lady has raised the issue before and is worried that the Roehampton area has not been included in the fund. The fund was allocated according to criteria of need, and that is the right way of doing it. I am happy to look at the evidence that she has raised but, clearly, basing the distribution on need is the fairest way of proceeding.

T5. [186536] **Sir Nicholas Winterton** (Macclesfield) (Con): Youth unemployment remains a problem. I do not want to bandy statistics about, but I would like an answer from the Minister. Macclesfield boasts one of the most advanced learning zones in the country: a virtually new secondary school; a virtually new college; and a sixth-form centre. What initiatives will the Government take to ensure that courses are available at the college, in particular, to attract young people who are economically inactive? I believe that the college and its joint facilities with the school and sixth-form centre provide a golden opportunity to encourage more young people to come into work and to stay in work.

James Purnell: Given all those achievements, I suggest that the hon. Gentleman's constituents vote Labour at the next election to ensure that the investment continues.

T6. [186537] **Mr. Philip Hollobone** (Kettering) (Con): Over the past five years, some £22 million has been given to permanent expatriates who live elsewhere in the European Union in the form of the winter fuel payment. That figure includes more than £12 million to permanent expatriates in Spain, Malta and Cyprus. At a time when pensioners are struggling to pay rising winter fuel bills in this country, is it not ludicrous that a large amount of public money should leave the UK in the form of winter fuel payments to go to people who live in far warmer climates?

The Minister for Pensions Reform (Mr. Mike O'Brien): The people who are abroad and in receipt of winter fuel payments are, by and large, people who have worked and paid their taxes here, who have moved abroad and who were in receipt of winter fuel payments before they moved. It seems that the hon. Gentleman is advocating that we should now remove those payments from them. I have some concerns that people in warm climes are receiving payments, and we will look at that. However, it is their right to receive the payment because they received it when they were here. Is the hon. Gentleman proposing that thousands of people cease to receive payments to which they were previously entitled? We need to be clear about what he is proposing.

T7. [186538] **Dr. Vincent Cable** (Twickenham) (LD): Following the decision of the pensions regulator to apply a longevity factor of 89 years to private sector pension funds, what assumption is the Minister making about the longevity that is appropriate to public sector pensions? What difference will it make to public sector liabilities if the age of 89 years is chosen?

Mr. O'Brien: As the hon. Gentleman knows, there have been substantial changes in the way in which public sector pensions are dealt with. There have been extensions of the age at which people are entitled to receive things, and there have been changes to the way in which some of the funds have been structured. There are different ways in which public sector pension schemes are funded, and trying to apply something to the public sector that is directly related to issues to do with defined benefit systems in the private sector is misplaced. If the hon. Gentleman feels that the comparisons are direct, he needs to look at the issue with a great deal more care than he has until now.

T8. [186539] **Philip Davies** (Shipley) (Con): Will the Minister confirm that in 1997 67,000 people had been on incapacity benefit for five years or more and that today 1.5 million people have been on incapacity benefit for five years or more? Can he explain how the Government have managed to preside over such a culture of long-term welfare dependency?

James Purnell: I am afraid that the Conservatives have just got their figures wrong on this. As has been pointed out, they have failed to reflect the fact that there was a change in the name of one of the benefits, so they have added two completely different categories. What actually happened was that, when the Conservative

party came to power, 700,000 people were in that situation, and we inherited a situation where there were 2.6 million such people—more than treble the number. The figure has started to fall under this Government, but we want to do more.

That is why we are introducing the employment support allowance from October this year. Instead of judging people on the basis of what they cannot do, which is the system we inherited from the hon. Gentleman's Government, we will judge people on the basis of what they can do. There will be an earlier medical assessment at 13 weeks. There will be greater support for people who will not be expected to work, but greater requirements to look for work for everyone else in that category. This is a major reform of the system—one that was not undertaken by his Government. The reason the numbers increased was that they were happy to see them increase. We are not happy to see them increase—they are falling under us—and we have now set ourselves the goal that 1 million more people will come off incapacity benefit by 2015. That is the most radical reform of the system that this country has ever seen.

T10. [186541] **Mr. Laurence Robertson** (Tewkesbury) (Con): I have a number of engineering companies, particularly in the aerospace industry, in my constituency. One of the problems that they have is in attracting young people to engineering; it is not seen as the kind of work that they want to do these days, but it is extremely important to those companies. Given that more and more people are staying on at universities, but that they are sometimes failing to find jobs, what can the Government do to ensure that young people who go to university take the appropriate courses that will enable them to find work and that will also satisfy the engineering companies in my constituency that struggle to find the right employees?

The Minister of State, Department for Work and Pensions (Mr. Stephen Timms): The hon. Gentleman raises a very important issue. Aerospace has been a very big success for the UK economy over the past few years, and a success that we want to continue. The Engineering Employers Federation said in its recent review of the state of manufacturing that there had been something of a renaissance in UK manufacturing more broadly. The hon. Gentleman is absolutely right: we need to make the most of those new opportunities in engineering to increase employment among people and to give them access to the opportunities that are becoming available. That is why the new diploma in engineering, to which reference was made earlier, is an important step and why it is also so important that we are increasing the number of apprenticeships in aerospace and elsewhere.

I visited Nissan in Sunderland on Friday. The company is just about to add a third shift for the production of the Qashqai vehicle. It is having to recruit 800 extra people that factory alone for that, and it thinks that another 400 jobs will be involved in the supply chain nearby. In addition to all that, the hon. Gentleman is quite right that we need to encourage young people—

Mr. Speaker: Order.

Michael Fabricant (Lichfield) (Con): For the specific 12-month period up to today, are child poverty levels rising or are they falling?

James Purnell: Figures will be published later on this year, and the hon. Gentleman will see them when they are.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Will the Minister join me in congratulating the Hammersmith and Fulham volunteer centre on the excellent work that it has been doing recently on outreach to homeless, long-term workless households and in trying to find jobs for those people in places such as the West Kensington estate? However, the H and F volunteer centre is about to have its funding reduced due to the impending end of the North Fulham new deal for communities project and the loss of £50,000 a year in funding. Will the Minister agree to meet me and representatives of the volunteer centre to discuss how the Government might be able to help them to continue their excellent work?

James Purnell: I would be happy to meet the hon. Gentleman. As he knows, we are moving towards a flexible new deal, rather than having individual programmes, which is widely recognised as the right approach to deal with people's individual needs. I believe that that approach is supported by his party.

Mr. James Gray (North Wiltshire) (Con): The Work and Pensions Committee was clear that one of the Child Support Agency's biggest problems was the IT system—the computers were described as completely unworkable. How much of the old CSA computer system will be carried over to the new system? If the amount will be substantial, how can Ministers be certain that the new system will be any better than that before?

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): We have always acknowledged that IT problems have bedevilled the agency for a long time. As I said earlier, major investment in IT is taking place as a result of the operational improvement plan. A major fix of the system is taking place over the Easter period to put in place a completely new method of operation. When the new commission takes over later this year, it will inherit the existing systems and contracts—much improved—but it will be for the commission to decide for the long term what IT system it wants to support the arrangements that it will introduce.

Northern Rock

3.30 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): With permission, Mr. Speaker, I would like to make a statement on Northern Rock.

I hope that the House will understand that it was necessary for me to issue a statement yesterday, ahead of the markets opening, so that trading in Northern Rock shares could be suspended this morning. It was also essential to allow the management of Northern Rock time to tell its employees what was happening so that the bank could open as normal this morning.

As I said yesterday, the Government have decided to introduce legislation to take Northern Rock into a period of temporary public ownership. I took this decision after full consultation with the Bank of England and the Financial Services Authority. The draft Bill has been available in the Vote Office and the House of Lords since this morning to provide as much time as possible for right hon. and hon. Members, as well as the other place, to examine its provisions. If the House agrees, the Bill will begin its parliamentary passage tomorrow. I have also arranged for the principal Opposition spokesmen to be briefed by Treasury officials today.

It is important for savers and depositors to be reassured that their money remains safe and secure. Northern Rock will continue to operate as a bank on a commercial basis, and it is open for business as usual today. The Government guarantee arrangements that I announced last year remain in place and will continue to do so. Borrowers will continue to make their payments in the normal way.

I have appointed Ron Sandler as the executive chair. He is in Newcastle today and has had meetings with the company and its employees. The new board and the bank will operate at arm's length from the Government with commercial autonomy for their decisions. I will publish shortly the framework agreement that will outline how the relationship between the Government and the Northern Rock board will work.

As I said yesterday, the board's proposals will also cover the Northern Rock Foundation, which is very important to the north-east. The board will commit to guaranteeing a minimum income of £15 million per year in 2008, 2009 and 2010. That will be paid directly by Northern Rock, as now, and would be a condition of any sale, if it were sold in that time. The new board will be asked to identify a long-term future for the foundation.

I want to set out the reasons for the decisions that I made and to outline what the new legislation will do. Before that, let me remind the House that last September there was almost universal agreement that the Government were right to intervene to save this bank to stop its problems spreading to the wider banking system. There was also agreement that, ultimately, the long-term future of the bank must lie in the private sector. Even those who advocated nationalisation in the autumn did so on the basis that it could be only a temporary step—a stepping stone—to return the bank to the private sector when market conditions made that possible.

Throughout last autumn, and from the start of this year, the Government wanted to test all the options and to give the shareholders and the management time to find a solution that was acceptable and that met the three principles that I set out last year: to support financial stability; to protect depositors' money; and to protect the interests of the taxpayer. I said throughout that all options, including a period of temporary public ownership, remained on the table.

As the House will know, the Government had two private sector bids to consider. Each was tested against the option of a temporary period of public ownership to see which met our objectives and principles, including best value for the taxpayer. Both proposals involved a degree of risk for taxpayers and a very significant implicit subsidy from the Treasury, involving a payment below market rate to the Government for continuation of our guarantee arrangements and for the financing that we would put in place.

Each proposal had its pros and cons. The Virgin proposal, for instance, would have brought in a new brand and management. However, the taxpayer would have received a share of the private sector return only if the business's value to its investors reached at least £2.7 billion. The board's proposal would have involved a similar level of subsidy, but it had other disadvantages compared with Virgin's. It would have brought in less new capital, and the business would have depended longer on Government guarantees for new retail deposits. A subsidy on the scale required would not have provided best value for the taxpayer. The private sector rather than the taxpayer would have secured the vast majority of the value created, and that would have been a poor reflection of the balance of risk borne by the two sides. By contrast, under public ownership, the taxpayer will secure the entire benefit and proceeds from the sale of the business in return for bearing the risks during this period of market uncertainty. That is why we made the decision that we did. We made the decision to protect taxpayers having weighed up the various competing considerations. In deciding which was the best option for the taxpayer, it was clear that a temporary period of public ownership was the better option.

I will go through the contents of the Bill in more detail on Second Reading tomorrow. We have deliberately drafted it to ensure that a bank can be acquired only in certain tightly defined circumstances, and the power to do so will last for only 12 months. I have already announced a consultation that will lead to permanent legislation to deal with such situations in future. The Bill potentially applies to a range of financial institutions, but I want to make it clear that the Government have no intention at present to use it to bring any institution other than Northern Rock into temporary public ownership.

The Bill also provides for appropriate compensation to shareholders. As I explained on 21 January, those provisions are on the basis that all financial assistance provided by the Bank or the Treasury, including guarantee arrangements for depositors, had been withdrawn and that no further financial assistance, apart from ordinary market assistance from the Bank, would be provided to the deposit taker. I believe that that is fair both to shareholders and to the taxpayer. The Bill makes provision for transfer of the bank or parts of it to the private sector.

I remind the House that following the problems that started in the United States last summer, Northern

[Mr. Alistair Darling]

Rock was unable to raise the billions of pounds that it needed to stay in business. We were right to save the bank and to do everything we possibly could to find a private sector buyer on terms acceptable to the taxpayer. Because of current market conditions, we are now right to take over the bank on a temporary basis, because that is what is in the best interest of the taxpayer. There were choices to be made. We could have let the bank go under, but the risks to the wider financial system, for savers and for the general public were not acceptable. Having made the decision to save the bank, maintain financial stability and protect savers, we are now taking this decision to protect the taxpayer. I commend this statement to the House.

Mr. George Osborne (Tatton) (Con): Never before in the long history of his office has a Chancellor had to come to Parliament to announce the nationalisation of a high street bank. For months, the Prime Minister dithered and delayed, doing everything he could to avoid the very course of action that he now recommends to Parliament. We know why. As the Chancellor acknowledged at the Dispatch Box, nationalisation means the

"slow lingering death"

of Northern Rock

"and Britain's reputation as a major financial services centre",

with him

"cast in the role of undertaker".—[*Official Report*, 19 November 2007; Vol. 467, c. 968.]

I have three sets of questions to ask that self-confessed undertaker. First, will he reaffirm that nationalisation means that the taxpayer is

"bearing all of the risk"?—[*Official Report*, 21 January 2008; Vol. 470, c. 1210.]

That was the phrase that he himself used last month in the House when he argued against nationalisation. Nationalisation means that the taxpayer's risk has doubled to £110 billion, or £3,500 for every family in Britain. Every family in Britain will now own the high street bank that wrote more mortgages at the top of the housing market than any other. Every time a home owner fails to meet a mortgage payment, every family in the country will bear the cost. That is what this nationalisation means.

Can the Chancellor tell us about the state of the £100 billion mortgage book that he wants the taxpayer to own? How many bad loans are there? The credit rating agencies now say that the losses are rising at Northern Rock. Is that true? Before we debate the Bill tomorrow, we are entitled to a full statement of the financial position of the company that we are being asked to buy. We are entitled to see the advice from Goldman Sachs that we have all paid for.

Secondly, will the Chancellor agree that it is totally unacceptable for Northern Rock to continue with business as usual? This is now a Government bank; it can borrow and lend more cheaply than any of its high street competitors. Indeed, today it is still offering some of the best savings deals out there—it is still offering the 125 per cent. mortgages that it wrote last year. That is politically and economically unacceptable. Nationalisation can never mean business as usual. The Chancellor said in his statement that the management would be at "arm's length". Why is there nothing in the Bill to prevent political interference?

Thirdly, will the Chancellor confirm that he is actually introducing unprecedented, sweeping, draconian powers that will let him nationalise any other bank or deposit-taking institution in Britain by ministerial fiat? *[Interruption.]* The Lord Chancellor should pay attention; he keeps talking about strengthening the powers of Parliament, but he is about to give the Chancellor of the Exchequer the power to nationalise any bank in Britain without coming to Parliament—not even Michael Foot dreamed of that. It will create further uncertainty in financial markets and do further damage to Britain's reputation. If the Chancellor is giving himself those sweeping powers only to get round parliamentary procedures for hybrid Bills, he should give himself them for a week or a month, not for a whole year.

The Chancellor had opportunities to avoid the disaster of nationalisation last autumn, and he missed them. He has the opportunity now to avoid the disaster of nationalisation by opting instead for a reconstruction led by the Bank of England and he will not take it. It would mean £55 billion less exposure for the taxpayer, and none of this farce of business as usual; it would be like the approach that the Chancellor himself recommends for future bank rescues. But instead, the Prime Minister and his Chancellor have dithered their way to disaster. Now what they call the "temporary nationalisation" could, in the words of Ron Sandler, "last years".

In uncertain economic times, the British people have a right to expect decisive and strong leadership from their Government. Instead, this Chancellor has given us weakness and indecision, with humiliating reversals over capital gains tax, then non-domiciles and now Northern Rock. He has taken Britain back to the 1970s and the failed policies of Labour's past. We can safely say that he will never recover his reputation for competence. He is now politically a dead man walking and if the Prime Minister could make a decision, he would move him. What matters to the rest of us is that the British economy and its reputation abroad recovers from the Chancellor's disastrous time at the Treasury. Nationalising a high street bank is not the way to begin, and we will oppose it tomorrow.

Mr. Darling: The shadow Chancellor is increasingly someone who conceals cynical opportunism with a pretty thin veneer of abuse. One would have thought that he might rise to the occasion rather than playing petty politics with the serious matter of the stability of the banking system in this country. He has never had a consistent policy on what to do with Northern Rock—every day brings a new policy and a new stance. Last September, he and the Leader of the Opposition said that they wholeheartedly supported what we had done and that they recognised we were right to take the action that we did to stop the problem spreading into the wider financial system. But when things got difficult for them, they ran away from that support. They were in favour of administration, despite the fact that that could have provoked a fire sale with a huge loss to the taxpayer. They said they were against nationalisation, yet two days later the Leader of the Opposition said yes, he would have to consider all the options, including nationalisation. Their policy today appears to be nationalisation followed by some ill-designed plan to sort out the future of the bank. They have absolutely no coherent view about what to do with this problem. They also fail to recognise the

problems that have caused the bank's underlying difficulties in the first place—the problems that arose in the American housing market that have spread to the financial markets right across the world, making it necessary for us to take the action that we have.

The hon. Gentleman criticises the decision that I have taken today. He is entitled to take that view, but he might want to have a word with the shadow Chief Secretary, who said on television this morning:

> "The Chancellor is quite right; if the private sector isn't willing to pay an appropriate value for a business then it would be wrong to hand it over at an under value."

I am deeply grateful to him for his support.

It is clear that the Conservatives have absolutely no idea how to deal with this problem—all they can do is to come up with proposition after proposition showing their cynical opportunism. Rather than dealing with a serious problem, they have absolutely no answers whatsoever.

John McFall (West Dunbartonshire) (Lab/Co-op): I welcome the Chancellor's statement on the basis that it protects the interests of taxpayers, which the Treasury Select Committee identified in its report. Given the arm's length management that will operate under Ron Sandler, no doubt the Committee will want to receive regular updates from him and his colleagues to ensure for ourselves that accountability is the key here. Given the unique position of Northern Rock as a nationalised institution, does the Chancellor agree that accountability is extremely important in to ensure that it does not distort the financial markets at any time?

Mr. Darling: First, I thank my right hon. Friend and his colleagues on the Treasury Select Committee for the very thorough investigation and piece of work that they did in relation to Northern Rock.

It is important that the management team led by Ron Sandler has the opportunity to make its decisions, first, to come up with a business plan, which we need to submit to Europe as part of the state aid approvals process, and then to be allowed to get on with the job. Yet again, I profoundly disagree with what the shadow Chancellor said. He seems to imply that it would be better for the bank to go bust rather than to allow it to trade and get through the difficulties that it faces. We will be in some difficulty if we go down the road of holding the management team to account for every single thing that they do. I am sure that the Select Committee will want to know about the business plan and want to discuss these things, but it is important that the management team gets to operate at arm's length from the Government and gets on with running the company, because that is the best way of ensuring that it can be restructured and refocused and can then be returned to the private sector when it is appropriate and right to do so.

Dr. Vincent Cable (Twickenham) (LD): After five months, the Government are now in the best position to ensure the repayment of the taxpayer's money. They were right to decide that temporary nationalisation is a better option than a bad private sale whereby the taxpayer would have underwritten the risks and the private buyer would have acquired the profits. I am tempted to say, "I could have told you so", but this is too important for that. I will content myself simply with making this comment: when the Chancellor receives a large multi-million-pound invoice from Goldman Sachs for its financial advice, could he perhaps return it politely with a little note saying that he received rather higher quality advice free of charge from me and the Liberal Democrats?

The Conservative spokesman talked about the dark satanic socialism of the 1970s, but will the Chancellor confirm that the last time a private bank was nationalised in Britain was in 1994, when the last Conservative Government acquired National Mortgage bank, paying its owners a total of £1? And was not the last major bank nationalisation in the western world undertaken by that loony left-wing Trotskyite President Ronald Reagan, when he acquired Continental Illinois bank, which was subsequently returned at a profit to the American taxpayer by the Clinton Administration?

Clearly, choices have to be made. The Government have made theirs and we have made ours. Until today, the Conservatives had no alternative. I think that they are now suggesting public administration under a publicly owned Bank of England. What is that but nationalisation in all but name? The hon. Member for Tatton (Mr. Osborne) is so determined to keep one foot on either side of the fence dividing the public and private sector that he is in imminent danger of being castrated by the serrated edge.

However, there are questions for the Chancellor. What sort of undertakings did he give to Sir Richard Branson and others to pay their fees for private bids? When will he commission a fully independent audit through the Bank of England to establish the quality of the assets—the loan book for which this enormous sum of public money has been advanced? When will there be democratic scrutiny of the new business model, which could involve contraction or expansion of the bank? I hope that the changes will put an end to the extreme loans to which the hon. Member for Tatton rightly referred, which lent more than the value of property.

In general, the Government have to face some difficult decisions. The bank will have to contract and there will be job losses. We all recognise that, but at least the bank and the north-east have some long-term hope. For that reason, we shall support the measures in Parliament, while giving constructive criticism. That is the right thing to do.

Mr. Darling: I agree with a lot of what the hon. Gentleman says. He is quite right to remind the House that there have been many occasions when Governments have thought it right to intervene to take action to preserve stability or, in some cases, to preserve vital industries. He will remember what happened in the 1970s because I seem to recall that he was in the Labour party then. He is also absolutely right in his description of the Conservatives' policy. Their policy is nationalisation. It involves nationalisation, but the hon. Member for Tatton (Mr. Osborne) has the gall to say that he is going to oppose the Bill that will bring that about. The only way he could deliver his policy—in as much as it is understandable and that it will last for the next day or so—would be to nationalise, so it seems extremely odd that he intends to oppose the legislation tomorrow.

[Mr. Darling]

The FSA is responsible for regulating Northern Rock and it judges the mortgage book that Northern Rock holds to be of good quality. On the business model, as I said earlier, Ron Sandler and his team will introduce a model after they have had a chance to consider the options available to them. That will have to be endorsed by the Government, because it has to be cleared by the Commission under the normal state aid rules. Once we have taken that action, assuming that Parliament agrees to it in the next day or so, I believe that there is a good chance that we can help Northern Rock to get through this period, and that seems infinitely better than the Tory options of either bankrupting it or finding some other pretty ill-defined destination for it, which make no sense to me whatsoever.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Listening to media reports this morning, it seemed as though the Conservative party was dead set on destroying the great northern institution of Northern Rock, and was prepared to see its assassination in its bitter opposition to nationalisation. However, it now seems that we are hearing different things for different audiences. I can tell my right hon. Friend that people in the north-east, and particularly the bank's staff, will welcome the announcement of the establishment of a framework agreement. He will understand the considerable anxiety among the population at large in the north-east, particularly those staff. May I press him to undertake early publication of a business plan so that stability is brought to the business at the earliest possible date?

Mr. Darling: I am grateful to my hon. Friend, who rightly sets out his concern for the future of Northern Rock and for the people who work there. I hope that the business plan can be produced as quickly as possible, but I want to give the management team time to work out a plan that actually stands up. It is better to take time to get these things right, rather than rush into something, which is what the Tories have been suggesting over the past few weeks. It is time to get a properly worked up business plan. I am grateful to my hon. Friend for his comments about the Northern Rock Foundation, which supports many organisations in the north-east. That is an important step.

Several hon. Members *rose—*

Mr. Speaker: I call Ken Clarke. *[Interruption.]*

Hon. Members: That's you!

Mr. Kenneth Clarke (Rushcliffe) (Con): The Chancellor will recall that I supported his guaranteeing deposits last autumn, although he did it three or four days too late. However, it seemed to me and most other people that the only case for nationalisation was through an orderly run-down of the bank, with the sale of the loan book, as and when the markets permitted, to get decent value for the taxpayer. If it is genuinely business as usual and if the bank is to remain open and take deposits, why should not every sane saver in this country rush to take their savings out of other banks and saving institutions to put them into the only institution that offers competitive rates of interest, fully backed up by the Bank of England? What would that do for the reputation of the financial services industry in this country? How much profit does the Chancellor expect to make eventually out of the extraordinary venture?

Mr. Darling: I knew who the right hon. and learned Gentleman was, even if he was taken aback. He appears to support precisely what I propose: that we give the bank time to reorganise and refocus. However, I do not agree with his proposition that the bank should simply be run down. The management team needs the opportunity to restructure and refocus the bank because the market conditions have changed. On its operation in the marketplace, the state aid rules exist to ensure that it cannot abuse its position, but it is in the general interest of stability and of taxpayers to have an opportunity to work things through. If we followed the course of action that the Conservative party advocates, the taxpayer would lose substantial amounts.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): Is my right hon. Friend's intention with nationalisation to grow on a successful business in the public sector or is it simply the beginning of a slow, lingering death for the business? The House is not even at the beginning of the affair. Does the statement mark a new beginning or the beginning of the end in many homes in my city of Newcastle?

Mr. Darling: Let me put it this way: we had a choice of accepting one of the two bids on the table from the Virgin consortium and from the board. However, when we examined those two bids and judged them against the option of public ownership for a temporary period, they did not stack up in value for money terms. It would have been wrong of me to make a proposal that involved significant subsidy and that, as the figures clearly showed, was not the best option. We must at all times look after three things: the financial stability of the system, security for depositors and savers, and value for taxpayers. That is why I reached the decision at the weekend that I have announced today.

I hope that Ron Sandler and the new management team can examine the bank, ascertain what needs to be done, especially given the market conditions that it now faces, and see what we can do to refocus and restructure the business. I cannot give my hon. Friend the answer today because, as I said, the management needs time to do that. However, the alternative of accepting a bid that was not good value would have been wrong, and the suggestion from the Conservative party simply to bankrupt the bank would have been a profound mistake.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): I encourage the Chancellor to resist the calls from Conservative Members to run off the bank completely, and instead to keep it going as a business. I welcome his comments about the Northern Rock Foundation continuing to secure income. After all, if the north-east had been offered even a share of £50 billion in Government loans and guarantees, we could have used it to benefit the region. At least the foundation can give us some benefit.

Mr. Darling: The right hon. Gentleman is right: the Conservatives want the bank not to take any new business, which would involve it being run off. At least,

that is one policy that they are advocating; it would not surprise me if they had another one by tomorrow. That sort of inconsistency would just compound the difficulties that Northern Rock faces. In relation to the action that we have taken, I am grateful for the right hon. Gentleman's support.

Sir Stuart Bell (Middlesbrough) (Lab): The Chancellor is perfectly right to refer to the sub-prime mortgage crisis in the United States and the ongoing difficulties in the financial markets. Against that background over the past five months, has he not ensured financial stability, prevented contagion, defended the interests not only of the taxpayer but of Northern Rock's depositors and savers, and provided guarantees that have not been called upon? Given that fact, will he ensure that temporary ownership is also prudent ownership and does not fall within the time scales of our 24-hour news media?

Mr. Darling: As I have told the House, if we had not intervened to save the bank last September and if it had gone down, there would have been a substantial risk of the problems that it had faced and the difficulties caused by its collapse affecting the rest of the banking system. We therefore intervened and we were right to do so, and as I have said, at that time we were supported in all parts of the House. I fully accept that the Conservative party moved from that position subsequently. In relation to the savers and depositors, we were right, too, to issue those guarantees, because we wanted to ensure that they would not lose their money. We have been successful in that, too. The third element is to ensure that we do the right thing by the taxpayers of this country. That is why I have made the proposals that I have made today—precisely to ensure that the taxpayer's interests are protected.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): It is a long time since we have seen so many smiling faces below the Gangway in response to an announcement by the Chancellor—he has certainly pleased one big audience down there.

May I press the Chancellor on the issue of competitiveness? As he said, the bank is going to trade through. He talked about it trading responsibly and not abusing its position under state control, but how will he guarantee that it will be unable to abuse that position or to continue as it has, which is what got it into so many problems in the first place?

Mr. Darling: At the risk of upsetting the right hon. Gentleman, I say to him that I am afraid that the best guarantee is the European Union state aid rules.

Mr. Ronnie Campbell (Blyth Valley) (Lab): It is very important that we take notice of the work force in the business plan and ensure that their jobs in Northern Rock are assured. I can tell my right hon. Friend that they are worried about what is going to happen to their jobs. As far as the bank is concerned, tomorrow morning I will be opening an account in the people's bank.

Mr. Darling: I am surprised that my hon. Friend does not have one already, but I am sure that the bank will be pleased to hear that.

Adam Price (Carmarthen, East and Dinefwr) (PC): It is not just the people's bank that people are concerned about; it is the people's debt. We have heard the figure of £100 billion, but what is the Chancellor's estimate of the total liability to the taxpayer, including the guarantees, the loans and any shareholder compensation? Will that amount now also include subordinated debt, which also runs to some billions? He said that the FSA regulates Northern Rock, but is he content with that? The FSA is required to produce a risk analysis of building societies every six months, but where was it? Did it tell the Treasury of its concerns about the massive over-reliance on the wholesale market? If it did not tell the Treasury, heads should roll at the FSA; if it did, perhaps Ministers should be considering their positions.

Mr. Darling: As has been well documented, the FSA accepts that it should have taken action last year when it became aware that there were problems in relation to the bank. However, I remind the House that, as the Treasury Committee found, the primary responsibility for running Northern Rock lay with the directors. They got themselves into a position from which they could carry on trading only by securing access to billions of pounds of funds from the financial markets. When that became difficult and then impossible in September, they had no alternative but to go to the Bank of England. The primary responsibility for Northern Rock, as for any other bank, must therefore lie with its directors.

On the hon. Gentleman's earlier points, Northern Rock has a good quality mortgage book, the funds that have been advanced by the Bank of England are secured against Northern Rock's assets, and as to the guarantees that I have given to depositors, and other guarantees, none of them has been called, so there has been no cost to the taxpayer.

Ms Dari Taylor (Stockton, South) (Lab): Maintaining banking stability is critical to all of us in the House. Does my right hon. Friend therefore accept that it would be valuable to have an all-party solution to the problems that Northern Rock is facing? With that in mind, will he tell us whether the Treasury has received and assessed any ideas from the Conservative Opposition, or has it in fact received no ideas from them?

Mr. Darling: I have to tell the House that, if we were going to assess the Conservative party's policies on this matter, we would have to increase hugely the number of people whom we employ, simply because its policies seem to change every day.

Mr. Michael Fallon (Sevenoaks) (Con): Will the Chancellor confirm that clause 11 of his Bill will enable the Bank of England to offer financial assistance to any building society that might be in trouble? Is not the real signal from the nationalisation that he has announced today that from now on, any bank or building society that gets into trouble through its own incompetence can expect to be bailed out by the taxpayer?

Mr. Darling: No, that is not the position. There is provision in the Bill to allow for assistance to building societies, because that power does not exist at the moment; it seems to me prudent to include it in the

[Mr. Darling]

provisions. The tests that have to be passed before a bank can be nationalised are quite high. There will have to be a substantial, serious threat to financial stability, or funding must have been given that has been underwritten by the Treasury, as with Northern Rock. The test that will be applied to any financial institution that is getting into difficulty is simply this: does it present a systemic risk to the system as a whole? If it does, there will be a case for Bank of England intervention; if it does not, that will not be the case. The tests that we shall apply have not changed, and they will not change as a result of the legislation.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Has my right hon. Friend noticed that *The Daily Telegraph* says today that he is doing the right thing in bringing Northern Rock into temporary public ownership, and that his action is likely to have considerable advantages for the taxpayer? Does not the view of that Tory newspaper contrast with the vacuous blather given from the Conservative Front Bench? That is the party that rushed the nationalisation of Rolls-Royce through the House.

Mr. Darling: I remember the nationalisation of Rolls-Royce; I was not here at the time, although I am pretty sure that my right hon. Friend was. I did indeed notice the remarks in *The Daily Telegraph*, although I must concede that it took me some time to get to the bit that said I was doing the right thing—it was a pleasure to read it. The problem for the Tories is that they do not actually have any coherent idea of what to do in this situation. Their position changes from day to day, and from week to week. Therefore, all that we see is cynical opportunism, because they have nothing else to offer.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): A recent study shows that Northern Rock is already repossessing more homes than any other major bank. Does the Chancellor still stand by the assurance that he gave me and the House that Northern Rock has a high-quality loan book? If he does, and if he believes that it has a lower proportion of bad debts but is repossessing more of them, will he, as its owner, tell its managers to pursue a less aggressive repossession policy, or does he intend to wash his hands of what the managers do and be the Pontius Pilate of the repossession business?

Mr. Darling: This is an example of the Tories trying to have it both ways at once. Half of them say that we should not be interfering in the running of the bank, while the other half say that we should interest ourselves in every single transaction. I have made it very clear that the operational decisions and the day-to-day management of Northern Rock have to be a matter for its management. That is absolutely right. I would just say to the right hon. Gentleman, as he was a member of the last Conservative Government, that there are repossessions today, and that is extremely unfortunate, but they are at a fraction of the level they were when he was a Minister.

Mr. Chris Mullin (Sunderland, South) (Lab): My right hon. Friend should know that his statement will be widely welcomed, even though we are all aware that difficult decisions lie ahead. He was right to stress a few moments ago that the primary responsibility for this debacle lies with the former managers of Northern Rock. Given that that is so, does he consider it remarkable that the hon. Member for Tatton (Mr. Osborne) has uttered not one word of criticism of the previous management—they were Tories to a man, incidentally—but has instead reserved his indignation entirely for those who are trying to clear up the mess?

Mr. Speaker: Order. I ask the House to remember that we are supposed to be putting questions to the Chancellor of the Exchequer about his stewardship of these matters.

Mr. Darling: You are, of course, right, Mr. Speaker. So, too, is my hon. Friend in his observation that the primary responsibility for Northern Rock's difficulties has to rest with those on the Northern Rock board: they were responsible for the business model and had no fall-back position once it became clear that they could not secure the funding that was needed.

Mr. John Maples (Stratford-on-Avon) (Con): The Chancellor does not really believe all this stuff about restructuring Northern Rock, returning it to the market and giving money to the Northern Rock Foundation. His responsibility is to get the taxpayer off the £100 billion hook that that they are on, so that should be first, second, third and fourth on his list. To that end—this is a genuinely honest inquiry—will he explain something that I do not understand? Why has he chosen nationalisation rather than administration? He said again today that administration would result in a fire sale, but that is not necessarily so; he could quite easily have appointed Mr. Sandler as the administrator to proceed with the policies that he wanted him to pursue. That would have given the Chancellor far greater flexibility. He would not have acquired all the other liabilities of nationalisation that he is now taking on or have had the problem of compensating shareholders. In an administration, they would simply have taken what was left, which would probably have been nothing, whereas he is now going to face endless litigation from what looks like a group of very aggressive hedge funds that are latecomers to this party.

Mr. Darling: I know that the hon. Gentleman was trying to be helpful to his party, but I have to remind him of what the shadow Chancellor said in November last year—*[Interruption.]* I am quite sure that Conservative Members do not want to hear this, Mr. Speaker. When administration was being discussed, the shadow Chancellor said:

> "The winding up of the bank would pose a significant risk to taxpayers' money...and, of course, significant risks to the jobs of those people who work for Northern Rock".

I could not have put it better myself.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Is my right hon. Friend aware that if the Opposition do not like hearing the good and sound words of *The Daily Telegraph*, they might care to read the leading article in today's *Financial Times*, which described his decision as "sensible" and "non-ideological", and likely to be very successful in achieving the purposes that were set out at the beginning? Is he aware that we wish the new management well in the job that it is about take on—ensuring that it will be a success for the taxpayer and others who have a stake in this business?

Mr. Darling: I am grateful to my hon. Friend. I think that most people recognise that the action we have taken is right in the interests of wider stability and of the taxpayers of this country.

Mr. John Greenway (Ryedale) (Con): May I return the Chancellor to the questions put to him by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) and my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith)? It is no good just saying that the state aid rules will deal with the issue of competition—they will not. The hon. Member for Blyth Valley (Mr. Campbell) has already named Northern Rock the people's bank, so why should anybody retain support and deposits in building societies and other banks when this bank now has a Government guarantee? Will the Chancellor tell us what advice he has had from the Financial Services Authority about how to avoid any depositor thinking that all his deposit is guaranteed by the bank and not subject to the same financial services compensation scheme rules that apply to all other institutions?

Mr. Darling: Once again, half the Conservatives seem to want the bank to fail, while the other half are worried about its being too successful. I said in reply to the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) that whatever business plan is approved has to meet the European state aid rules, which are there to ensure that there is not unfair competition when an institution has a degree of support from a Government. It is important for Northern Rock to have the opportunity to continue to trade in order to get through this difficult period—and I am sure that it will be painful for the company. However, if we take the opposite view of removing the guarantees and stopping it trading or offering products—I am not sure that the hon. Member for Ryedale (Mr. Greenway) was advocating that—we might as well put Northern Rock into administration, which would result in a significant loss to taxpayers. I cannot believe that that is his position.

Mr. Kevan Jones (North Durham) (Lab): Having many constituents who work for Northern Rock, I warmly welcome my right hon. Friend's announcement. May I also add my welcome to that of the right hon. Member for Berwick-upon-Tweed (Mr. Beith) for the underwriting of the commitment to the foundation? Does my right hon. Friend agree, however, that the worst possible outcome for the work force, the shareholders, the Northern Rock Foundation and, more importantly, the north-east economy would be the nonsense proposed by the Conservatives of putting the bank into administration and having an asset sale?

Mr. Darling: My hon. Friend is right. Along with other hon. Members who represent north-eastern constituents, he rightly expresses concern about the bank and its employees. I very much hope that in the next few weeks, Ron Sandler and his team will continue to have the discussions that they started today with management and employees to see what can be done in restructuring the business to ensure that it has a future. It will be difficult because the market conditions are difficult, but what we have done gives the bank the opportunity to do that and at the same time ensures that we safeguard the interests of the taxpayer. To put it into administration—to run it down, which has appeared over the past half hour or so to be the developing policy among the Conservatives, would not be the right thing to do for anyone.

Mr. Andrew Mackay (Bracknell) (Con): Following the Chancellor's response to my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), and following the Chancellor's edict that it will business as usual at Northern Rock, how can he justify that Northern Rock's special position in giving a better deal to depositors is within European Union rules? Is it or is it not?

Mr. Darling: As I said in reply to the hon. Member for Ryedale (Mr. Greenway), it would be a profound mistake to remove the guarantees that we have put in place. Those guarantees ensure the stability of the bank. They also protect individual savers. Removing them is not the right thing to do. I fully understand the concern that the bank should be allowed to continue to trade, but that it should not do so unfairly. The whole point of state aid rules is to ensure that that does not happen. That is certainly our intention, as much as, I am sure, it will be the intention of the Commission.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): First, may I say to the Chancellor that he has been wise to take his time before arriving at this momentous decision? That is absolutely right. People will see it as a common-sense response to a difficult position. However, does he recall, in the days before demutualisation, that the bank was a sound building society, operating a good business model with significant reserves that were squandered on a pay-out at demutualisation? Does he accept that rather than rushing into another decision, which the Conservatives would like, to return it immediately to the market, further consideration should be given to the company's mutualisation so that we return to the sanity of the days when building societies gave proper mortgages to people who required them for good purposes?

Mr. Darling: I am not sure that I can make a promise on the last point, but my hon. Friend is right that it was correct to give the management and shareholders time to come up with options and alternatives. We gave them that time. We had two bids. Unfortunately, when matched against the option of a temporary period of public ownership—I made the point many times that that had to remain on the table—it was not possible to proceed with those bids. He is right that it is important to get the correct decision.

Greg Clark (Tunbridge Wells) (Con): The Chancellor is right to say that the Northern Rock Foundation is a crucial charitable institution in the north-east, but before he paints too rosy a picture of its prospects, can he confirm that the £15 million funding is less than half the £31 million that it received in 2006? Can he say what will happen to the foundation's 15 per cent. stake in the bank, and whether any purchasers of Northern Rock's assets will acquire an obligation to pay funds into it as the bank has done?

Mr. Darling: I do not think anyone would maintain that the foundation's prospects have been affected by the difficulties in Northern Rock, which funded all its activities. On any view, the amount that Northern Rock was able to pay into it was going to decrease. We all recognise that it supports a great many activities in the north-east; I wanted to ensure that it had a considerable income, and although the £15 million is less than it was receiving, it is a substantial annual contribution. I did what I could to deal with that particular problem. As for the hon. Gentleman's other question about the foundation, the legislation will make the necessary provision.

Mr. David Clelland (Tyne Bridge) (Lab): This morning I received an e-mail from a constituent who is a shareholder in Northern Rock. He said that he was a Labour supporter who would never vote Labour again because of what the Government had done. I have not yet had a chance to reply to my constituent, but should he vote for the Liberal Democrats, who would have nationalised the bank five months ago without seeking any of the private sector solutions that the shareholders required? Should he vote for the Conservatives, who would have let the bank sink with all the consequences for shareholders and employees alike? Or should he, on reflection, continue to support the Labour Government, who offer the best solution for the bank and the long-term future of the north-east's economy?

Mr. Darling: Probably, the correct answer is the last one. Naturally we are all concerned about all those who experience a fall in the value of shares they have bought, but there is no getting away from the basic problem: these were shares in a bank whose business model was entirely dependent on the ability to raise large sums of money. Last summer, when the problem began in the international financial markets, the company had no fallback position, and it would have gone bust at that time if we had not intervened. That, I am afraid, is the stark reality, as I know my hon. Friend recognises. Today we are trying to ensure that we do the right thing by the taxpayers, while also helping the company to restructure and refocus its activities.

Mr. Philip Dunne (Ludlow) (Con): In his hat trick of humiliating statements, the Chancellor has told us that he is accepting the proposal in order to protect taxpayers. If that is the case, what independent assessment has the Treasury undertaken of the quality of the loan book? A year ago Northern Rock was writing mortgage business at two and a half times its market share, at a time of unprecedented house price inflation. It is highly likely that a large proportion of those mortgages will turn sour. Is the Chancellor relying entirely on the FSA's assurances that the bank is solvent, or has he bothered to do a bit of independent checking himself?

Mr. Darling: The FSA is responsible for regulating Northern Rock. Ron Sandler and his new management team will want to make their assessment relating to the revised business plan on the basis of what they know about the bank, and they will make it their business to find out all that they need to know about it.

Mr. Dennis Skinner (Bolsover) (Lab): It was imperative for the Chancellor to intervene last year. He made the right decision, because in that very week Alliance and Leicester shares fell by a third, which signalled to anyone with any sense or political acumen that something had to be done. Now he has made the right decision again.

The Tories were not always where they are today. In 1971 Ted Heath did not run away from taking over Rolls-Royce, and it was saved. In 1975 Harold Wilson decided to save Burmah Oil, and as a result it too was saved. That is unlike the Notting Hill finance group, who run away at every single opportunity.

Mr. Darling: My hon. Friend makes a good point. It is a pity that the Conservative party, which initially supported the action we took, subsequently decided to run away from its consequences.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): The European Commission has indicated that while the emergency loans made at commercial rates do not fall under state aid rules, the guaranteeing of deposits does, and it has given the Government six months for emergency restructuring. That six months runs out in March. For how long does the Chancellor think that the EC will condone this continuing situation before it bows to pressure from other banks and financial institutions to implement those rules?

Mr. Darling: We do have to submit a restructuring plan by March; that has been the case since last year. The hon. Gentleman touches on another important point by emphasising the problems that are faced. There have been similar difficulties in Europe—in Germany, the German Government and other authorities have had to take action to support their banks—because of issues that all stem from the same source: the problems that started in America last year and have spread throughout the world.

Rob Marris (Wolverhampton, South-West) (Lab): The Government have an enviable record in the last 11 years for economic stability and confidence in the economy. They took a decision last September on Northern Rock to preserve stability in the economy. What assessment has my right hon. Friend made of the stability of the UK economy? Is he aware, for example, of there having been a run on any other major bank or financial institution in the United Kingdom since last September?

Mr. Darling: My hon. Friend makes the point that this country has a very strong and stable economy. We have had more than 10 years of growth and we have very low unemployment and historically low interest and mortgage rates, which is in complete contrast to what we had in the early 1990s when the then Government lurched from one problem to another because they could not keep inflation down, they could not get interest rates down and they had unemployment of almost 3 million. No wonder they got into the difficulties that they faced then.

Business of the House

4.26 pm

The Leader of the House of Commons (Ms Harriet Harman): With permission, I should like to make a short business statement following on from the announcement that my right hon. Friend the Chancellor of the Exchequer has just made.

The business for the remainder of this week will now be as follows:

TUESDAY 19 FEBRUARY—Consideration of a Business of the House motion, followed by all stages of the Banking (Special Provisions) Bill, followed by motion to approve a local government restructuring order relating to Shropshire.

WEDNESDAY 20 FEBRUARY—Continuation of consideration in Committee of the European Union (Amendment) Bill [5th allotted day]. Any selected amendments to clause 2 relating to foreign, security and defence policy.

THURSDAY 21 FEBRUARY—Motion to approve the draft Prevention of Terrorism Act 2005 (Continuance in force of sections 1 to 9) Order 2008, followed by motion to approve the draft Social Security Benefits Up-rating Order 2008 and the draft Guaranteed Minimum Pensions Increase Order 2008, followed by, if necessary, consideration of any Lords Amendments that may be received.

The House will not adjourn until the Speaker has signified Royal Assent.

I shall make a further business statement as usual on Thursday.

Mrs. Theresa May (Maidenhead) (Con): I thank the Leader of the House for making that business statement, but I have a number of questions about the handling of this week's business.

As the Leader of the House announced, there will be a business motion tomorrow to programme the Banking (Special Provisions) Bill. We have already said that we will not hold up the Bill, but given that it has 24 pages, 17 clauses and two schedules, we need to ensure that it receives proper and full consideration. Will she guarantee that business will go beyond the 10 pm moment of interruption tomorrow, to ensure that debate on the Bill is not cut short unnecessarily—particularly as while this elected House has one day to debate the Bill, I understand that the unelected other place will have two days of debate on it? Given that the Committee stage of the Bill will come immediately after Second Reading, what will be the timetable for the tabling of amendments?

Despite the length of the Bill, a lot of detail will still be dealt with by order under the negative procedure. Members need to be able to see that order before they debate the Bill, so will the Leader of the House ensure that the draft order or orders are available to Members in the Vote Office tomorrow morning? Given the importance of the legislation to so many people, and to the reputation of London as a financial centre, can we have a commitment that the order will be subject to a full debate on the Floor of this House, rather than that taking place in Committee with a limited number of Members being able to take part? When will that debate on the orders take place? Will she consider changing the business for this Friday, so that we can debate the orders then? Failing that, will she commit to holding that debate on the Floor of the House next week?

Following the change to tomorrow's business, when will the sixth allotted day of debate on the European Union (Amendment) Bill take place? Will the Leader of the House guarantee that the House will still have the same amount of time—the same number of days' debate on the Floor of the House—on that Bill as had previously been set aside?

Over the past months, the Government have dithered and delayed on Northern Rock, but the House needs proper time to consider the Banking (Special Provisions) Bill. Will the Leader of the House guarantee that the House will be given that time to consider it, and the orders pertaining to it, in full?

Ms Harman: Draft orders will be laid in the usual way by the Chancellor of the Exchequer before the House rises today. I shall give the House next week's business in the usual way in the business statement on Thursday, but I can say that there will be no less debate on the European Union (Amendment) Bill than was originally anticipated. As the right hon. Lady will understand, it will be moved back by a day, but we do not expect to curtail the debate that we had scheduled on that important Bill.

As far as consideration in this House and the other House is concerned, the right hon. Lady will know that the procedures of the other House are a matter for it. I know that she will understand that, the decision having been made by the Government on Northern Rock, it is important that we act expeditiously in order that we can have certainty and business as usual, at no loss of confidence to customers and staff. The decision having been made, it is important that this House turn its attention to scrutinising the Bill on the matter and to making its decision as quickly as possible.

Simon Hughes (North Southwark and Bermondsey) (LD): We welcome the statement by the Leader of the House and the intention that this important Bill should receive Royal Assent by the end of this working week. That seems absolutely the right objective. It is a substantial Bill and potentially deals with any bank, and building societies as well.

In addition to the questions asked by the right hon. Member for Maidenhead (Mrs. May), may I ask the Leader of the House for a couple of other assurances relating to the handling of the Bill in this House? There is usually a difficulty with amendments if we go straight from Second Reading into Committee on the Floor of the House. Can she assure me that there will be an opportunity for Members of the House to take advice on amendments from Clerks from now until then, so that they can be cleared as being in order, and that there will be short interruptions between Second Reading and Committee stage, between Committee stage and Report and between Report and Third Reading, so that people can be fully aware of exactly what the state of the Bill is and what has happened?

Will the Leader of the House be clear that if colleagues around the House, particularly but not only from the north-east, are willing, able and concerned to debate the matter way beyond 10 o'clock, we absolutely should

[Simon Hughes]

not impose any artificial restrictions? We should be willing and able, as we have regularly been in the past on far less important legislation, to go through the night if that is required, and to have until 11.30 on Wednesday morning to deal with the Bill at its first time before us.

On Thursday's business, I welcome the fact that the Leader of the House expects the Bill to come back to us, if there are any Lords amendments, on Thursday. Because we have two other important pieces of business, on terrorism matters and social security uprating, which by tradition and by arrangement are fixed in their time, may I suggest that, with the consent of both Opposition parties, she might agree that we take the Bill first on Thursday, if it is ready and if there are amendments from the Lords? I am aware that a second day of debate may be provided for there, but it is important that if there are amendments, we have the time to examine them and deal with them properly. The Leader of the House knows that we support the Bill and will not obstruct it at all, but it has to be properly debated. It is hugely important not just for Northern Rock but for the whole banking and building society industry.

My last point is on the knock-on effects of the Bill. I completely understand that the topical debate on Thursday will be lost, as that is a reasonable conclusion. However, because the timetable for the European Union (Amendment) Bill has been knocked back one day, will the Leader of the House give Opposition parties a half-way assessment of the timetabling of the second half of the Bill in Committee, to see whether we can reach a more satisfactory agreement about the timing for the rest—and most controversial bits—of that Bill? That might mean fewer complaints that the Government are steamrollering that Bill through the House.

Ms Harman: I have announced that we will have a Business of the House motion, which will be debatable and which will be tabled before the House rises so that hon. Members have a chance to consider it. There will be a debate on that motion tomorrow.

I thank the hon. Gentleman for his support for the Bill and I agree that it has to be properly debated, but it also has to be brought in expeditiously to achieve the desired effect. As for the question of when on Thursday we should consider any Lords amendments, we have scheduled that as the last business, because if it were the first business we might not know whether the Lords have concluded their consideration and agreed any amendments. It is therefore important for us to deal with the other issues first and then come to the question of any Lords amendments later.

On the issue of tabling of amendments, I do not accept the argument for a gap after Second Reading. My right hon. Friend the Chancellor placed a draft Bill in the Table Office this morning, so that hon. Members could consider its terms. I am sure that they will be able to obtain the advice of the ever helpful Clerks on what amendments will be in order. Hon. Members will be able to table amendments tomorrow.

Rob Marris (Wolverhampton, South-West) (Lab): I welcome the business statement and I also welcome the fact that the draft orders will be available tonight. When I checked with the Public Bill Office and the Table Office an hour and a half ago, the explanatory notes were not available. This is a 24-page Bill and it is quite technical, so while I congratulate the Treasury team and the draftspeople on what they have done with the draft orders, can my right hon. and learned Friend say when the explanatory notes will be available for Members?

Ms Harman: The explanatory notes will be available right away, if not sooner. They are very important and I will ensure that they are available as soon as possible today.

Sir Patrick Cormack (South Staffordshire) (Con): Why does the Leader of the House not take the House properly into account? Why not let us have the Second Reading of the Bill tomorrow and the remaining stages the day after? We cannot table amendments until after Second Reading. It is important that the Bill is properly considered—I speak as one who is not fundamentally opposed to it—and therefore all that the Leader of the House has to do is have a slightly more radical reshaping of the next few parliamentary days, perhaps into the beginning of next week. We could have the Second Reading tomorrow, with a vote at 10 o'clock, and the remaining stages the day after. I commend that proposition to the Leader of the House.

Ms Harman: The House will understand that the Bill needs to be considered in this House and in the House of Lords. We have to be sure that we do not prolong any uncertainty and that we come to a swift conclusion. Of course, I have taken into account how the Bill should be dealt with in the House. We want proper scrutiny as well as an outcome that takes place as expeditiously as possible. However, the hon. Gentleman will know that it is not unprecedented in such situations for a Bill to be dealt with in this way. I have a list of Bills—it is far to long for me to read out to the House—that the House was asked to consider in one day because of the circumstances that arose. The hon. Gentleman will be aware that that is the case. The way in which we are proceeding is necessary and it is not unprecedented.

Mr. Kenneth Clarke (Rushcliffe) (Con): The Leader of the House has made it quite clear that she will allow debate only tomorrow and she has refused to answer the question of whether the debate will go beyond 10 o'clock. Her manner, supported by the Chief Whip's body language, makes it quite clear that debate will not be allowed to go beyond 10 o'clock—only, as far as I can see, because the Chief Whip wants to allow the Labour party to go home at 10 o'clock tomorrow evening.

The Leader of the House was present for the statement a few moments ago and she saw that the Chancellor of the Exchequer was quite unable to answer a number of questions about how the bank will maintain business as usual. Most of the replies were party political hits at what the Conservative party was supposed to be doing or not doing. There was no explanation of what business as usual will mean for the bank. If every stage of the Bill will be taken in six hours tomorrow—with full parliamentary scrutiny—that surely reduces the handling of the decision to a parliamentary farce after it has taken so long to come to the rather startling decision to

nationalise a bank for an indefinite period, putting huge sums of taxpayers' money at risk.

Ms Harman: The right hon. and learned Gentleman has been in this House long enough to know that on occasions the Government can ask the House to act decisively when action is needed in respect of a certain situation once we decide that we want to ensure that the uncertainty is as short as possible and that we will bring in a Bill that will give the Government powers to act. He will know that tomorrow will involve the Bill's Second Reading and its consideration in Committee. We will discuss the powers that will be taken by the Government. There will be further debate on the exercise of those powers, no doubt, as the situation unfolds.

Points of Order

4.42 pm

Mrs. Theresa May (Maidenhead) (Con): On a point of order, Madam Deputy Speaker. May I seek your guidance on a point of clarification about the exchange that just took place on the tabling of amendments to the Bill? The Leader of the House did not answer the question about when it would be possible to table amendments to the Bill. Normally, amendments can be tabled only after Second Reading has been completed. Tomorrow, we will consider a business motion and then Second Reading. At what time will it be possible for hon. Members to table amendments to the Bill for consideration in Committee?

Sir Patrick Cormack (South Staffordshire) (Con): Further to that point of order, Madam Deputy Speaker. May we also have some guidance on the precise times that are being proposed, first, for Second Reading and, secondly, for Committee?

Simon Hughes (North Southwark and Bermondsey) (LD): Further to that point of order, Madam Deputy Speaker. If I understand the position, amendments cannot be tabled formally until after Second Reading. Will you give us guidance and advice on how long the House authorities will need to supply them to us in a printed form so that colleagues have a chance to look at them and so that you, your colleagues and Mr. Speaker can order them and decide which are selectable and which should be selected? Would it therefore be possible, from your point of view as Chair, to allow the House to be suspended for half an hour or however long it takes—as has happened on many occasions in the past—while we get our acts together and know what we are about to do to this important Bill?

Madam Deputy Speaker (Sylvia Heal): First, I shall deal with the two points of order about the tabling of amendments. I am advised that the Public Bill Office will be able to receive and advise Members about the tabling of amendments with effect from this afternoon and this evening. I hope that that addresses the concerns raised by the two hon. Members.

Sir Patrick, there was quite a lot of noise. Would you mind repeating for me your point of order?

Sir Patrick Cormack: Thank you, Madam Deputy Speaker. I asked whether the House could have some indication today about how much time we will have for the debates on Second Reading and in Committee.

Madam Deputy Speaker: I must advise the hon. Gentleman that the issue that he raises is a matter for the Government; it is for them to table a motion. I am sorry that I cannot be more helpful than that.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): On a point of order, Madam Deputy Speaker. During the previous statement, the Chancellor quoted me as having said something on the television this morning. He quoted, quite rightly, me saying that it would be wrong to hand over Northern Rock at an undervalue to a private sector organisation. He implied

[Mr. Philip Hammond]

that I thus approved of his policy. Just for the record, may I read a previous sentence that I had said—*[Interruption.]*

Madam Deputy Speaker: Order. I need to hear the point of order.

Mr. Hammond: I want to make it clear that the Chancellor was taking my words out of context. I said:

"We think that the better solution would have been to allow the Bank of England to take control of Northern Rock, to effectively lead a protective administration of Northern Rock, without taking it into public ownership."

Madam Deputy Speaker: That is not a point of order for the Chair, but the hon. Gentleman has placed on the record the point that he wanted to make, and the comments have been heard by those on the Treasury Bench.

Orders of the Day

Health and Social Care Bill

[Relevant document: The Eighth Report from the Joint Committee on Human Rights of Session 2007-08, Legislative Scrutiny: Health and Social Care Bill, HC 303.]

As amended in the Public Bill Committee, considered.

New Clause 1

CERTAIN REGULATED ACTIVITIES TO BE FUNCTIONS OF A PUBLIC NATURE

'A regulated activity under this Part shall be deemed to be a function of a public nature for the purposes of section 6 of the Human Rights Act 1998 (c. 42) where it is performed wholly or partly at public expense and pursuant to statutory powers.'.—*[Mr. Dismore.]*

Brought up, and read the First time.

4.46 pm

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following: New clause 2—*Human rights framework for Commission*—

'The protection and promotion of human rights shall be central to the performance of the functions of the Commission.'.

New clause 4—*Health and social care standards: content*—

'(1) Standards set by the Secretary of State under section 41 shall—

(a) expressly state that all persons for whom health or social care services are provided are entitled to respect for their rights and that service providers (registered in accordance with Chapter 2) have a responsibility to respect such rights;

(b) require that service providers respect the rights of persons for whom health and social care services are provided;

(c) require that service providers provide their staff, whether employed directly or indirectly, with appropriate education and training in relation to respecting the rights of service users;

(d) require service providers to specify and publish the procedures for making a complaint by any person about a regulated activity;

(e) require service providers to put in place appropriate procedures for ensuring that any person who is aware of any failure to respect any other person's rights in relation to a regulated activity being conducted by that service provider to report such a failure to a designated person;

(f) require service providers to ensure that, where any person is being discharged from a health care service to a social care service regulated under this Part, the rights of such persons are fully respected; and

(g) require service providers to disseminate the standards set under this Part which are applicable to them to users of their services.

(2) The Secretary of State may prepare and publish statements of standards in relation to the provision of health care and social care dealing with matters other than those listed in subsection (1).

(3) In this section, a "designated person" is a person designated by a provider of health or social care services to receive and resolve complaints.'.

Amendment No. 11, in clause 2, page 2, line 13, at end insert—

'(bb) the availability and adequacy of advocacy services relating to the bodies it regulates,'.

Amendment No. 8, page 2, line 18, at end insert—

'(da) the need to improve the range and quality of information provided by health care and social care services to users of those services about their rights;'.

Amendment No. 5, page 2, line 28, after second 'the', insert 'rights and'.

Amendment No. 3, in clause 16, page 7, line 28, leave out 'may' and insert 'shall'.

Amendment No. 4, page 7, line 32, after 'safety', insert ', rights'.

Amendment No. 6, in clause 42, page 21, line 2, after 'quality', insert

'including, without limitation, respect for the rights of any person'.

Amendment No. 7, in clause 92, page 46, line 12, at end insert—

'"rights" includes human rights under the Human Rights Act 1998 (c. 42).'.

Amendment No. 14, in clause 108, page 54, line 3, after 'safety', insert 'rights'.

Amendment No. 15, in clause 120, page 65, line 25, at end insert—

'(1A) The appropriate Minister shall by regulations make provision in relation to awareness of, and training in, human rights in accordance with this section.'.

Amendment No. 16, in clause 122, page 66, line 16, at end insert—

'"rights" include human rights under the Human Rights Act 1998;'.

Amendment No. 17, in schedule 6, page 138, line 29, at end insert—

'(3A) The OHPA shall have regard to the desirability of improving the awareness of, and training in, human rights of its members.'.

Amendment No. 18, in schedule 9, page 165, line 27, at end insert—

'(ea) awareness of, and training in, human rights;'.

Mr. Dismore: I also wish to speak in support of new clauses 2 to 4 and amendments Nos. 3 to 18. These new clauses and amendments have been tabled in my name and that of the hon. Member for Oxford, West and Abingdon (Dr. Harris), who cannot be here because he is away on Select Committee business, on behalf of the Joint Committee on Human Rights, which I chair and of which he is a member. As hon. Members will know, we scrutinise all Government Bills for their compatibility with the Human Rights Act 1998 and the UK's international human rights obligations. We report on the most significant human rights issues, and we have now begun to publish amendments to give effect to our recommendations. Our new clauses and amendments deal with omissions from the Bill. We expect to publish another report on the Bill shortly, commenting on some of the proposals in the Bill, particularly those to do with public health.

New clause 1 deals with the scope of the Human Rights Act—in particular, the meaning of the term "public authority", which has become somewhat restricted, far more so than originally intended, and is consequently an extremely important issue. My Committee has published two reports in recent years on the meaning of the term "public authority" in section 6 of the Human Rights Act. That section requires public authorities to act in a way that is compatible with the convention rights set out in the schedule to the Act. The definition of the term "public authority" includes

"any person certain of whose functions are functions of a public nature."

What constitutes a function of a public nature is not further defined in the Human Rights Act. When the issue was discussed during the passage through Parliament of the then Human Rights Bill, it was clearly understood that that provision was intended to cover private sector providers of publicly funded services—public services that had been contracted out to the private sector or wholly privatised, for example.

A series of court cases, starting with the so-called Leonard Cheshire case and culminating in the judgment by the Law Lords in the YL case in June 2007, has narrowed the scope of the Human Rights Act as originally intended, particularly in relation to care homes. The YL case concerned the eviction from a private sector care home of an elderly and frail old lady whose care was paid for by Birmingham city council. By a majority of three to two, the Law Lords ruled that the person concerned could not bring an action against the care home under the Human Rights Act, over the infringement of her rights under article 8 of the convention—the right to respect for her private life and home. They said that her claim lay solely against the local authority that had funded her care. The 1998 Act therefore does not apply to private bodies, and the Law Lords found that that included private care homes, even for publicly funded residents.

In our March 2007 report on this subject, we concluded that there was a strong case for a separate interpretative Act that would clarify the meaning of the phrase "functions of a public nature" in the Human Rights Act. The outcome of the YL judgment has served only to reinforce our concerns and emphasise the need for the Government to act urgently, to reinstate the originally intended scope of the Human Rights Act. That is especially the case given that the Government's strategy of seeking a positive judgment in a higher court has manifestly failed to deliver the desired outcome.

Since the YL judgment, Ministers have expressed agreement in principle with our position that the current state of the law is unsatisfactory, especially for elderly care home residents, who are an especially vulnerable group that the Human Rights Act should protect. For example, the Minister of State, Department of Health, my hon. Friend the Member for Exeter (Mr. Bradshaw), said in Committee that the Government were

"committed to amending the Human Rights Act to ensure that all independent providers of publicly funded care homes are covered by it."—[*Official Report, Health and Social Care Public Bill Committee,* 15 January 2008; c. 200.]

I introduced a private Member's Bill in the last Session that would have clarified the scope of the Human Rights Act. During its Second Reading debate in June 2007, the then Minister, who is now the Solicitor-General, said that the Government were "committed to taking action" that year. Unfortunately,

[Mr. Dismore]

they have not moved quickly to clarify the scope of the Human Rights Act. Instead, they propose to bring forward a consultation on the issue as part of the Green Paper on a possible British Bill of Rights and responsibilities. We have been told that the Green Paper will be published in the first half of this year, so it seems pretty clear that concrete proposals will not emerge from the consultation exercise before the next general election—no matter when that happens to be.

Kelvin Hopkins (Luton, North) (Lab): I want to reinforce my hon. Friend's point, with which I totally agree. It is almost 10 years to the day since the then Home Secretary, my right hon. Friend the Member for Blackburn (Mr. Straw), said that "public authorities" should extend to private providers fulfilling public functions. Some 10 years on from that commitment, it is time for us to act accordingly.

Mr. Dismore: I think that everyone believed that that was the case until Leonard Cheshire put a question mark over it and the YL case put a lid on it. It is only since last June that we have become significantly aware of how serious the problem is and how urgent it is that we resolve it.

My Committee's preference remains for the scope of the Human Rights Act to be clarified by means of a separate Act dealing solely with the wider issue of the meaning of "public authority". That would have the benefit of dealing with the problem of scope across the board, rather than on a piecemeal basis. It would help other vulnerable groups that are deprived of protection by the ruling, the implications of which are very broad. Such people would include tenants of housing associations and social housing, and children under special educational needs statements whose needs are met in independent schools. It would also ensure that the law in this area was consistent throughout the United Kingdom. I have brought forward my private Member's Bill again in this Session, and I urge Ministers not to delay in tackling what are, I accept, a complex range of issues.

In the absence of a general solution to the problem, however, my Committee supports an interim solution for the health and social care sector, given the urgency of the issue. In our report of last summer on older people in health care and the services provided to them, we found that 21 per cent. of care homes still did not meet basic minimum standards. We set out a catalogue of abuse, neglect, carelessness, lack of privacy, dignity and confidentiality, and downright discrimination against the elderly. The elderly would be protected from all those things by the Human Rights Act, but given the implications of the YL case, those in private sector homes have no such protection under the Act.

My hon. Friend the Member for Luton, North (Kelvin Hopkins) moved an amendment in the Public Bill Committee that would have defined all providers of health and social care as public authorities for the purposes of the Human Rights Act. The amendment had the support of the Equality and Human Rights Commission and most of the non-governmental organisations. My Committee is sympathetic in principle to the substance of the proposal. The provision of health and social care is subject to a stringent regulatory regime that involves registration, supervision and inspection. We agree in principle that that should be sufficient to attract the protection of the Human Rights Act. We are left with an anomaly of two elderly residents in the same care home: one would be protected because she was being funded by the local authority, but the other would not be protected because her assets were more than £21,500. Such a situation was pointed out by Help the Aged in its briefing for today's debate.

Such an amendment, however, would extend the protection of the Human Rights Act to self-funders and would go well beyond what Parliament intended when it passed the Human Rights Act. It would raise wider questions about rights—something that has become known as "horizontality" in human rights jargon. We believe that such an issue—the question of whether private individuals can enforce their human rights against other private individuals or companies that are not public authorities—should be considered as part of the wider debate on the Bill of Rights. Most people do not realise that the Human Rights Act applies to public bodies, not the private sector generally. There is a strong case for horizontality, but the original Human Rights Act did not provide for that. We are simply trying to restore the position to what it was before the Leonard Cheshire and YL cases.

Kelvin Hopkins: Is it not a problem arising from privatisation that people not only find themselves in the private sector but have their Human Rights Act coverage removed as well?

Mr. Dismore: Yes, that is a consequence of the YL case. During a Liaison Committee sitting, I put that point to the former Prime Minister. He said that such a situation would be severely anomalous, and that people with publicly funded places in the private sector ought to be protected by the Act, as not protecting them would militate against contracting out and privatisation as ways to deliver public services.

Our other concern about the broad amendment moved by my hon. Friend the Member for Luton, North to encompass self-funders in the health and social care sector is that it would do little to fix the problem for other vulnerable groups such as those whom I have described, and might support the false impression that nothing further needs to be done to rectify the anomaly. New clause 1 proposes restoring, for the health and social care sector pure and simple, the Human Rights Act's original intention, which is that the Act should cover private-sector providers of publicly funded services, under arrangements made pursuant to statutory powers. I hope that the Minister will consider carefully the new clause and its purpose. I hope that he will accept it, but if he is unwilling to do so, I urge him to tell the House today that he will undertake to introduce his own amendments to achieve the same effect in the other place.

The other new clauses and amendments that I have tabled are intended to implement the recommendations in our report, "The Human Rights of Older People in Healthcare", published last summer. We described how the use of human rights can be a powerful lever to improve the quality of services, as well as guaranteeing in their delivery basic concepts such as dignity and

respect for the elderly in hospitals and care homes. As I said, the report gave graphic evidence of abuse and showed that many homes are not compliant with existing regulations. We said that the care standards regulations should require care homes to respect residents' human rights. The regulations governing the operation of health and social care providers, which deal with matters including staff training and the handling of complaints, require that the health, safety and welfare of service users be secured. We recommended that users' human rights should also be central to the operation of health and social care providers, and amendments Nos. 3 and 4 are designed to achieve that.

We recommended that the new Care Quality Commission should adopt a human rights framework to underpin and inform its work and make it more effective in fulfilling its statutory duties. We were disappointed that the Government's reply to our report did not address that issue adequately. New clause 2 and amendments Nos. 5 to 7 would ensure that the protection and promotion of human rights are central to the new commission's performance of its functions. If the Minister cannot accept the amendments, I should be interested to hear why he thinks our proposals are unnecessary. Help the Aged has said clearly that its main concern is the YL loophole. Notwithstanding that, it believes that the CQC can and should promote and protect human rights through its own work, saying:

"It is vital that the CQC takes a human rights-based approach",

and that

"this vital remit should be explicit in the legislation...CQC's work on human rights should go far beyond that of any normal public body. Respect for and promotion of human rights should be fundamental".

Help the Aged welcomes the amendments that I have tabled.

The outgoing Commission for Social Care Inspection also supports our approach, saying:

"The new commission should place the rights of the people who use services and their carers at the heart of its work and they should have clear rights of access to it."

Our report on the Bill published in February clearly recommended that the

"merged inspectorate...should adopt a human rights framework",

and we were disappointed by the Government's response, which said:

"The Department of Health will not be specifying the precise work programme of the new regulator, but will expect compliance...to form an important element of its work".

There are three problems with that. First, putting the human rights of health and social care users at the heart of the commission's work is not equivalent to specifying the precise work programme; it is more fundamental. Secondly, compliance with the Human Rights Act is a legal requirement, not simply something that the Government can expect to happen. Our concern is to ensure that human rights influence the work of the new commission across the board and are not seen simply as a tick-box compliance exercise.

Finally, our report concluded that the Healthcare Commission should not view the 1998 Act as one of the large number of sets of regulations to which it is subject. We said that it should instead regard the framework created by the Act as overarching and fundamental to all its work. We regret that the Department of Health failed to address that point. It simply restated the current position—that the Act is seen as just another statute applicable to public bodies and demanding compliance, rather than as the culture change that we recommended in last summer's report on the human rights of the elderly.

We have seen the point come through strongly in the evidence that we have been taking on access to services for adults with learning disabilities—an issue on which we hope to report in a few weeks' time. I am pleased that the CSCI fully agrees with our conclusions. I hope that the Minister will reflect on that and agree with us that it is essential that the issue becomes an overarching part of the commission's work.

5 pm

Amendments Nos. 8 and 11 deal with the functions of the new commission. Amendment No. 8 would require it to take into account the

"need to improve the range and quality of information provided by health care and social care services to users of those services about their rights".

That is crucial. Without clear and accessible information about how human rights apply in hospitals and care homes, service users will not be in a position to challenge how they are treated or to know how to seek redress. We have been particularly concerned about older people and people with learning disabilities, but accessible information is essential to secure the protection of the human rights of us all.

We have all seen the signs in public buildings saying that staff are entitled to be treated with dignity and respect. However, we do not often see signs that say that service users, patients or relatives are entitled to be treated with dignity and respect by staff. That, however, should be part of the information process. A lot of hospitals, including those in my constituency, give leaflets to people as they arrive about how they can expect to be treated, but not about their rights in respect of how they will be treated. Such information is essential if people are to be able to enforce those rights.

We also recommended that in undertaking its work, the new commission should take into account the provision of advocacy services. Amendment No. 11 deals with that issue. The Government share our view of the importance of advocacy for older people in health care as well as in other contexts. The important role that advocacy can play in supporting vulnerable people in health and social care will be reinforced by a statutory reference to advocacy in the Bill.

New clause 4 relates to health and social care standards. The Bill does not require the Secretary of State to publish care standards or indicate what the content of those standards might be. We recommended that the CQC should apply a single set of standards for health and social care in relation to issues engaging the human rights of service users. New clause 4 is our suggestion of what a human rights standard might look like. It includes requirements in respect of: staff training on respecting the rights of service users; the publication of complaints procedures; a duty on people to report any failure to respect human rights that they see; discharge arrangements; and the publicising of the

standards that apply. If the Minister sees a problem with those requirements, I would be grateful if he told me what it is.

Finally, we recommended that a basic understanding of how the 1998 Act requires the protection of basic principles such as dignity, fairness, respect and equality should be included in the qualifications, accreditation and re-licensing of health professionals; amendments Nos. 14 to 18 seek to achieve that.

Achieving effective human rights protection requires a combination of different measures operating in different ways to make human rights considerations more central to the decision-making processes of health and social care providers and the new regulator. I urge the Government to accept in principle that the Bill should be amended to reapply the 1998 Act to publicly funded residents of private sector care homes. I also urge him to consider seriously our other amendments, all of which are intended to protect the rights of extremely vulnerable people in the health and social care sectors.

Sandra Gidley (Romsey) (LD): We are debating one of the enduring themes of the Bill. In Committee, Members on both sides made several attempts to beef up its human rights aspects. Most of us were concerned about the fact that 90 per cent. of care homes are run by the private and voluntary sector and are therefore not covered by the Human Rights Act 1998. That was never Parliament's intention when the legislation was introduced, but case law and decisions in the courts have brought us to where we are today.

It is right and proper that we try to amend that, but there is also a wider problem that probably cannot be dealt with in this Bill. We need to think of ways to avoid a situation whereby people can sit side by side in the same private nursing home with different rights because one person is funding their own care and the other is having it paid for by the state. The Minister has been genuinely sympathetic as regards this state of affairs, and it may be easier to deal with it in stages. However, it is worth pointing out that it has been allowed to exist for far too long. We missed an opportunity with the Equality Act 2006, when several amendments were tabled, and the private Member's Bill promoted by the hon. Member for Hendon (Mr. Dismore) never saw the light of day. We would not be doing our duty if we were to allow yet another opportunity to slip by. If we leave it all to a consultation as part of a Green Paper on a possible British Bill of Rights, that may be too little, too late.

It is helpful that the Joint Committee on Human Rights has considered the Bill in such detail. I thank hon. Members for tabling the amendments, because they give us a chance to debate the issue once more. In the summary of its report, the Committee says:

> "Although the Committee prefers a general solution to clarify the meaning of 'public function' in the HRA, it also sees the need for an interim solution in the Health and Social Care Bill. The Committee is sympathetic in principle to an amendment moved in Committee to make all providers of health and social care public authorities for the purposes of the HRA. But this may go beyond what Parliament intended".

That sums up the situation very neatly. The fact that this presents a difficult challenge does not mean that it is not worth doing.

I welcome new clause 2, which would make it clear that the new commission should adopt a human rights-based approach. It will have to deal with a wide range of legislation, and it is important to many that the human rights aspects are not just a tick-box exercise to be thought about afterwards. The thrust of its work should have human rights principles at its core.

I am disappointed that new clause 3 was not selected—indeed, I am disappointed that several new clauses and amendments were not selected, but perhaps a little more of that later—because its inclusion would have sent a clear message to providers that the CQC could investigate any transgressions of the Human Rights Act. If there is a problem with the amendment, it is that it does not deal with the devolved Governments. I am slightly uneasy about supporting a situation whereby there are potentially weaker human rights in the devolved nations, and I should like that to be addressed.

Certain comments in the Committee's report do not require legislation to implement but should nevertheless be borne in mind. I was struck by the emphasis on accessible information about human rights, and how that applies to health care settings. Such information will be available for care home residents, relatives, carers, advocates and the public as a whole. At the moment, the professionals involved know what is required of them, but it is sometimes not set out in black and white. Members of the public do not feel empowered, and making more information available to guide them through the process, letting them know what is acceptable and what is not, will do them a great service.

I did not quite catch whether the hon. Member for Hendon planned to press his new clause to a vote. As a matter of principle, we would want to support it, despite our reservation that the devolved nations are not included.

Joan Walley (Stoke-on-Trent, North) (Lab): I welcome the opportunity to speak briefly on this group of amendments and new clauses and I say to my hon. Friend the Minister that I support the spirit of the proposed changes.

I would like to consider briefly aspects that relate to the trend of contracting out and privatisation of health and social care services. At a time when an increasing number of public services are provided by the private sector, it is essential that we get the Bill right. I am conscious that this is not the final opportunity that we will have to debate the matter, and I am speaking now to implore my hon. Friend the Minister to take into account my specific concerns on issues of detail, which relate specifically to subsection (2) of new clause 4. If the spirit of that provision were adopted by the Government, the Secretary of State would

> "prepare and publish statements of standards in relation to the provision of health care and social care dealing with matters other than those listed in subsection (1)".

I would like to consider that measure in relation to the provision of non-emergency ambulance services. My concern stems from a particular state of affairs that has existed in north Staffordshire and Stoke-on-Trent for a long time, where patient transport services are contracted out. I seek clarification from the Minister during this debate, and during the course of the progress of this legislation, on the details concerning transport.

I have examined the Bill, but I did not have the privilege of serving on the Committee that considered it. Clause 4(3) refers to transport services for elderly and disabled people as being

"connected with the provision of health...care."

Therefore, I am assuming that that will be a regulated activity that has to be registered with the commission. The Bill does not make explicit—perhaps the Minister could be helpful by clarifying this so that it will become apparent through subsequent readings of *Hansard*—whether that will include all the associated facilities for providing such a service, such as staff accommodation and depots.

Clauses 11 and 12 deal with registration regulations, and clause 16, deals with the regulation of regulated activities, and although there is a need to register, I can see nothing elsewhere in those clauses that would require the commission to consult other agencies, such as the local environmental health authority, as to whether the application for registration should be granted or refused. Perhaps I should say at this point that I speak as a vice-president of the Chartered Institute of Environmental Health. I would like the Minister to set out the role that he anticipates for local authorities with regard to information they might have on whether private providers of some regulated services are suitable. For example, I would like to know what account the commission can take of issues such as food safety, hygiene or health and safety matters. If the Minister considered clause 4(3)(b) in detail and perhaps providing for associated facilities after transport, that might be a way in which to tackle some of my concerns and those of others about the matter.

5.15 pm

If the Minister could clarify the issue, it would give me some sense of security that depots and staff rooms associated with private ambulance services would be included in the regulated activity and taken into account in the registration process so that we could deal with unhygienic facilities, if necessary. Much legislation relates to health and safety at work and there is a procedure for considering the health and safety at work aspects of the measure. However, when we deal with the most vulnerable people in our constituencies, it is essential that we have all the necessary support. I implore the Minister to give some comfort about section 6 of the Human Rights Act and facilities associated with the private transport provision of non-emergency ambulance services.

Kelvin Hopkins: I am pleased to support the amendments, which my hon. Friend the Member for Hendon (Mr. Dismore) proposed so competently and ably. Indeed, they reflect amendments that I tabled in Committee, although I tried to go slightly further than my hon. Friend in that they would have covered all residents of private care homes.

Of course, I understand my hon. Friend the Minister's concern about the difficulty of covering self-funders because the Human Rights Act specifically covers relations between the individual and the state, and self-funders are, by definition, private residents paying a private concern to care for them—the state is not directly involved. However, I believe that we should find a way to ensure that all residents of care homes are covered by the Human Rights Act. At the moment, if one is in a care home that is privatised, or moved from a public to a private care home, one is removed from coverage of the Human Rights Act, and that is unacceptable. Even if the Government tabled amendments along the lines suggested by my hon. Friend the Member for Hendon, the self-funders would still not be covered. I have a possible solution, which I will urge on the Minister later, but I will not spring that surprise on him just yet.

The problems arise from two fundamental factors, about which I was not happy when they occurred. The first is the privatisation of care homes. If they had stayed in the public sector and all care homes were in the public sector, there would not be a problem. The second is means-testing funding. If all funding were public, without means-testing, there would not be a problem. I urge the Government to reconsider the recommendations of the royal commission on long term care for the elderly that all care home residents should be publicly funded out of taxation—progressive taxation at that. There would be no problem with coverage by the Human Rights Act if the Government ensured that all residents of care homes were publicly funded. When the royal commission produced its recommendations, it estimated the cost to the Exchequer at £1 billion a year. That is not much money in the great scheme of things—it is the equivalent of one third of a penny on the standard rate. I have spoken to many people, in meetings and privately, and asked whether anyone would object to the equivalent of a third of a penny extra taxation to pay for long-term care for everyone, including us. Many of us, because we will live longer and are much healthier than we were, will probably finish up in care towards the end of our lives. Indeed, some people might even choose to enter long-term residential care, which should also be an option, rather than having to enter it because of ill health or infirmity. If we could all be assured that, whatever happened, we would be guaranteed long-term care at the end of our lives that was properly funded by the state, we would all be greatly relieved. Indeed, I have heard no one object to that proposition in all my conversations.

The other issue is the privatisation of care homes. Personally, I was deeply opposed to the privatisation of care homes and opposed the effective privatisation of care in my constituency, encountering some difficulties with the local authority at the time. Nevertheless, the changes went ahead, under pressure from the Government and through the use of legislative and financial means to press the authority to move care into the private sector. In effect, that is how things happened—there are still some public care homes, but as the hon. Member for Romsey (Sandra Gidley), speaking for the Liberal Democrats, pointed out, 90 per cent. of care is now in the voluntary and private sectors. That is a matter of concern.

I believe profoundly in the public service ethos—the idea that when people work in care, they do so not for profit, but to care for their fellow human beings, out of a commitment to their interests. If care is in the public sector, that is indeed what happens. One of the care homes in my constituency that closed down was in the middle of a large community from which people went into residential care. The home was staffed by people from that community who were long-term workers there and was democratically accountable to the local authority. That was the ideal situation, yet the home was closed and the care moved into the private sector.

[Kelvin Hopkins]

I know that we are not talking about bringing all care back into the public sector at this stage, although there is a mood of nationalisation abroad today that I welcome very much. In the longer term, I hope that the Government will look to public ownership once again and make long-term care part of the overall health provision envisaged by everyone from Nye Bevan onwards, based on the principle of universality so well expressed by Beveridge, Bevan and many other socialists of that time, but perhaps put most brilliantly by Professor Richard Titmuss, who influenced me in my youth in setting out the case for universal provision.

I have made my point. I hope that the Government will consider the possibility of providing free long-term care, which would overcome the problem, and, in the longer term, bringing all care back into the public health service.

Mr. Stephen O'Brien (Eddisbury) (Con): It is always a pleasure to follow the hon. Member for Luton, North (Kelvin Hopkins). Nobody can doubt the sincerity and consistency with which he has presented his arguments both on the Bill and over many years, encompassing human rights and his views on the nature of ownership and delivery. I salute him for the consistency of his arguments.

I do not intend to take up too much of the House's time. I pay tribute to the work of the hon. Member for Hendon (Mr. Dismore) and the Joint Committee on Human Rights, both in championing the rights of those in care generally and in keeping the Government's feet to the fire on the issue. The Public Bill Committee drew on the JCHR's work, particularly its 18th report of the previous Session entitled "The Human Rights of Older People in Healthcare", HC 378. It is important to note that although the Committee was most exercised by the eviction of individuals from care homes, the Government are presiding over a wide range of human rights failings in our health and social care sectors.

The Joint Committee report noted that

"many witnesses, including the inspectorates, providers and organisations supporting older people, expressed concern about continuing poor treatment of older people in healthcare."

The report charted failings under articles 2, 3, 8 and 14 of the European convention on human rights in respect of, among other things: malnutrition and dehydration, which we shall expand on in the next group of amendments; inadequate assessment of a person's needs; abuse, neglect and bullying; lack of privacy in mixed-sex wards, which, as it happens, relates to another of the Government's broken commitments; a lack of dignity, especially for personal care needs; too hasty discharges from hospital; fear of making complaints, an issue that unfortunately has not been selected for debate on Report, despite our best attempts; and age, disability and racial discrimination.

On the basis that it is appropriate to the debate, I should like the House to note the importance of the fear of making complaints in relation to the legislation that we are debating today. This is a cross-party concern. It was raised in Committee by us and by the spokespersons for the Liberal Democrats, as well as by the hon. Member for Luton, North, who said:

"A number of my hon. Friends, not necessarily members of the Committee, are concerned about changes in patient representation and procedures for patients making complaints in recent years."—*[Official Report, Health and Social Care Public Bill Committee,* 17 January 2008; c. 346.]

The hon. Member for Tamworth (Mr. Jenkins), who I see in his place today, also sought to hold the Government to account for their shortcomings in this area. Furthermore, the hon. Members for Oxford, West and Abingdon (Dr. Harris) and for Hendon are seeking clarification on this issue.

The remaining unanswered questions on complaints centre on three issues. The first involves resourcing the ombudsman, who is facing an elevenfold increase in work load, yet none of the costs of that increase have been reflected in the impact assessments for the Bill. The second involves monitoring trends. With the Healthcare Commission losing its complaints function, how can we be sure that the early warning signals will be picked up by the regulator? I dare say that we all remember the tremendous work of the community health councils, which were able to use the collective wisdom of all that they had been able to achieve through their inspections and access to hospitals through programmes such as Bedwatch. We discussed that at length when the Government announced that they were axing the community health councils but then had to postpone their abolition and give them a stay of execution for a year. Those functions now appear to be at risk again. I hope that the Minister will address that point specifically.

The third issue involves putting in place a complaints system for privately funded social care. That has just been referred to by the hon. Member for Luton, North. The Under-Secretary of State for Health, the hon. Member for Bury, South (Mr. Lewis), has said in Westminster Hall that

"it is unacceptable that self-funders should not have the protection that other residents have".—*[Official Report, Westminster Hall,* 11 December 2007; Vol. 469, c. 52WH.]

He also told the "File on Four" programme in September that he would be achieving his aim through this Bill. That is all on record. That is a promise, however, that the Government now appear to have reneged on. I hope that the Minister will take note that his colleague has put that intention on the record, and I hope that the Minister has now been persuaded that this is the moment to look at this matter.

In its submission to the Committee, the Commission for Social Care Inspection said that the new regulator should take a "strong rights based approach". In support of that, the Joint Committee said that the Care Quality Commission should adopt a

"human rights framework with the intention that the framework informs all of the inspectorate's work and so makes it more effective in fulfilling its statutory duties."

The Mental Health Act Commission, which was rightly commended by the Joint Committee for its human rights approach, was particularly concerned in its oral evidence to the Committee that the human rights focus would be lost in the merger. The Government have as yet failed to guarantee that that will not happen. The Commission has called for "an overarching principle" of equality and human rights, focusing at all times on the civil, legal and human rights of patients.

In Committee, the Minister confirmed that the frequency of visits—a vital point—would be

"a matter entirely for the new commission".—[*Official Report, Health and Social Care Public Bill Committee*, 17 January 2008; c. 323.]

The MHAC, however, wants visits to continue with their current six-month regularity. The choice will be truly free only if the commission is properly resourced to do what it deems important, but the Minister has not as yet given such a guarantee. I hope that we shall be thrilled today by his contribution in that regard.

It is disappointing that we have to have these discussions on amendments to a Bill on Report. We looked at these matters extensively in Committee, as the hon. Member for Luton, North has mentioned. He was supported in Committee by the hon. Member for Tamworth. They both raised a number of these issues, but it was felt by the Minister that campaigners on this issue would be pleased to hear his commitment that the Government were

"committed to ensuring that independent sector care homes are covered by the Human Rights Act."—[*Official Report, Health and Social Care Public Bill Committee*, 10 January 2008; c. 135.]

He reiterated the Government's line that that would be achieved in the Bill of Rights, but if he has committed to that, we question why he is not prepared to pass the amendments now.

Clearly, a cart and horse situation has developed in the Government's mind—that the Bill of Rights is necessary for proper scrutiny in order to arrive at what would be relevant to the application of such human rights to private sector care homes within a Bill of Rights framework. It seems to us that the right place for a thorough going over of that was in Committee, but that was rejected during the course of our deliberations. It is in Committee, Madam Deputy Speaker, that it is appropriate to go through really intense and detailed scrutiny of these provisions, which provide complex material to interweave and interleave into existing legislation. Having an appropriate debate on these amendments now depended on having a proper Committee stage as a matter of principle. In the absence of any such debate and of the bringing forward of the Bill of Rights in advance, our present debate becomes difficult and it is not easy to form a clear opinion of how the provisions will work.

5.30 pm

I notice that a letter in *The Guardian* today was signed by 33 different national voluntary sector providers of social care services to disabled people and many others, including all in receipt of social care. They state that the Health and Social Care Bill really must put users at the heart of regulation and argue for the rights-based approach, which was very much the evidence revealed by Dame Denise Platt, the head of the Commission for Social Care Inspection, during Committee hearings.

If the new clauses and amendments are pressed to a Division, it would be difficult for us to signal our support, but at the same time we do not intend to vote against them either. We want to register our main point that the Bill of Rights that the Government have prayed in aid absolutely needs to be brought forward fast; otherwise, the Government's commitments will be revealed as hollow. Clearly, there is a major demand to involve human rights principles, not least those articulated by the Joint Committee, but in the absence of discussion of the Bill of Rights, we are in grave danger of trying to legislate for the cart before the horse has been debated. On that basis, our position is clear.

The Minister of State, Department of Health (Mr. Ben Bradshaw): As has already been said, this group of amendments deals with a number of matters raised in the legislative scrutiny report of the Joint Committee on Human Rights, which was published earlier this month. It has provided a very helpful human rights perspective to the Bill and I would like to take this opportunity to pay tribute to the Committee's diligent and important work under the chairmanship of my hon. Friend the Member for Hendon (Mr. Dismore). Indeed, I pay tribute to all hon. Members who contributed on the issue of human rights as the Bill went through Committee.

I hope to offer some words of comfort to my hon. Friend and to them, but I also need to say from the outset that we do not believe that most of the amendments in the group are necessary. I shall come on to explain why in a few moments. We agree with the principle behind the Joint Committee's proposed amendments, but we do not see the need to inscribe everything in primary legislation. I understand that proposing a large number of amendments in this way represents a new approach for the Joint Committee, but in this instance I am not sure that it is the most effective way to proceed. Where the Government are giving undertakings or are already pursuing a particular policy, I hope that the Committee will accept those undertakings rather than pursue the course of specifying every last detail directly in the legislation.

New clause 1 is designed to apply the Human Rights Act 1998 to all public and all independent providers of health and adult social care registered with the new Care Quality Commission if the care is publicly funded either wholly or in part and is pursuant to statutory powers. We heard a great deal in the evidence presented to the Committee and in the Committee's own deliberations about the case for bringing private and voluntary sector health and social care providers within the scope of the Human Rights Act 1998. I said, and I repeat, that I am sympathetic to the intention of dealing with publicly funded care, be it health or adult social care, that is behind the new clause. I thank my hon. Friend and his Committee for setting out the issues so clearly. As I hope I made clear in Committee in response to a number of proposed amendments, including those tabled by my hon. Friend the Member for Luton, North (Kelvin Hopkins), the Government are firmly committed to amending the Human Rights Act to ensure that all publicly arranged care provided by the independent sector is covered by it. We have agreed with the Ministry of Justice that it would be appropriate to use the Health and Social Care Bill to strengthen regulatory powers to ensure that the Care Quality Commission can enforce regulatory requirements in line with the spirit of the European convention on human rights.

However, as I indicated, we have difficulties with new clause 1 as drafted. For example, it links the coverage of the Human Rights Act to "regulated activity", as defined in clause 4, which would be registered with the Care Quality Commission. That merely provides for

[Mr. Ben Bradshaw]

regulations to determine what is a regulated activity. Therefore, the scope of the Human Rights Act could be altered by secondary legislation. I am sure that that is not the intention of my hon. Friend the Member for Hendon. I suspect that the relevant Committee in another place would consider it an inappropriate delegation of powers for an Act as important as the Human Rights Act. Moreover, we are also not sure what would or would not be covered by the test within the new clause of care provided

"wholly or partly at public expense".

Would that cover all residents in a care home where one out of 50 was funded by a local authority? Would it apply to everyone receiving care provided by a charity that received a very small annual grant?

However, as I said, I am sympathetic to the intention behind the amendment and the concerns expressed by evidence givers and by members of the Public Bill Committee and the JCHR. I undertake to consider the issue of publicly arranged health and adult social care and the Human Rights Act in the context of this Bill, with a view to the Government reporting back on that important issue during its passage in the other place. I hope that that offers some reassurance to my hon. Friend that the Government are continuing to consider the issue. In the light of that, I hope that he agrees to withdraw the motion.

Amendments Nos. 3 and 4 would place a duty on the Secretary of State to ensure that regulations under clause 16 include provision intended to secure the rights of those receiving services in addition to their health, safety and welfare. We must be careful not to create an expectation that the new Care Quality Commission will be a quasi-judicial or ombudsman-type body, as the amendments would do. Regulations under clause 16 will set out specific requirements that will be in line with the spirit of the European convention on human rights, but are relevant to the provision of health and social care services. It will be by enforcing those specific requirements on health and social care provision that the commission will support the promotion of human rights.

New clause 2 and amendments Nos. 5, 6 and 7 would require the protection and promotion of human rights to be central to the work of the commission. We had quite a lot of discussion about that in Committee, not least in response to the amendment tabled by my hon. Friend the Member for Luton, North. I confirmed that as a public body, the commission will of course be subject to the Human Rights Act and will have to carry out its functions in ways that are compatible with it. In carrying out its work in checking that providers comply with the registration requirements, the commission will be able to ensure that providers follow the spirit of the European convention on human rights.

We are keen to get the registration requirements right. Rather than this being a "tick-box exercise", to quote my hon. Friend the Member for Hendon, the commission's work in ensuring compliance will be a real driver to help to achieve the "wholesale cultural change" that the JCHR's report seeks. I also encourage all those with an interest in the safety and quality of health and adult social care services to participate in the forthcoming consultation on those registration requirements. That is an open invitation to him and his Committee to do so.

Amendment No. 8 would require the commission to perform its functions in a way that encourages health and social care services to improve the information that they provide to patients and service users about their rights. We agree that it is important that people have information on their rights and entitlements so that they can make informed decisions about their care and treatment, but the amendment is not necessary to achieve that. The Government have already distributed guidance and a toolkit on human rights and health care to the NHS, and that is available to the public. The Human Rights Act makes it unlawful for the Care Quality Commission, or any NHS body or local authority, as public authorities, to act in a way that is incompatible with the convention right. It is therefore for the courts to ensure that they comply. Of course, other bodies, such as the Equality and Human Rights Commission, have a leading role in that.

Amendment No 11 would require the commission to have specific regard to whether adequate advocacy services are available when carrying out its functions. The Government recognise the importance of good advocacy services. Section 12 of the Health and Social Care Act 2001 gives the Secretary of State for Health a duty to arrange the provision of independent advocacy services for those who make complaints about the NHS, and we established the Independent Complaints Advocacy Service to support patients and members of the public wishing to complain about their NHS care or treatment. In the context of social care, we intend to provide equal access to advocacy alongside the new complaints arrangements. We are still examining the details of how that can best be achieved.

While the commission will encourage the provision of good advocacy services through its review functions and by monitoring the adequacy of complaints processes operated by service providers, we do not consider that that should be central to its role. It would therefore be inappropriate for us to include it in the list of the matters to which it must have regard as a matter of course when carrying out its functions.

New clause 4 is linked to clause 41, which enables the Secretary of State to publish statements of standards relating to health care provided and commissioned by primary care trusts. The standards will provide a practical set of benchmarks for different services. The new clause sets out a number of topics to be covered by standards under clause 41, relating to the rights of patients and service users. We intend to hold wide-ranging discussions and full consultation with patients and clinicians on the details of the standards, because we want to ensure that they deliver real improvements in care. We feel that it would be inappropriate to set out the details in the Bill in advance of that consultation; indeed, I am not convinced that such standards should be in primary legislation at all, as it will be necessary to refine them frequently.

My hon. Friend the Member for Stoke-on-Trent, North (Joan Walley) expressed concern about publicly commissioned services provided by private non-urgent ambulance services. I invite her to make the case that she has made today during the consultation on the registration requirements, but I can reassure her that any publicly provided health or social care service will

fall within the scope of the Bill, in terms of both human rights and registration requirements.

Kelvin Hopkins: May I reinforce a point about the training and education of staff? On Second Reading, I raised concerns that had been put to me by Unison and the Royal College of Nursing. They wanted to make absolutely certain that the quality of staff was good across the board, and that there was no danger of a two-tier service developing in time.

Mr. Bradshaw: I am about to deal with amendments Nos. 14 to 18, which refer to professional qualifications and training. I hope that this will reassure my hon. Friend. The amendments are intended to implement the recommendation of the JCHR about professional regulation, which suggested that

"basic principles such as dignity, fairness, respect and equality be included in qualifications, accreditation and re-licensing for health professionals."

We do not consider the amendments to be either necessary or appropriate to achieve the objective that I think we all share. They seek to impose various duties on the Council for Healthcare Regulatory Excellence, the Office of the Health Professions Adjudicator and the General Social Care Council. Each of those bodies is a public authority, and as such they must already carry out their functions in a manner that is compatible with the European convention on human rights. We therefore see no need to impose specific duties on them, and do not consider that any benefit would be gained from our doing so.

I trust that my assurance that the Government will examine the issue of publicly arranged health and social care provision and the Human Rights Act again in the context of the Bill will enable my hon. Friend the Member for Hendon to withdraw new clause 1, and I hope that I have persuaded him that his other amendments are not necessary either.

Mr. Dismore: I hope that my hon. Friend does not take exception to the fact that our Committee proposed amendments. We see that as an extension of our general scrutiny role, particularly if the Government do not accept the recommendations in our reports. In that event, inevitably, our only alternative is to bring them to the Floor of the House by tabling amendments, and we may do that rather more frequently in the future, not just in relation to my hon. Friend's Department, but more generally.

The debate we had on the YL case emphasises the importance of the comprehensive approach that my Committee advocated from an early stage, as exemplified by a private Member's Bill of mine in the last Session and another Bill of mine in this Session. All the questions and criticisms that have been raised would have been dealt with by such an approach. The question of devolution, which the hon. Member for Romsey (Sandra Gidley) raised, could be dealt with by a comprehensive approach in a dedicated Bill. The question of patient transport services, as addressed in amendments to the Bill, could also be dealt with. My hon. Friend the Member for Luton, North (Kelvin Hopkins) raised issues to do with self-funders, and they could also be dealt with. I am not entirely sure that I agree with him on that point, however, because even if there was no means-testing, the people concerned would still be in a private sector home, so without things being resolved in accordance with the YL case problems would still arise.

5.45 pm

My hon. Friend the Member for Luton, North also raised more general issues that stray into the wider Bill of Rights debate. Those of us who are involved in the human rights world come across three major issues. One is horizontality, which I mentioned earlier—applicability between private individuals and companies. His comments strayed into that area, and also into the second big issue: social and economic rights. However, he kept off the third one: third generation rights, which are to do with environmental issues.

Kelvin Hopkins *rose—*

Mr. Dismore: My hon. Friend might be about to add to the list.

Kelvin Hopkins: Just to clarify, I understand that the Government are looking at the possibility of publicly funded residents in private care homes of covered if there was no means-testing, so that everyone is publicly funded and everyone, by definition, is covered.

Mr. Dismore: I hear what my hon. Friend says, but it is important to get back to where we started before we start to develop our ideas. I have a lot of sympathy with his points, but we must resolve the immediate problem first.

I am pleased that my hon. Friend the Minister has recognised the importance of this matter and that it will be returned to in the other place. I am not entirely sure that he is with us, however, when he talks about looking only at the regulatory powers aspect. Does he therefore exclude the general application of the Human Rights Act 1998 to care home residents, including, for example, their power to take matters to judicial review, as in the YL case and the Leonard Cheshire homes court case? Those cases were brought by individuals who were affected; they enforced their own rights and were not reliant on the commission or another agency to help them do so. I hope that when the Government table an amendment in the other place, it will address the fundamental problem of the definition of what is a public authority in this context, as one of my amendments would do. On that basis, I would be happy not to press this particular matter any further.

On wider issues, the hon. Member for Eddisbury (Mr. O'Brien) raised the important need for a rights-based approach. That is fundamental to the second batch of amendments, if I can use that general term to describe the amendments that are all variations on that theme.

I am concerned that my hon. Friend the Minister says we are raising expectations, because the expectations in question relate to people's rights that already exist. That takes us back to a point I made earlier: the Government say that they expect certain things to be done, but the rights already exist in law and should be enforced. I am therefore concerned that he feels that they should not be included in the Bill, in the context of a rights-based approach. It is said that the matter will

[Mr. Dismore]

fall under the commission's general responsibilities, and that it will conduct enforcement and inspections in the spirit of the Human Rights Act, but if that fundamental principle is not included in the Bill in some way, shape or form, the importance of that rights-based approach will be underplayed. All the evidence that we have received supports that argument—as, I think, does the evidence the Public Bill Committee received.

In the spirit of compromise, I do not propose to call for a vote. My hon. Friend has said that these issues can be looked at again in the other place. As he knows, one advantage of the Joint Committee on Human Rights is that we have members from both Houses, so we can keep each other well briefed and informed. If my hon. Friend does not table amendments, particularly on the rights-based approach, I will be very surprised if my Committee colleagues in the other place do not do the job for him again, so that we end up having this debate again, perhaps even on Lords amendments back in this House.

We have had sweetness and light so far today, and I would give the Government a mark of seven out of 10. On that basis, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 15

CODE OF PRACTICE RELATING TO MALNUTRITION

'(1) The Secretary of State may issue a code of practice about compliance with any requirements of regulations under section 16 which relate to the prevention or management of malnutrition.

(2) The code may—

(a) operate by reference to provisions of other documents specified in it (whether published by the Secretary of State or otherwise);

(b) provide for any reference in it to such a document to take effect as a reference to that document as revised from time to time;

(c) make different provision for different cases or circumstances.

(3) The Secretary of State must keep the code under review and may from time to time—

(a) revise the whole or any part of the code, and

(b) issue a revised code.—*[Mr. Stephen O'Brien.]*

Brought up, and read the First time.

Mr. Stephen O'Brien: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss amendment No. 105, in clause 16, page 8, line 31, at end insert—

'(7A) Regulations made under this section may make provision for the prevention and management of malnutrition and may include such provision as the Secretary of State considers appropriate for the purpose of safeguarding individuals (whether receiving health or social care or otherwise) from the risk, or any increased risk, of malnutrition.'.

Mr. O'Brien: Amendment No. 105 is intended to establish regulations to deal with malnutrition. It is drafted in the same terms as clause 16(5), which is on health care-acquired infections—or health care-associated infections, depending on which of the Government's definitions one chooses to take. New clause 15 would provide for a code of practice on malnutrition and is drafted in the same terms as clause 17, which provides for a code of practice relating to health care-acquired infections.

The context of the new clause and amendment is necessarily fixed within the area of health care-acquired infection. The Government have put in the Bill the need for regulations about health care-associated infections, as they call them, notably methicillin-resistant Staphylococcus aureus and clostridium difficile, and a code of practice on preventing them. While that is laudable, I fear that it will do little to dent the Government's ongoing failure on health care-associated infections unless proper infection control measures are put in place in the code.

Although health care-associated infections are falling, the rate is still way off track to meet the Government's 2004 target of halving MRSA rates by March 2008. The Secretary of State for Health has contradicted the Prime Minister's promise of screening for C. difficile; bed occupancy is up; deep cleaning is a gimmick with no new money attached; there is no decent search-and-destroy strategy; and Government promises on isolation wards are still being broken. I am sure, moreover, that the House was pretty disgusted by the Health Secretary's posturing promise that he would prevent a payout to the chief executive of Maidstone and Tunbridge Wells NHS Trust, considering that, on 24 January—just a few days ago—we discovered not only that the Secretary of State never had the power to do that, but that the chief executive received £75,000 of taxpayers' money for her failure. That is the context in which malnutrition is so important.

As we know, according to the Government's own figures in "Clean, safe care: reducing infections and saving lives", published on 8 January, MRSA affected about 6,000 people in 2006-07 and C. difficile about 56,000. By contrast, in 2006-07 no fewer than 139,127 patients were discharged from hospital in a state of malnourishment. The issue is not just about malnourishment; it is also a human rights—we have just discussed human rights—issue. The Joint Committee on Human Rights, in its recent report, "The Human Rights of Older People in Healthcare", noted that malnutrition and dehydration in care settings breached articles 2, 3 and 8 of the European convention on human rights. Figures cited in the Department of Health's own nutrition action plan show that the cost of undernutrition is estimated at £7.3 billion a year, and a recent *British Medical Journal* study reported that about 20 per cent. of patients in hospital—one in five—are malnourished.

Despite those figures, which reaffirm those provided through BAPEN's screening week—I assume that everybody in the Chamber knows that BAPEN is the British Association for Parenteral and Enteral Nutrition—an initiative that the Minister claimed to support, the Department chose to rubbish them as

"hopelessly out of date or misinterpreted."

Furthermore, the Government's own figures, provided to me through written parliamentary answers, show that the number of undernourished patients being discharged from hospital has risen by 84 per cent. since

1997. There is little evidence that the Government have either the will or the conviction to tackle the problem. Since the new year, they have failed to take the opportunities afforded by the publication of vital signs indicators for primary care trusts, of responses to the payment by results consultation, and of the Bill to demonstrate their intention to do so. Of the 83 vital signs targets, none relates to malnutrition. It has been pointed out to the Department that the lack of recognition of support services, such as those on nutrition, in PBR acts as a barrier to the commissioning of effective care pathways.

Most damning was the voting down in Committee of an amendment that would have put the importance of tackling under-nutrition on the same statutory footing as tackling hospital-acquired infections. Clearly, therefore, the Government see under-nutrition as a peripheral rather than central issue in respect of both health and social care and human rights. The new clause and amendment give the House an opportunity to make a genuine addition and improvement.

Given the Government's repeated refusal to make use of opportunities to tackle under-nutrition, such as in the NHS's operational plans and the system of PBR, my view and that of my colleagues is that we simply cannot accept the Minister's feeble assurance—"feeble" is a strong word, but it is correct in this context—to the Committee that he hoped that malnutrition would be included in the core registration requirements examined by the new Care Quality Commission. He said no more than that he hoped that that would happen. That seems a wholly insufficient and inadequate response to what is patently a major issue, given evidence that was based wholly on the Government's own information and statistics, and which was published in parliamentary answers. Unless we hear from the Minister an important and new voice on the matter, it will be important for us to register our concern. We shall want to pursue the matter at this stage and certainly as the Bill proceeds to another place. When it does, I hope that this time the Government will support such amendments.

Sandra Gidley: I am pleased that we have a chance to debate this subject. I can understand the irritation of the hon. Member for Eddisbury (Mr. O'Brien) at being denied an opportunity to discuss health care-acquired infection again. Although we did not support some of his amendments in Committee, it was their style, rather than the thought behind them, that was problematic. However, he has used this opportunity to raise an important subject.

The hon. Gentleman mentioned BAPEN, whose survey last November concluded that more than one in four adults admitted for stays in hospitals, mental units or care homes is at risk of malnutrition. He said that the Government have rubbished those figures, but the Under-Secretary of State for Health, the hon. Member for Bury, South (Mr. Lewis), who has responsibility for care services, said:

> "BAPEN's research has provided us with consistent information on the scale of malnutrition in the community for the first time. This work highlights the fact that on being admitted to a hospital or a care home it is important that every older person is given a nutritional screening which is reviewed on a regular basis."

That point relates not just to older people. It appears that there is some division on the matter. I see that there is to be a nutrition action plan, but I can find little by way of an update on it since the announcement that it was being set up. I am not clear whether those involved have even met yet.

I was struck by an article called "Behind the Medical Headlines" by Dr. McKinlay, who is a consultant gastroenterologist at Aberdeen Royal infirmary. I do not think that malnutrition is any different a problem in Scotland; in fact, BAPEN said that it was fairly consistent across the four nations. The article was even more damning. It was based on a survey of prospective in-patients at a Dundee hospital and it said that more than 40 per cent. of acute admission patients are undernourished and 75 per cent. of patients lose weight during their hospital admission. That is a worrying statistic. The article goes on to discuss some of the reasons for that and we must also bear in mind that patients are not moving around and burning off energy.

6 pm

Mr. Stephen O'Brien: The hon. Lady highlights one of the points that has caused me the greatest anxiety. Since 1997, more people going into hospital are malnourished, either because is their usual state or because it is part of their illness. Not only do more people come out more malnourished or undernourished than when they went in, but the numbers of those who go in malnourished have grown compared with 10 years ago. The incidence of malnourishment as a phenomenon has increased over that period, which is why it is so crucial that the issue is added to the Bill. That would send a message from this place and put the issue on a par with health care-acquired infections.

Sandra Gidley: The hon. Gentleman is right. The figures are set against an average decrease in the length of stay in hospital, so one wonders what is going on.

In 2005, BAPEN published an economic analysis of the cost of disease-related malnutrition in the UK. The total cost was estimated to be £7.3 billion, with approximately £3.8 billion incurred in hospital and £2.8 billion in long-term facilities. I would have assumed that the Government were keen to address that avoidable cost by putting in place some simple measures. We have all seen the programmes with under-cover filming in geriatric wards and nursing homes, in which people are not helped to eat or given inappropriate food. Tackling the problem, and ensuring that there is a clear code of behaviour, would also address some of the human rights aspects of the issue. As the hon. Gentleman rightly pointed out, this is a human rights issue, because many elderly people are not getting the care and attention they deserve, however many dignity strategies the Government introduce.

The conclusion of the article to which I was referring states:

> "In the majority of inpatients, however, the most important single factor leading to malnutrition is probably loss of appetite and failure of intake."

If someone is unable to eat for any reason, there are things that can be done to minimise the results. There is little detail behind the amendments, but they are well intentioned. I hope that they will find some favour with the Government, because the problem is real and avoidable. There are no targets to address it and it is too often overlooked.

Kelvin Hopkins: I wish to contribute briefly to this debate. Traces of minerals and vitamins have been shown, even in the last week, to be of crucial importance in the onset and development of Alzheimer's and of dementia in general. I urge the Minister to pursue that research because it could make a tremendous difference not only to the lives of millions of people who might not develop dementia if they have the right diet and vitamin and mineral intake, but to those who already have the disease, because it could be prevented from developing further.

Mr. Stephen O'Brien: We need to be careful not to let the market get ahead of us, because we should be trying to lead on this issue, not follow. Interestingly, the sale of aluminium kettles and pans has collapsed since the suggestion that aluminium deposits in boiled water could contribute to the development of dementia.

Kelvin Hopkins: We are certainly well aware of the problem with aluminium, but some vitamins and trace elements are positive in their effects. I want to be sure that the Government are aware of the most up-to-date research and promote the use of those vitamins and minerals by those who are healthy as well as by those who are already in care, not only for the welfare of people in general—about which we are all concerned—but for the sake of public expenditure. If fewer people become ill or can be kept healthier when in care, there will be a saving to the public exchequer—

Sandra Gidley: Is the hon. Gentleman aware that research has shown that if the level of nutrition is generally higher, it reduces GPs' workload? If we send people out of hospital in a better state of nutrition, it will reduce the GP bill.

Kelvin Hopkins: I am sure that we would all agree that it would be beneficial all round. Specifically, it would be beneficial to the public purse, as well as to the general wellbeing of the population. I urge my hon. Friend the Minister to do what he can to pursue the most modern research and promote good nutrition in the healthy, as well as in those who are already in care.

Angela Browning (Tiverton and Honiton) (Con): I am pleased to support the amendments as I spoke on the issue in Committee and I have raised it in the House in the past. The Government must take this opportunity.

A code of practice should ensure that people who are sick and who have been admitted to hospital are given a good, nutritionally balanced diet, but it should also go further. It should require that a patient's particular medical condition is taken into account when balancing their nutrition. If people have suffered serious bone damage, it is important that they get certain vitamins and minerals, such as calcium phosphorus and vitamin D, to enable the growth of new bone. Of course, those vitamins and minerals are also important for healthy people, to try to offset osteoporosis and other problems.

The hon. Member for Luton, North (Kelvin Hopkins) mentioned dementia, and we now know that certain vitamin and mineral deficiencies cause behavioural symptoms that are often misdiagnosed. It is important that a professional takes a close interest in how patients are eating and behaving, as well as in their physical condition. I do not suggest that we want the professionals to have to tick lots of boxes on a piece of paper, because it could become so bureaucratic as to lose its purpose, but I hope that the Minister will be receptive to the firm plea from both sides of the House that a code of practice is included in the Bill.

The issue is not just the food, or even just the quantity, although it is important to monitor significant weight loss in people in residential and nursing homes or in-patients. That can tell a professional that something serious is going on. Also, particularly with elderly people, it is important to ensure that the code of practice identifies what we expect of the home or the hospital in assisting people, who might otherwise be unable to accept what is on the menu, to eat. Of course, that will start to involve assistance with eating and, as we all appreciate, that involves staff time, which is often rare in hospital wards.

In Committee, I mentioned the difficulty of dealing with elderly people in trauma wards who often cannot hold their knife and fork, or even a spoon, and who need somebody to sit with them and help them eat. If the Minister is prepared to be helpful on this point, I hope that the code of practice will consider not only the food and nutrients but what is done to assist people in getting that intake of food. Sometimes, such help is about listening and observing more than anything else.

In my experience of having elderly relatives in hospital, some at the end of their lives, when I have seen best practice—and I have—it has been extremely good. I am thinking particularly about my mother during her last weeks in the excellent Wokingham hospital. As she was unable to take solids, her food was mashed and later pureed. A lot of thought went into what consistency the food should be that she would be able to eat. In contrast, other relatives in other hospitals did not have that experience. It was extremely distressing. As a family—in this country—we felt that we had to work a rota to ensure that elderly, frail relatives were fed at mealtimes in hospital.

Mr. Stephen O'Brien: My hon. Friend is giving moving evidence, which is an accurate observation that has, I am sure, been shared by many here and outside this place. She will be the first to accept that however important it is for family members, when they exist, to take part in a rota, an adjustment is needed in the expectations placed on nurses. They ought to be given the time to do the difficult task of getting the appropriate types of food into the mouths of those who are most vulnerable and unable to help themselves, and that use of their time should be valued. At the moment, many of the other targets drive nurses away from feeling that they have the time to do that.

Angela Browning: That is obviously right. Families who have a loved one in hospital or sick want to do their best for them. I am not saying for one moment that relatives do not want to help, willingly, at mealtimes and other such times. However, there is a difference between the relative who sits by the bed and helps to deliver the meal to the patient and the family who feel that they have to be there at lunchtime and in the evening just to ensure that the patients gets some food. There is a fear that if families do not organise that

themselves, the patient will slip through the net. We should not accept that in this country in this day and age.

This is an important opportunity. As MPs, we have to deal with such casework from time to time and it is distressing to have to deal with cases that involve people who have not received help and support on nutrition and feeding, particularly when they become frail and vulnerable. As we get an older population, more people do not have any close friends or relatives. In those cases, it is important that the residential care home, the nursing home or the hospital ward not only protects people's human rights but has a code of conduct that is in force and inspected to ensure that such cases occur fewer times, not more. The trend is going the wrong way. The Minister is a compassionate man. If he wants to show that compassion during any part of the Bill, now is the time.

6.15 pm

Mr. Brian Jenkins (Tamworth) (Lab): As my hon. Friend the Minister knows, I was not going to speak on the Bill. However, alarm bells are ringing in my head as I sit here and listen to people's speeches. I know that they speak with the best intentions, but clause 16(3)(b) clearly states that regulations may

"make provision as to the manner in which a regulated activity is carried on".

We are discussing encompassing in that a regulator who will look after people and make provisions on how activity is conducted. I had grave doubts about telling people, "You must stop infecting people as they enter your hospital." I do not think that any hospital intends to infect people. I do not want to tell doctors and nurses to wash their hands between going from patient to patient. That is a difficulty. If we are now to start telling the people who are running our health service, "You must start feeding patients," something is dramatically wrong. If we are to start telling residential homes that they must start feeding their clients, that is wrong.

If we list 24 different items that are included, when number 25 comes up we will be unable to blame the bodies, because they will say, "It wasn't on your list of 24, Minister." Surely, we are providing a general duty. If the Minister is going to add more to the Bill, he should be careful. Anything left off will be deemed unimportant because of its omission. I acknowledge every sentiment about the problem of malnutrition in our hospitals and residential homes, but I ask the Minister, please, to be careful before he starts telling those organisations what meals they need to have and what vitamins they should put in their food. I felt that concern as I heard the debate; the Minister should be wary of going down that path.

Mr. Bradshaw: We enjoyed a long and detailed debate on this issue in Committee. As I said then, I have a great deal of sympathy with the motives behind the amendments, but there are good reasons why they are unnecessary. As most hon. Members have recognised, we are making significant progress. We have been working closely with the Food Standards Agency to improve the nutritional quality of hospital meals. We have launched the better hospital food programme, which is having an impact. The patient environment action team assessments show that there has been an increase from 17 per cent. of food being described as good in 2002 to 44 per cent. being rated excellent in 2006-07.

We also recognise that older people in hospital are particularly vulnerable to malnutrition. To identify and deal with that risk, we have introduced protected meal times. We are putting particular emphasis on the screening that has been advocated by a number of hon. Members in this afternoon's debate. Those two areas of work are being pursued by the National Patient Safety Agency.

The Royal College of Nursing has recently signalled its commitment to addressing the issue and has launched its nutrition now campaign, which aims to help all nurses at all levels to improve the nutrition and hydration of patients. The Nursing and Midwifery Council, the regulatory body for nurses, has identified nutrition as one of the core skill areas to be singled out for special assessment of competence before nurses are admitted to the register, a move that we warmly welcome.

As I mentioned in Committee, last October the Under-Secretary of State for Health, my hon. Friend the Member for Bury, South (Mr. Lewis), launched a nutrition action plan to build further on that work. The plan is being developed with leading stakeholders. Indeed, Opposition Members referred to the Age Concern report, "Hungry to be Heard", and they will be pleased to learn that Gordon Lishman, the director of Age Concern who is responsible for pioneering work in the field of nutrition, has agreed to chair the national action plan delivery board.

I also described in Committee the detailed standards in nutrition that apply to the NHS under the standards for better health and the national minimum standards that apply for registered health and adult social care providers. They are core standard 15a, which states:

"Where food is provided, health care organisations have systems in place to ensure that...patients are provided with a choice and that it is prepared safely and provides a balanced diet".

Core standard 15b states the need that

"patients' individual nutritional, personal and clinical dietary requirements are met, including any necessary help with feeding and access to food 24 hours a day."

For assessment against core standard 15, the Healthcare Commission will use the criteria, which were signed off by the Secretary of State for Health in 2007-08, that patients should be offered a choice of food in line with the requirements of a balanced diet, reflecting the needs, preferences and rights, including faith and cultural needs, of the service user population.

I also went on to describe how the Healthcare Commission's national in-patient survey had shown that 53 per cent. of adults now rated the food that they ate in hospital as good or very good. The better hospital food programme, which was launched in 2001, introduced five key improvements: 24-hour service, NHS snack boxes, additional snacks twice a day, a hot meal in the evening and menus including three dishes created by leading chefs. So an awful lot is happening with food and nutrition, but I accept the points made by hon. Members that more needs to be done.

In December, we published our annual operating framework, which recognised for the first time the

[Mr. Bradshaw]

importance of including regard for the patient experience as one of the NHS's five main priorities. If there is one thing that comes up time and again in consultations and when hon. Members talk to their constituents about their experience as patients, the quality of food is very high on the list, as well as issues such as how people are treated by staff and receptionists. It is very important that, by including the issue in the five main priorities that the Government have given to the health service, we will see further improvements. Indeed, I held a meeting last week to find out how we could best spread the really good practice that hon. Members are aware of happening throughout the country. I recently visited Cornwall, where the local hospitals are doing an excellent job in serving, I believe, 80 per cent. of locally bought produce, fresh from local farmers, butchers, dairy farmers and fishermen. That is going down very well with patients there, and it is improving recovery rates.

I want to deal with the claim made by the hon. Member for Eddisbury (Mr. O'Brien) both here and in Committee about patients allegedly being discharged with malnutrition. He made that claim, both generally and in Committee, in reference to my local excellent hospital. It surprised me, and it also surprised the chief executive of the Royal Devon and Exeter hospital. It might be based on a misunderstanding of the definition of episodes. If he will bear with me, it is important that this is put on the record, as the allegations are quite serious.

For the purpose of the hospital episode statistics, a patient's stay in hospital is referred to as a spell and each period under the care of one consultant is known as a episode. So a patient who is under the care of several consultants during the spell in hospital has several episodes. Someone under the care of only one consultant throughout the stay has only one episode. For the purpose of the statistics from which the hon. Gentleman draws his allegations, the first episode is known as the patient admission episode and the last episode is known as the discharge episode.

If someone has only one episode in hospital and if they remain under the care of only one consultant during their stay in hospital, their patient admission episode and their discharge episode would be the same. So someone admitted, for example, for the treatment of a nosebleed would have "nosebleed" recorded as their admission episode and their discharge episode. That does not mean that they leave hospital with a bleeding nose. Similarly, someone whose final treatment episode is registered as being for malnutrition does not leave hospital with malnutrition, as the hon. Gentleman suggested earlier. They are not discharged with malnutrition.

There may be a number of reasons why malnutrition, for example, is not picked up when someone is admitted to hospital. It might be part of a more serious condition for which they are being treated or operated on, and it is diagnosed only when they are recovering from the more serious condition for which they are being treated or operated on. That explains why their final treatment episode might be for malnutrition, when their initial treatment was not. Hence the allegation made by the hon. Gentleman that people were becoming malnourished in hospital is not the case. Similarly, it might be that, when recovering from a serious operation, a patients loses their appetite, so their final treatment in hospital is for malnutrition, but that does not mean that they are discharged with malnutrition. So I hope that that helps to clear up that point.

Mr. John Gummer (Suffolk, Coastal) (Con): I wonder whether, as part of a continuing campaign, it would be possible for the Minister to refer all this to the people who invented these phrases. In the end, people ought to understand this information. Although elegant in his presentation, the Minister has made it clear that this is pretty difficult for people to understand. If we are to try to follow this properly, can we not speak in English? The word "episode" does not mean that in any other form. Perhaps the national health service would be kind enough to try to communicate with us more reasonably.

Mr. Bradshaw: I absolutely agree with the right hon. Gentleman. As a result of my desire for clarity, I went back after our discussions in Committee to try to shed some light on the issue. I am sorry if I have not managed to do it with more clarity. A better phrase for episode is what one is being treated for during a particular period of one's stay in hospital. As I am trying to say, someone may be treated for a range of different things while they are in hospital. What they are treated for at the end of their stay in hospital might be different from what they were admitted to hospital for. I simply tried to clear up the misunderstanding that has arisen as a result of how the hon. Member for Eddisbury interpreted some answers to parliamentary questions that led him wrongly to suggest that people were being discharged with malnutrition. They are not being discharged with malnutrition.

Mr. Gummer: I very much accept the help that the Minister is giving, but I come back to the point that, if we are to pass on information, the importance of that information and truth is not what leaves the lips but what is heard in the ears. If people cannot understand what is said either in an answer to a question or, more likely, at the heart of the NHS, is it not important that we recast it in such a way that it does not need the Minister's intervention for anyone to understand it?

Mr. Bradshaw: The reason why it needed my intervention was the misunderstanding on behalf of the hon. Member for Eddisbury. I hope that, when he reads *Hansard* tomorrow, he will see that I have cleared it up; but if I have not, I will write to him in a further attempt to do so.

Mr. Stephen O'Brien: I bore with the Minister right the way through to make sure that he said the whole of what he had to read out. I entirely share the concern of my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) about the use of English, but that is another matter. I am sure that the Minister will be the first to agree that I have based all these malnutrition arguments and the question of whether it has got worse or better over the past 10 years entirely on Government statistics produced in response to my written parliamentary questions, which were then given ministerial answers. From what the Minister has just said and assuming that we can find a common form of language that we are likely to understand, it seems to me that, if I was to

retable those questions, he might undertake to give the answers to me in a way that everyone can understand. If he wants to demonstrate that malnutrition has not got worse in hospital stays in this country over the past 10 years, I hope that his answer will bear that out; but as things stand on the record, I am right and, at the moment, he is wrong.

Mr. Bradshaw: Anyone who has fairly followed my record in this place will know that I always try to answer questions succinctly. Perhaps I tried to answer the hon. Gentleman's written questions too succinctly. If I had given a little bit more detail, as I have given the House today, he might not have been led to make the claim that he made in Committee and during this debate.

The hon. Gentleman asked why we were making separate provision for health care-acquired infections yet not giving nutrition the same level of importance. The separate provision for health care-associated infections is already in existing legislation. We already have the code of conduct that Parliament approved during the introduction of the code of practice as part of the National Health Service Act 2006. That provides a framework on how services can prevent and control health care-associated infections and has been well received in the field. It would not make sense to remove that vital guide for tracking infections. May I take the hon. Gentleman to task for accusing the Government of failing to get infection rates down? He will know that since we were in Committee, we have reported a 40 per cent. decrease in MRSA since 2003-04 and a 16 per cent. decrease in C. diff in the past year alone.

We do not desire areas such as nutrition to be neglected. Indeed, in everything that I have said about the subject both in the Chamber and in Committee, I have reconfirmed the importance that should be placed on nutrition. We have acknowledged throughout our debates on the Bill that the commission is best placed to set the specific criteria by which providers are assessed for compliance with registration requirements. However, I have said before, and I will say again, that we intend that registration requirements will make reference to nutrition. The Committee was shown examples of how they might look and copies were placed in the Library. Hon. Members will be aware that we will issue consultation on the issue shortly. In that spirit, I invite the hon. Gentleman to withdraw the motion.

Mr. O'Brien: I listened very carefully to the Minister. Interestingly, the hon. Member for Tamworth (Mr. Jenkins) unwittingly put his finger on the fact that although health care-associated infections are mentioned in the Bill, malnutrition is not. He suggested that it would be dangerous to add anything more to the Bill. However, malnutrition affects 137,000 people, whereas 6,000 are affected by MRSA, for example. If we want to demonstrate that addressing malnutrition is of equal importance, we will want a reference to it in the Bill. On that basis, I urge my colleagues to join me in the Lobby in support of new clause 15.

Question put, That the clause be read a Second time:—

The House divided: Ayes 186, Noes 263.

Division No. 77] **[6.30 pm**

AYES

Afriyie, Adam
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paterson, M[illegible]en

Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Wilson, Mr. Rob
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. John Baron and
Mr. Nick Hurd

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Baird, Vera
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Burden, Richard
Burnham, rh Andy
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*

Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain

Tellers for the Noes:
Mr. Frank Roy and Siobhain McDonagh

Question accordingly negatived.

Clause 2

THE COMMISSION'S FUNCTIONS

6.45 pm

Mr. Bradshaw: I beg to move amendment No. 62, page 2, line 10, after 'by', insert 'or on behalf of'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: Government amendments Nos. 143 and 63 to 65.

Amendment No. 142, in page 28, line 26, clause 57, at end insert—

'(5) The Secretary of State may, after consulting the Commission, by regulations make provision specifying conditions which would result in additional inspections for the purposes of the Commission's functions under Chapter 2.'.

Government amendments Nos. 66 to 74.

Mr. Bradshaw: Amendments Nos. 62 to 64 and 143 are Government amendments, so I shall speak to them first. Amendments Nos. 62 and 65 are significant and will be of particular interest to the House.

On amendment No. 62, clause 2 ensures that the commission must have regard in everything it does to the public's views on the services that fall within its remit, and to their levels of satisfaction with those services. The clause received a great deal of attention when the Bill was considered in Committee. User and carer involvement in the commission's work was also a recurring theme, and hon. Members from both main Opposition parties tabled amendments on that issue.

As I have made clear on a number of occasions, the Government believe that involving and listening to users, patients, their carers and the public will be a central responsibility for the new commission. The Bill already requires the commission to appoint an advisory committee, and we will expect the commission actively to involve patients and service users as well as others with an interest, such as service providers and commissioners.

There will be a wide range of bodies with an interest in a particular issue or representing particular groups, and we want to ensure that the commission hears their views. For that reason, Government amendment No. 62 proposes to make it explicit that a duty to have regard to the views of the public includes views expressed by representative bodies on behalf of members of the public. That requires the commission to engage with those acting on behalf of members of the public; that might include local involvement networks, charities or other representative groups. I hope that hon. Members will recognise that the proposed measures are a valuable addition to the Bill that will address their concerns and indeed go further, and I hope that they can accept the amendment.

Amendments Nos. 63, 64, 66, 67 and 143 are minor technical amendments designed to ensure consistency in drafting with the Care Standards Act 2000, which will continue to apply to children's services and services in Wales. Amendment No. 65 is another significant amendment. When we considered the Bill in Committee, the hon. Member for Romsey (Sandra Gidley) tabled an amendment to oblige the commission to publish its inspection reports. I said that I would be happy to consider the matter, and amendment No. 65 is our response to that commitment.

Clause 57 requires the commission to produce a report when it undertakes an inspection and to send a copy to the provider or manager in question. As it stands, the clause allows the commission to choose whether to publish the report. As I said in Committee, there is no explicit duty on the current commission to publish reports either, although it normally makes them available online. However, I made it clear that I agree absolutely that the public should have access to the commission's inspection findings. Having had the opportunity to review the drafting, I am happy to introduce amendment No. 65, which will oblige the commission to publish its inspection reports. I trust that hon. Members will feel able to accept the amendment.

Amendment No. 68 is a consequential amendment that relates to section 134(6) of the Mental Health Act 1983. It will update a reference to section 121 of that Act. It is necessary because the relevant part of section 121 will be replaced, through schedule 3 to the Bill, by proposed new clause 134A. Amendments Nos. 69 to 74 are minor consequential amendments, necessitated by the Bill, to the list in schedule 5.

I turn to amendment No. 142, the only Opposition amendment in the group. It seeks to allow the Secretary of State to specify in regulations specific circumstances in which the Care Quality Commission would be required to carry out additional inspections; such regulations could be made only after consultation with the commission itself. As I said in Committee, I understand the intention behind the amendment—that is, to allow an ability to set specific triggers for the commission to carry out additional inspections. However, clause 57 already allows regulations to prescribe important aspects of inspection if necessary; there is no need to be more prescriptive.

The Care Quality Commission will be established as an intelligent regulator. It will take account of a whole range of information to assess risks in respect of providers and the services that they provide. Based on that, it will decide when and how frequently to visit providers and which issues require more detailed investigation. That will build on the approach already being developed by existing regulators to target inspection when action is

[Mr. Bradshaw]

required. It will therefore not be for the Secretary of State, but for the commission, on the basis of its intelligence, to determine the appropriate triggers for inspections over and above what is set out in regulations. I invite the hon. Member for Romsey (Sandra Gidley) not to press the amendment.

Mr. Stephen O'Brien: We are discussing Government amendment No. 62 and the ensuing ones in the group; again, we have a host of Government amendments. Some are concessions that have arisen from Committee, but the question remains about why they had to appear at this late stage.

In amendment No. 62, the Government are making an important concession on patient and public involvement in health. The Government promised a number of times in Committee to revisit the issue on Report. The drafting of the amendment is, to say the least, disappointingly unambitious. I am concerned that the amendment will open the door for any group that claims to speak on behalf of members of the public to harangue the new commission. We will return to the issue when we discuss the next grouping of amendments, but why are the Government fighting so shy of putting LINks—the bodies that they have created—into the Bill? Surely that is not because they have no confidence in the bodies themselves. Is it that, as the hon. Member for Tamworth (Mr. Jenkins) pointed out in Committee, the Government are worried that the bodies will be disbanded in the near future, following hard on the heels of the community health councils and the forums?

I hope that the Minister will expand on amendment No. 68; in Committee we had a number of discussions on the withholding of mail from prisoners detained under the Mental Health Act 2007, an issue of specific concern to the current Mental Health Act Commission. Can the Minister guarantee that the status quo will not change?

The hon. Member for Romsey (Sandra Gidley) tabled amendment No. 142 to clause 57, which is concerned with regulation. Clause 64 is entitled "Avoidance of unreasonable burdens in exercise of regulatory powers". We have proposed that when the CQC increases regulation, an affirmative resolution should be brought before the House. We found that the Government were most resistant to that idea; as I have placed that on the record, I hope that the matter will be taken up with alacrity and fierce argument in another place.

The amendments on the CQC go hardly any way towards addressing the many and deep concerns expressed by the Committee and a number of third-party organisations; the letter published in today's issue of *The Guardian* testifies to that. It seems to suggest that the Government have lost the confidence of a lot of members of the voluntary sector. There is still no mention of carers among the skeletal functions of the CQC, listed in clause 2. I say "skeletal", because for the most part this is skeleton or portmanteau legislation—the body is to be added later, by regulations. That is most noticeable in clause 2, which establishes no overarching function. Indeed, the advertisement for the chair of the commission, already online despite the fact that the Bill has not been passed by either House, states that one of the role's responsibilities will be developing plans for the development of the commission's functions—an interesting job spec if ever there was one.

There are still real concerns that social care and the work of the Mental Health Act Commission will be squeezed out in the action of the new commission. To ameliorate the problem, we have sought a separate reference board of commissioners and an executive board to run the commission. Despite the Minister's contention that the CQC is to be free to establish its own direction, the Government have not left space in the legislation for it to establish the most effective system of corporate governance. Furthermore, there are real concerns that the Government are playing politics with the merger, and ultimately with the well-being of patients and service users, through the prevention of special reviews until after 2010—that is, after what will be an increasingly rocky election period for a failing Government and a dithering Prime Minister. We will seek to overturn the issue in another place to prevent that politicking from influencing the important substance of the Bill.

Dame Denise Platt of the Commission for Social Care Inspection has expressed concern that many of the commission's functions will become permissive rather than statutory, as they currently are, and that they will therefore be the first to be ditched when the Government put on the financial squeeze. The Government seem unable to get the issue right. What guarantees can the Minister give that they will not scrap this in three years' time?

The 1998 White Paper "Modernising Social Services" proposed structural change. The Care Standards Act 2000 created a single England-wide National Care Standards Commission, which was launched in 2002—17 days later, the Government announced that it was to be abolished. The Health and Social Care (Community Health and Standards) Act 2003 created the Commission for Social Care Inspection, which was launched in 2004, incorporating the social care responsibilities of the National Care Standards Commission, the work of the Department of Health social services inspectorate and the SSI-Audit Commission joint review team. In 2004, the Government's arm's length body review ruled out a merger with the Healthcare Commission. In his 2005 Budget statement, the then Chancellor announced the merger that we are debating today. Need I say more? Can the Government guarantee that all the work that we are putting in today will not be scrapped within three years?

This scandalous provision remains in the Bill. It forces the CQC to have regard to such aspects of Government policy as the Secretary of State may direct; as such, it totally undermines the independence of the body. The Healthcare Commission has put on record its concerns about the timing of the legislation and that the costs will be high and the distraction considerable. It was disappointing therefore that the Government chose not to include the cost of the merger with wind-up costs of £140 million in any risk assessment.

The House should also be aware that the merger is saving almost nothing on the efficiency trend that the three commissions themselves have already established just as they were bedding in. Taxpayers are paying £140 million for a merger and rebrand that will probably save them no extra money. Furthermore, parts of the cost savings are due to the commission losing the responsibility for complaints handling. That will be

transferred to the ombudsman, but we have had no costings on the increase of her budget in the face of an elevenfold increase in work load. We also have no information on how this will be wound up and transferred.

Despite all their amendments, the Government have yet again not got things right. They have not had sufficient ambition when they have sought to address the concerns that have been raised. I hope that the Government have only put down a marker for what will be truly beefed up, made proper and substantive in another place, so that health care needs are met and patient representation and protection are secured.

Sandra Gidley: When I first read Government amendment No. 62, I thought it a good idea. However, I had a cynical afterthought—I wondered whether it was a spoiling amendment for the LINks amendments tabled by the Conservatives. On the face of it, amendment No. 62 seems to address some of the many concerns raised in Committee about there being an insufficient patient and public voice in the new commission. However, I am not sure that the insertion of the words "or on behalf of" has been fully thought through. They are rather vague. It is not clear, for example, who decides who should speak on behalf of whom.

I can imagine the Government's reaction if Opposition Members had tabled a similar amendment in Committee: we would have been told that there was no specificity and no clarity about who could speak on behalf of whom. Are we talking about bodies that have a constitution so that it is clear on whose behalf they speak, or advocacy services that may speak on behalf of the individual? Where is the protection for an individual who does not want anybody speaking on their behalf? Some mental health groups are very particular about their views on things, and I can envisage problems where other people might purport to speak on their behalf. I am a little confused by the vagueness and wonder whether any further clarity is yet to come.

7 pm

I thank the Minister for amendment No. 65, which almost deals with the concerns raised when we discussed amendment No. 239 in Committee. At that stage, his argument against the amendment was that there were occasions when vulnerable children or adults must be protected, and I wondered how that would be resolved. I do not mean to sound churlish. I am delighted to see the amendment, but curious about the reasoning.

Liberal Democrats tabled amendment No. 142 after discussion with Unison. We discussed the relevant issues in Committee, but there is still concern about the triggers for inspection. The Minister claims that that is dealt with in the Bill and that it is not a problem. However, there is a problem where an inspection is due within a prescribed period but there may be factors that would alert people to the need for an inspection to be done more rapidly. There may be risk factors that could, particularly in a care home, lead to the quality of care deteriorating rapidly where a provider had previously been rated "good" and placed on a three-year inspection cycle. Those could include a change of ownership of the provider—we have all seen cases of nursing homes where that has been evident—or a change of registered manager, which can have a huge impact. Adult protection matters may come to light. It might be something as simple as staff turnover, sudden increases in which often indicate that something else is going wrong. If there is to be an automatic three-year inspection cycle, there must be an early warning system. We would not want to go back to a situation where there had to be a number of complaints before somebody realised that there was cause for concern.

The Government have said that the principles of inspection for the CQC will be "proportionate" and "risk based" with a view to lightening the burden of regulation for health and social care providers. We would all agree with that general sentiment. However, the new inspection methodology is much more reliant on paper-based reviews and providers assessing themselves. I have occasionally had that concern in relation to CSCI. Sometimes, the first person who is asked to provide a report when there is a complaint is the manager of the care home whom the report is against, and of course people will try to present themselves in the best light possible. There are concerns that the moves towards light-touch regulation could have significant implications for public and staff safety, at a time when the Government are trying to encourage more private providers into the market.

The Minister said that it will all be okay, but he has a job of reassurance to do. As the hon. Member for Eddisbury (Mr. O'Brien) highlighted, the budget that the new commission will operate with will be 40 per cent. less than what the previous regulators had, so it may be driven by budget imperatives rather than what is best for users of health and social care services. A recent survey of Unison members working for the CSCI found that 76 per cent. believe that the new inspection methodology does not provide a robust assessment of risk to service users. A common belief was that the reduced inspection programme could lead to staffing cuts, and fewer inspectors are less likely to impose enforcement requirements because there will not be enough time to follow them up.

It is not only me that the Minister has to reassure. A body of people out there are committed to doing a good job of work for CSCI, and deal with these problems day in, day out. They are concerned that problems will escalate unless there is a clear framework for alerting people to potential problems at a very early stage in the proceedings.

Kelvin Hopkins: My hon. Friend the Minister may know that I have been to visit the Minister with responsibility for care homes with a delegation from Unison, and we expressed concern about the risk-based approach to inspection. I know that my hon. Friend gave assurances about this in Committee, but there are ongoing concerns. If, in time, there are cases of care homes where the lighter-touch inspection has led to a lowering of standards of care, or the sense that they will no longer be visited so frequently and therefore do not need to perform quite so well, that could eventually lead back to the Government's door. My hon. Friend is conscientious and concerned about these matters, but this could come back to haunt the Government unless it works. We have already had reports in the past couple of weeks about care homes where there have been serious infections or the inspection was not sufficient to ensure that they had performed well. While I accept my hon. Friend's sincerity about the matter, some will

[Kelvin Hopkins]

continue to have concerns about the light-touch approach and the risk-based inspection system. This may have to be revisited in future unless it works as well as he suggests.

Mr. Bradshaw: I welcome the fact that the hon. Member for Eddisbury (Mr. O'Brien) recognises amendment No. 62 as an important concession, but it was not clear from his comments whether he was criticising us for going too far or not going far enough. I am not likely to get that clarification at the moment, as he is not here. The hon. Member for Romsey (Sandra Gidley) put her finger on it when she gave an example of how sensitive some patient and user groups are about organisations claiming to speak on their behalf. That is why we have broadened this out significantly to include groups who speak on people's behalf, not just a single organisation, although I specifically referred to LINks. I urge hon. Members on both sides of the House to give LINks a chance before writing them off.

To reassure the hon. Member for Eddisbury on the retention of the status quo on the Mental Health Act 2007, I draw his attention to amendment No. 68. I could have gone into that in more detail, but that is what that amendment does with regard to the rules on the opening of post.

The hon. Gentleman asked me to guarantee that the new regulatory landscape will not be scrapped again in three years' time. If, as I hope, there is still a Labour Government in three years' time, I can give him that assurance. There was a general recognition in Committee that the Bill finishes the job that we began several years ago. In fact, as we discussed at some length, some Liberal Democrats urged this integration on us at the time of the last reorganisation of the regulatory system, but we felt that the timing was not right and that it made sense to allow the existing regulatory bodies to settle down and do their job—and they have done a very good job. Even from the bodies that face abolition, there was a recognition of the desirability of the principle of integration. Once that has taken place, everyone feels that we will need time for the new regulatory system to bed down.

In response to the hon. Gentleman's question about the complaints process—something we discussed at some length—I draw his attention to the memorandum submitted by Ann Abraham on 14 January, which spells out clearly how she expects to meet this challenge.

Amendment agreed to.

Mr. Stephen O'Brien: I beg to move amendment No. 131, page 2, line 11 at end insert—

'(aa) views expressed to them by Local Involvement Networks.'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments:

No. 136, in clause 92, page 45, line 47, at end insert—

'"Local Involvement Network" has the meaning given to it by section 222 of the Local Government and Public Involvement in Health Act 2007 (c.28);'.

No. 132, in clause 103, page 51, line 8 , at end insert—

'(aa) Local Involvement Networks,'.

No. 133, page 51, line 9, before 'bodies', insert 'other'.

No. 134, in clause 112, page 56, line 16, after 'public', insert—

'(aa) Local Involvement Networks,'.

No. 135, page 56, line 17 , before 'bodies', insert 'other'.

No. 137, page 66, line 15, at end insert—

'"Local Involvement Network" has the meaning given to it by section 222 of the Local Government and Public Involvement in Health Act 2007 (c.28);'.

Mr. O'Brien: I am grateful to you, Mr. Deputy Speaker, and I apologise for the fact that I had to absent myself briefly from the Chamber towards the end of the debate on the previous group of amendments.

We come now to local involvement networks, and it will not have escaped your notice, Mr. Deputy Speaker, that we had a partial discussion about them in relation to Government amendment No. 62, which sought to make clause 2 read:

"In performing its functions the Commission must have regard to—

views expressed by or on behalf of members of the public about activities to which the functions relate".

I pay tribute to the co-sponsoring of our amendments by the hon. Members for North (Kelvin Hopkins), for North-West Leicestershire (David Taylor) and for Romsey (Sandra Gidley). Amendment No. 131 would make it explicit that LINks were one of the groups that the commission must have regard to. Amendment No. 132 would include LINks as a group that the Office of the Health Professions Adjudicator must seek the views of, and amendment No. 133 is consequent to that. Amendment No. 134 would include LINks as a group that the Commission for Healthcare Regulatory Excellence must seek the views of from time to time, and amendment No. 135 is a consequential amendment. Amendment No. 136 defines LINks for the purpose of part 1, and amendment No. 137 defines them for the purpose of part 2.

I welcome the concession that the Government have made to the arguments advanced by me and Committee members of all parties that LINks should be consulted by the Care Quality Commission. Unfortunately, having promised a number of times in Committee to revisit the issue on Report, the Minister has been disappointingly unambitious in his amendments, which were accepted without opposition. I will not suggest, therefore, that those amendments show more of the contempt that many, including me, have accused the Labour Government of showing in their treatment of the patient voice in England. They scrapped community health councils, which I was very involved with. I exposed an answer given at Prime Minister's questions: the Prime Minister said that there had been consultation when it was announced that they would be axed in the July 2000 NHS plan, but there had not.

The patient and public involvement forums are now also to be replaced, and if LINks are not mentioned in the Bill, the Government's latest solution could appear as a vote of no confidence in them. That perception is held by the hon. Member for Tamworth (Mr. Jenkins), who noted in Committee that the reason for not prescribing LINks in the Bill was

"in case it ceases to exist during the lifetime of the Bill".—*[Official Report, Health and Social Care Public Bill Committee,* 17 January 2008; c. 284.]

The hon. Member for Luton, North, who is co-sponsoring the amendments, told the Committee that

"ever since the community health councils were abolished Labour Members have been concerned about the strength of protection for patients and of patient representation".—[*Official Report, Health and Social Care Public Bill Committee*, 22 January 2008; c. 412.]

I admire him for saying that. He is right and it needed to be said.

I will not rehearse the arguments made in Committee, but simply note a few essential points in support of the amendments, the most vital of which is amendment No. 131. In December 2005, an independent review of the regulatory framework of the NHS, ordered by the Department of Health, concluded:

"Establishing representative national and regional fora to contribute a reasoned collective consumer perspective to the process of reform could well improve both the efficacy and legitimacy of that reform."

In their response to the consultation preceding the Bill, the Government stated:

"The Care Quality Commission's...priority will be to safeguard service users and help improve their experience of health and adult social care services—recognising that it can only do this effectively by involving them."

I note that Ofcom has a consumer panel that plays a similar role, which convenes a regular consumer forum of interested parties, such as consumer and disability organisations.

In its written evidence to the Committee on this Bill, the Healthcare Commission stated it considered the first "clear principle"

"underpinning the design of a regulatory framework"

to be that the

"regulatory system should focus on the needs of the patients and the public".

The Commission for Social Care Inspection put it even more strongly:

"It would be useful if there were an explicit expectation that the new care Commission had a relationship with Local Involvement Networks".

That is precisely what our amendments seek to achieve. It is clear that there is a genuine and grand opportunity for the Minister to accept that the amendments are workable and desirable.

7.15 pm

The Government are giving a vote of no confidence to their own system by leaving LINks out of the Bill, which is another nail in the coffin of genuine patient and public involvement. As I said, that process began with the abolition of CHCs. We are disappointed that the Government have not used the opportunity offered by this Bill to steal our policy of creating HealthWatch, a national consumer voice for patients. HealthWatch would provide support to patients at a national level and leadership to LINks at a local level. It would incorporate the functions of the independent complaints advisory body; make representations to the NHS board on such things as the closure of NHS services; and, subject to consultation, it would have a statutory right over guidelines issued nationally concerning the care NHS patients should receive and over decisions that affect how NHS care is provided in an area. Hopefully, the Government will support us when we introduce our NHS autonomy and accountability Bill. That would be welcome, and consistent with what the Government are purportedly seeking to achieve.

Now that the Government amendments have been accepted, I am concerned that the door is open for any group that claims to speak on behalf of members of the public to harangue the new commission, or engage it in some difficult dialogue. We also note that there is no duty to consult, only the weak phrase "have regard to". That weakness is repeated in relation to other organisations mentioned in the Bill. The hon. Member for Luton, North, who has studied the matter carefully, pointed out in Committee that clause 103, which deals with the OHPA, is entitled "Duty to consult" and contains the phrase "seek the views of"—two very different things. A similar wording is used with regard to the CHRE. The title of clause 112 talks of a duty to consult, but again we find the phrase "seek the views of" in the text of the clause.

Our amendments would beef up the consultation carried out by such bodies by including LINks. I commend the amendments standing in my name and those of my right hon. and hon. Friends, and Members from the Labour and Liberal Democrat Benches. This is a genuine cross-party approach to the matter, so I hope that the Government will feel persuaded.

Kelvin Hopkins: I have agreed to attach my name to the amendments, alongside that of my hon. Friend the Member for North-West Leicestershire, because Members in my party have been concerned about the strength of patient representation for some time, and it is right that those concerns are raised from time to time so that the Government are made aware of them. The abolition of community health councils and the switch to the patient and public involvement forums—and now to LINks—show that the Government are concerned about patient representation, but I am not sure whether they want to strengthen it, or have had pressure put on them to weaken it in some way.

I know that the then health authority perceived the community health council in my area to be a nuisance. The primary care trust has regarded the patient and public involvement forum in our area, especially its chair, as a nuisance. However, patients' representatives should be a nuisance. If they make a lot of noise, perhaps there is a basis for what they are doing. I hope that my hon. Friend the Minister and the Government will reconsider giving a role to LINks in the way in which the amendments suggest. Perhaps they will table their own amendments if the ones that we are considering are defeated.

I repeat a point that I have made several times about local authority democratic accountability. When most long-term care homes were in the public sector, there was recourse to local councillors and local democratic representation. With privatisation and subsequent institutional reform, that local democratic accountability was lost. Indeed, many families now come to their Members of Parliament—more than one constituent has approached me—about problems with care homes. There should be a stronger role for patient representation and I hope that that view can be accommodated in the Bill before it receives Royal Assent.

Sandra Gidley: Local involvement networks are the Government's proposed solution to public and patient involvement. If they are as good as they are cracked up

[Sandra Gidley]

to be, and are to deliver all that the Government claim, why does the Minister not accept the amendments, which would strengthen the role of LINks? Are the Government not 100 per cent. convinced that LINks will prove an effective system?

The Select Committee on Health looked into LINks and public and patient involvement, and it was apparent that, despite the expertise of the range of experts who came to speak to us, there was no clear idea about the final structure of LINks and how they would work in practice, or even what their functions would be. There was disappointment that some of the functions of the old CHCs were missing. That could be explained by the mantra that we want local solutions and that they will be different in different areas. I subscribe to that point of view to some extent. However, I was struck by the uncertainty about how LINks would work.

In the next couple of years, while the networks find their way, it could be said that we face a democratic deficit. Perhaps the Minister can reassure us that our concerns about how LINks will work are unfounded and that they genuinely are the best thing since sliced bread. If they are, there is no reason for not accepting the amendments.

Mr. Bradshaw: The amendments lead us into territory that is familiar to those of us who sat through the Committee proceedings: the role of local involvement networks. The amendments again try to put LINks on the face of the Bill, in the provisions for the Care Quality Commission, the Council for Healthcare Regulatory Excellence and the Office of the Health Professions Adjudicator. Let me first deal with amendments Nos. 131 and 136.

As we specified in the previous debate and in Committee, we all want the Care Quality Commission to have a clear duty to engage with and be responsive to interested parties. I was therefore pleased to move Government amendment No. 62 to clarify the issue. In Committee, we discussed hon. Members' desire for the CQC, the CHRE and the OHPA to be independent. However, the amendments would prescribe the bodies to which those independent organisations should pay regard. That is not a sensible way to proceed. Government amendment No. 62 makes it clear that the CQC should have regard to the views of organisations that represent patients. As the hon. Member for Romsey (Sandra Gidley) said earlier, there may be specialist care investigations—for example, organisations might want to pay regard to the users of mental health services or other specialist groups. We do not believe that limiting the groups to which they should pay regard to LINks is sensible. That does not mean that we do not have confidence in LINks—we have every confidence that they will do an excellent job and we expect the CQC to work closely with them.

Sandra Gidley: The Minister has demonstrated why the concept seems so nebulous. Some people argue that all the groups to which he said that due regard might be paid would have a feeding-in mechanism through LINks. Does he now claim that that is not the case?

Mr. Bradshaw: No. They may well do that and I hope that they will. I do not intend to extend the debate to become one of those that we held at length when LINks were established. The hon. Lady made a good point earlier that some patients and some patient and user organisations sometimes resent other organisations speaking on their behalf. We do not want to prescribe that the CQC should pay regard only to LINks, and not to other patient and user organisations.

Although Government amendment No. 62 was tabled in the same spirit as amendment No. 131, it has the distinct advantage of leaving the door open for other representative groups and for leaving it to the independent commission to determine for itself the most effective way in which to engage appropriate groups. Given the amendment that we have just accepted, we believe that amendment No. 131 and consequential amendment No. 136 are unnecessary.

Amendments Nos. 132, 133, 134 and 135 would insert into clauses 103 and 112 a duty on the Council for Healthcare Regulatory Excellence and the Office of the Health Professions Adjudicator to seek the views from time to time of LINks in addition to other bodies. Amendment No. 137 is simply a consequential amendment to define "Local Involvement Network" in clause 122. Under the Bill as drafted, the CHRE and the OHPA are both required to consult public and representative bodies on exercising their functions. We believe that those independent bodies are best placed to decide from which other bodies they should seek views.

Indeed, the council has already embarked on a programme of work, which will lead to the implementation of a patient and public strategy. That is being designed to ensure that the council can fulfil the proposed statutory function of becoming an authoritative voice for patients.

I reiterate what I said in Committee about arrangements between LINks and the CQC. Although we want to encourage strong relationships between LINks and their key stakeholders, including the CQC, the CHRE and the OHPA, we do not believe that it is appropriate to dictate to those statutory and independent bodies the way in which they should involve LINks in inspections or consultations. I hope that, given our discussion, the hon. Member for Eddisbury (Mr. O'Brien) will withdraw the amendment.

Mr. Stephen O'Brien: Obviously, I listened carefully to the Minister's arguments, which are not unfamiliar to those of us who had the pleasure of serving in Committee.

There is a need to recognise the theme of a long absence of understanding the issue at stake. When community health councils were axed, they were regarded by some as a nuisance, which probably means that they were doing their job. Some were not very good, but the vast majority were perceived as doing a good job. They were seen to be independent and therefore to be trusted by people who needed help when they felt most vulnerable and needed to have their hand held when charting their way through the confusing and labyrinthine process of NHS complaints.

LINks are the ultimate successor bodies that we are now faced with. If we could feel that they were being given the necessary importance by being included in the Bill, it would seem that the Government were at last addressing the grave concern that so many of us have about the lack of importance and independence given to representing patients and their concerns, particularly

when things are going wrong with the NHS. Most often, those who have a concern about the NHS have a continuing need of it and are most anxious not to get offside with the very people from whom they think they need an immediate and expert public service. Taking the opportunity to demonstrate how much they are committed to patient and public involvement in that way would be the proper manner in which the Government could reflect that commitment.

The Government now have a real opportunity to pick up a policy that they have been urged to adopt, but which they again seem to be resisting, and which we have articulated at length elsewhere and now in a draft Bill—I hope that I will be able to persuade the Minister and his colleagues to support the NHS accountability and autonomy Bill, in which we have a designed patient and public involvement system through HealthWatch, a good model that, despite the Minister's disparaging so far, I hope will be picked up.

It is vital to recognise—not least because the amendment was not just tabled by the official Opposition, but co-sponsored by Government Members and the Liberal Democrats' spokesman—that the House now has an opportunity to vote, with a heavy heart and some displeasure, against the Government for not seeking to pick up on a sensible, measured and appropriate way of handling such an essential issue. This is an opportunity to ensure that that is well understood in the Bill, and I shall therefore press my amendment to a Division.

Question put. That the amendment be made:—

The House divided: Ayes 179, Noes 267.

Division No. 78] **[7.31 pm**

AYES

Afriyie, Adam
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Etherington, Bill
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hopkins, Kelvin
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hunter, Mark
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Rennie, Willie
Robertson, Hugh
Robertson, Mr. Laurence
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. John Baron and Mr. Nick Hurd

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz

Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Burden, Richard
Burnham, rh Andy
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain

Tellers for the Noes:
Siobhain McDonagh and Mr. Frank Roy

Question accordingly negatived.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): On a point of order, Mr. Deputy Speaker. The timetable motion relating to tomorrow's business, which the Leader of the House told us would be tabled later today, has still not been tabled in the Table Office. It is difficult for those of us who are trying to prepare for tomorrow's concertinaed business to do so in the absence of an understanding of the timetable. Do you have any knowledge of when the timetable motion is to be laid, or any ability to influence that timing?

Mr. Deputy Speaker: I do not have any knowledge of how that matter is progressing, but I hope that the hon. Gentleman's placing it on the record will be heard. As

the House knows, Mr. Speaker is always anxious that information that is vital to the work of the House should be made available as quickly as possible.

Clause 25

WARNING NOTICE

Amendment made: No. 143, page 13, line 29, after second 'registration', insert ', the removal of a condition'.—*[Tony Cunningham.]*

Clause 27

URGENT PROCEDURE FOR VARIATION OR SUSPENSION

Amendments made: No. 63, page 14, line 34, after 'vary', insert 'or remove'.

No. 64, page 14, line 43, after 'varied', insert ', removed'.—*[Tony Cunningham.]*

Clause 57

INSPECTIONS CARRIED OUT FOR REGISTRATION PURPOSES

Amendment made: No. 65, page 28, line 23, leave out 'may' and insert 'must'.—*[Tony Cunningham.]*

Clause 84

GUIDANCE BY THE COMMISSION IN RELATION TO ENFORCEMENT ACTION

Amendments made: No. 66, page 41, line 30, leave out from '8(5)' to end of line 31 and insert '(variation, removal or imposition of condition in relation to registration as a service provider),'.

No. 67, page 41, line 32, leave out from '11(5)' to end of line 33 and insert '(variation, removal or imposition of condition in relation to registration as a manager),'.—*[Tony Cunningham.]*

Clause 95

FITNESS TO PRACTISE PANELS

Mr. Bradshaw: I beg to move amendment No. 23, page 47, line 6, leave out from first 'the' to end of line 7 and insert

'list of persons eligible to serve as chairs provided for by section 96(1)(aa),'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 85, page 47, line 6, leave out from first 'the' to end of line 7 and insert 'legally qualified members list'.

No. 82, page 47, line 7, at end insert 'or the legally qualified members list'.

Government amendments Nos. 24 to 27.

No. 83, page 47, line 17, at end insert—

'"legally qualified members list" means the list of persons eligible to serve as legally qualified members provided for by section 96(1)(c).'.

No. 87, page 47, line 17, at end insert—

'"legally qualified" means—

(c) a person with a 10-year general qualification within the meaning of section 71 of the Courts and Legal Services Act 1990 (c. 41),

(d) an advocate or solicitor in Scotland of at least 10 years' standing, or

(e) a member of the Bar of Northern Ireland, or a solicitor of the Court of Judicature of Northern Ireland, of at least 10 years' standing.'.

Government amendments Nos. 28 and 29.

No. 84, clause 96, page 47, line 26 , at end insert—

'(c) persons eligible to serve as legally qualified members.'.

Government amendment No. 30.

No. 75, page 47, line 37, at end insert—

'(b) "legally qualified" means—

(i) a person with a 10-year general qualification within the meaning of section 71 of the Courts and Legal Services Act 1990 (c. 41),

(ii) an advocate or solicitor in Scotland of at least 10 years' standing, or

(iii) a member of the Bar of Northern Ireland, or a solicitor of the Court of Judicature of Northern Ireland, of at least 10 years' standing.'.

Government amendments Nos. 31 to 37.

No. 89, in clause 107, page 53, line 26, at end insert—

'(2A) Any proceedings to which subsection (1) applies must have a legally qualified chair.'.

No. 90, in page 53, line 26, at end insert—

'(2A) Any proceedings to which subsection (1) applies must have a legally qualified chair or a legal assessor.'.

Mr. Bradshaw: The amendments will allow the Office of the Health Professions Adjudicator to appoint and use legally qualified chairs for panels hearing fitness to practise cases. The Bill as introduced provided for chairs to be chosen from either the lay or professional lists, with the panel having a legal assessor to advise on points of law. However, I thought that the evidence given to the Committee by Lady Justice Smith and the General Medical Council warranted further thought. Lady Justice Smith said that

"there are many reasons why I think that we should have a legally qualified chair, the main one being that to do the job well requires legal expertise".

Findlay Scott, the chief executive of the GMC, said that

"if there is an argument for a legally qualified chair, I do not personally believe it lies in the quality of the decisions. There may be real arguments in relation to the ability of a senior lawyer to control the proceedings in a way that constrains costs while remaining fair to doctors, and I think that that is an argument that deserves to be fully explored."—*[Official Report, Health and Social Care Public Bill Committee*, 8 January 2008; c. 41-57.]

I therefore agreed in Committee to give careful consideration to that issue, with a view to bringing something back now. That is what these Government amendments represent, and I think that they are a good example of how the evidence-giving process is adding value to the system of parliamentary scrutiny.

Essentially, the amendments require the OHPA to keep a list of chairs, which will include legally qualified chairs as well as lay and professional chairs. The OHPA will then have the flexibility to set out in rules when it will use legally qualified chairs. I am very clear that it would not be right for the Government to impose

[Mr. Bradshaw]

legally qualified chairs for every case that the OHPA hears, when this is a relatively untried and untested route in this arena. Instead, the amendment gives the OHPA the option of using legally qualified chairs for as many cases as it thinks it appropriate. For example, the OHPA may set out in rules that all cases involving a high number of witnesses or likely to be particularly lengthy should have a legally qualified chair. However, the rules may also set out that in all cases where the health of the practitioner is the central issue, a lay or professional chair should be used.

The essential point is that, although I agree that legally qualified chairs should be available to the OHPA, we do not think it right for the Government to prescribe exactly what kind of chair should be used in which circumstances. I would regard it as particularly inappropriate to require the OHPA to use legally qualified chairs in every case before they had been properly trialled and a decision made in the light of practical experience. I hope that Opposition Members will support the amendments.

Let me deal now with Opposition amendments Nos. 75, 82 to 85, 87, 89 and 90. I hope that the hon. Members who tabled those amendments will agree that the Government amendments very much achieve the same objective and so will feel content not to press their amendments. Amendment No. 85 appears to be designed to ensure that all panels should have a legally qualified chair in all cases. I apologise if I have misunderstood the purpose of the amendment, but it seems to be at cross purposes with amendment No. 82. I do not propose to detain the House by rehearsing my reasons for opposing the amendment, because I have already set out in speaking to the Government amendments why I do not believe it is right to impose legally qualified chairs in all cases.

Amendments Nos. 75 and 87 would set in stone the requirement for legal chairs to have a 10-year general qualification, which is the same requirement as the General Medical Council currently uses for its legal assessors. However, the General Optical Council requirement for its legal assessors is a five-year general qualification. I am concerned about prescribing a narrow requirement on the face of the Bill, especially when I have tasked the "Tackling Concerns Nationally" working group under the chairmanship of Sir Ian Kennedy to consider the introduction of legal chairs and other such details. Ultimately, we believe that it should be for the OHPA to decide how best to run its fitness to practise panels within the framework set by Parliament, taking into account the recommendations of the working group. Rules covering the detail will be laid before Parliament and will be subject to the negative resolution procedure.

Amendments Nos. 89 and 90 would require all health profession regulators using the civil standard of proof to have legal chairs or at least legal assessors in all cases. I remind the House that the majority of these regulators already use the civil standard. I am sure that Opposition Members do not want to push the whole swathe of regulators into the unknown. If the evidence pointed in such a direction, powers under section 60 of the Health Act 1999 could be used after appropriate consultation. As hon. Members are no doubt aware, a section 60 order will be subject to the affirmative resolution procedure. On that basis, I hope that the Opposition will not press their amendments.

Mr. Stephen O'Brien: This group includes Government amendments as well as those tabled by my hon. Friends and by me. The amendments arose as a result of the evidence-taking sessions. As the Minister pointed out, they help to reinforce the value and benefit of such sessions. I welcome the beginnings of an important concession by the Government to the strength of our arguments on legally qualified chairs. I remind the House that the Committee divided on this matter in order to hold the Government's feet to the fire during the sitting.

I shall not go over the arguments again at length, as they were covered more than adequately in the *Hansard* of Committee proceedings from column 372 onwards. However, the provisions on legally qualified chairs arose from recommendation 79 of the fifth report of Lady Justice Smith—then Dame Janet Smith—on the Shipman inquiry. She said:

> "In the event that the GMC retains control of the adjudication stage, it should appoint a number of legally qualified chairmen who should, as an experiment or pilot, preside over more complex FTP panel hearings. The results of the pilot scheme should be scrutinised to see whether there are benefits, whether in terms of the improved conduct of hearings, more consistent outcomes, improved reasons and/or fewer appeals."

All hon. Members felt that there was extraordinarily impressive and persuasive oral evidence relating to effective chairmanship, speed of proceedings, a higher standard of reasoned decision and an ability to deal with the complexities of the civil standard of proof. That evidence can be seen in column 37 of the *Official Report* of Committee proceedings.

It will not have escaped the notice of the House that one aspect of introducing the civil standard of proof in the hearings is the complexity of its administration as a matter of adjudication and law, not least in ensuring that justice is done and seen to be done. As I shall try to explain, it has variability within it, unlike what we used to call the criminal standard of proof, of being "beyond all reasonable doubt", or as is more common nowadays, the standard of being "sure".

I am pleased that the Government have introduced proposals for a list including legally qualified persons. The Minister has outlined that point in speaking to Government amendment No. 23, which was a response, as he knows, to the demands we made in Committee at column 374 of *Hansard*. Nevertheless, I have to say that our amendments Nos. 82, 83 and 84 are a neater way of delivering what he has sought to achieve in Government amendment No. 23. That amendment is intended to supplant, from the Government's perspective, our amendments Nos. 82 to 84, so I believe that we should see these as a coupled set of arguments. I am pleased that the Government amendment was designed to draw on the arguments made in Committee, as reflected in the amendments.

A number of concerns remain, however, particularly about the application of the civil standard of proof, the speed of proceedings and the definition of "legally qualified". On the standard of proof, the Bill moves fitness to practise panels away from the criminal and

towards the civil standard of proof. In layman's terms, it is a move from "beyond reasonable doubt" or being "sure" to a balance of probabilities. We debated that point in Committee, as is shown in column 395, but unresolved issues remain and it is right for us to bring them up again on Report.

There seem to be good reasons for the use of the civil standard and few differences between the parties arose in Committee. Indeed, Opposition Members supported the Government, but we remain concerned about the lack of piloting, particularly with regard to doctors. That problem still needs to be dealt with. I hope those reflecting on the Bill as it goes to the other place will give that issue some further urgent and important consideration.

The concern arises because a statutory application of the civil standard results in a common law interpretation on a sliding scale that is difficult to reflect on the statute book. Consequently, a doctor before a panel faces an ever-rising hurdle in attempting to clear his or her name. The civil standard of proof will not be applied uniformly across the board—a very important point made by Lady Justice Smith in her evidence at column 38. This issue is important not just for the doctor, but for those sitting on the panels. They must have a clear understanding at the outset of what standard of proof on the balance of probabilities actually means on a sliding scale. Until they know the evidence, they cannot be sure of the standard of proof against which the truth must be tested. That is critical in the ultimate case where someone's livelihood is threatened and their fitness to practise questioned. There is a burden on adjudicators to ensure that their decisions are just and fair, made in a properly conducted way and, above all, not capable of being contested too easily by appeal. People must feel that the system is proper and fair to both parties when these very serious issues come before these panels.

8 pm

Another reason Lady Justice Smith gave for the use of legally qualified chairs was that it enabled hearings to be dispatched more quickly. We are all interested in securing efficiency and speed in such things, without causing any prejudice to the application of justice. She said:

> "Legally qualified people who appear in front of such tribunals are capable of running rings around the tribunal if no one on the panel is legally qualified."—*[Official Report, Health and Social Care Public Bill Committee*, 8 January 2008; c. 37.]

The GMC, which has lobbied against the universal application of legally qualified chairs, has failed to answer that point—something to which she also referred. She went on to say that while it is true that the broad quality of judgments currently made is indeed high—I am in no way seeking to criticise the GMC for the conduct of its hearings and how it has trained people—it would be better for all concerned if panels could be conducted no less thoroughly but more efficiently.

It is with the issues of speed, efficiency and the application of the civil standard of proof in mind that we tabled amendment No. 85, which would make all fitness to practise panels subject to a legally qualified chair. Interestingly, to add substance to that point, page 4 of a document supplied by the Government themselves on 7 February in relation to professional regulation shows the cost of a three-person panel with a legally qualified chair for some fitness to practise cases and the cost of a three-person panel with a legal assessor for the remainder. Where legal chairs are used in 10 per cent. of fitness to practise cases, the estimate is £2.565 million. If they are used in 25 per cent. of fitness to practise cases, the estimate is £2.489 million, and it comes down to £2.374 million if they are used in 50 per cent. of such cases. That helpful Department of Health document implies that if we used legal chairs in 100 per cent. of such cases, it would have the same trend in saving money and, as Lady Justice Smith would argue, in the increased dispatch, speed and efficiency of the cases. Therefore, the Department of Health itself has already laid out a good taxpayer value-for-money point on how it would be more efficient to use legally qualified chairs in all cases.

I am disappointed that the Government are unwilling to define "legally qualified" in their amendment No. 30. Amendment No. 75 would help us to have that definition, and links to amendment No. 85, which would ensure that there is a qualified chair for all such cases. The Bill is in many regards a portmanteau Bill, with many of its powers devolved to rules and regulations. More than a quarter of the clauses relate to secondary legislation. It is perverse to leave to regulation what could easily be prescribed on the face of the Bill under the proper scrutiny of the House.

The Bill contains a definition of "legally qualified" in paragraph 6 of schedule 6. Lady Justice Smith noted and commended that definition in oral evidence, at column 39. In Committee, my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright), who is not in the Chamber but has been assiduous in his attendance of our proceedings, made the excellent point that a legally qualified chairman would need not only legal experience but judicial experience. It is important to reflect on that.

Having taken considerable advice, I had hoped that as Government amendment No. 23 went some way to making a concession on the grounds that we have advanced, I would not have to oppose it. However, I wanted to put amendment No. 85 to the vote, because what it contains is right and many outside this place would like to see it tested. Unfortunately, I am told, on the advice of the Clerks, that I cannot do that, which is much to be regretted. Procedure has overwhelmed what is a fair point, which should be available for testing. However, having put that difficulty on the record, I hope that it will be seen by those in another place who are exercised by such things. Many of them regard themselves as legally qualified and as having judicial experience. They will think that it is important to envisage how these significant proceedings will work, because they could be vital to protect patients and the public.

Mr. Jim Devine (Livingston) (Lab): I am one of those individuals who has such experience. Does the hon. Gentleman?

Mr. O'Brien: What we are personally qualified to do is not relevant, because we are trying to frame a Bill that is right for those who do the professional job. As it happens, however, I am a qualified lawyer. I am a solicitor of the Supreme Court of England and Wales.

[Mr. Stephen O'Brien]

I have not practised for 19 years, but I did practise in the City of London for a number of years. I have no judicial experience, but I had considerable arbitration experience, which is of a judicial nature. What is interesting is that not only has one of the hon. Gentleman's colleagues sat on one of the GMC panels, but so has one of mine. My colleague is legally qualified; the other is not. That is not to say that either has done the job any worse than the other. On the contrary, they both did it well.

Mr. Devine *rose—*

Mr. O'Brien: I do not want to enter into a dialogue. What matters is that plenty of people in another place will be very exercised by this issue, given that Lady Justice Smith gave important and compelling evidence in a most reasoned way. When we heard her evidence, hon. Members on both sides of the Committee were at one in thinking that it was impressive and compelling. She advanced the idea that there should be legally qualified chairs for the bodies. That is why it is important that we give the issue an airing.

Procedure does not enable us to vote separately on Government amendment No. 23 and amendment No. 85. Amendment No. 23 is only a partial solution. What it sets out is not mandatory; it simply says that there will be legally qualified persons on a list from which the chairman can be chosen. Amendment No. 85 would have made that mandatory. It would have given earnest to what Lady Justice Smith appeared to be advising in oral evidence, for which all Committee members were present. I therefore recognise that I have to place on the record, with my best efforts, a signal to those who will consider the Bill in another place. I know that this sort of issue has exercised them greatly in the past, and rightly so. I would be surprised if we do not have to deal with it again when the Bill comes back to the House with Lords amendments. I very much hope that it will be given a proper airing in the other place, and I expect them to find a way to achieve what procedurally I have not been allowed to do.

I cannot press amendment No. 85 to a vote, and on the basis of my comments it would be wrong and invidious of me to divide the House on Government amendment No. 23. If anyone sought to put that to a vote, we would abstain because it is better than what we have got, but it is by no means sufficient. I hope that that places on the record our position and that another place will achieve what we have not been able to achieve so far.

Sandra Gidley: Most of what I want to say has been covered by the Minister and the hon. Member for Eddisbury (Mr. O'Brien). We have an interesting example of how the new evidence sessions have been useful. I cannot recall a single submission from the great and good in Second Reading briefings or the like on legally qualified chairs. We raised the issue in what was almost a throw-away question, when I said:

"Would you like to see any other changes to the Bill?"

Lady Justice Smith responded:

"There is one matter, which you might feel is quite small."—*[Official Report, Health and Social Care Public Bill Committee,* 8 January 2008; c. 37, Q64.]

It ended up being something that exercised a great deal of time in Committee. I think that that is right, because, as others have pointed out—Lady Justice Smith has been quoted at length—there are good reasons why legal chairs could make a difference. The costs bear that out as well. However, I was also quite taken with the Government's argument that a legally qualified chair may not be necessary in every case. What I do not think we teased out in enough detail in Committee is where the bar might be set. The document referred to by the hon. Member for Eddisbury gives costings for 20 per cent., 25 per cent. and 50 per cent.—

Mr. O'Brien: But not for 100 per cent.

Sandra Gidley: I am not, as yet, entirely convinced that legal chairs are needed in 100 per cent. of cases. However, I think it a shame that the House's procedures prevent us from voting on both options, and I am fairly sure that the issue will arise again in another place.

I thank the Minister for listening to all the points that were raised. In Committee he was clearly sympathetic. Amendment No. 23 is unlikely to be put to the vote because there is no opposition to it, but if it had been, I might well have supported it. If the matter returns to us, it would be helpful to be given a little more detail about what might and might not be considered appropriate for a legal chair. I appreciate that to an extent that may be in the hands of the profession and the OHPA, but when we are trying to pass legislation, a lack of clarity about the outcome is not always helpful.

Amendment agreed to.

Amendments made: No. 24, page 47, line 8 , leave out 'lay members list' and insert

'list of persons eligible to serve as lay members provided for by section 96(1)(a) (the "lay members list")'.

No. 25, page 47, line 9 , leave out 'professionally qualified members list' and insert

'list of persons eligible to serve as professionally qualified members provided for by section 96(1)(b) (the "professionally qualified members list")'.

No. 26, page 47, line 14, at end insert—

'(3A) Rules under subsection (3) may in particular make provision requiring the selection in specified circumstances of a chair who is legally qualified for the purposes of section 96(1A)(a), and may provide for pilot schemes under which chairs who are legally qualified for those purposes are, or are not, selected for such proceedings as may be determined in accordance with the rules.'.

No. 27, page 47, leave out lines 16 to 20.—*[Mr. Bradshaw.]*

Clause 96

LISTS OF PERSONS ELIGIBLE FOR MEMBERSHIP OF FITNESS TO PRACTISE PANELS

Amendments made: No. 28, page 47, line 24, at end insert—

'(aa) persons eligible to serve as chairs,'.

No. 29, page 47, line 26, at end insert—

'(1A) The list of persons eligible to serve as chairs is to consist of—

(a) persons who are legally qualified,

(b) persons who are also included on the list of persons eligible to serve as lay members, and

(c) persons who are also included on the list of persons eligible to serve as professionally qualified members.'.

No. 30, page 47, line 33, at end insert—

'(3A) Rules made by virtue of subsection (3) must make provision about—

(a) the qualifications which a person must have in order to be "legally qualified" for the purposes of subsection (1A)(a), and

(b) the experience which a person must have and the training which a person must have undertaken in order to be eligible for appointment to the list of persons eligible to serve as chairs by virtue of subsection (1A)(b) or (c).'.—*[Mr. Bradshaw.]*

Clause 97

FURTHER PROVISIONS ABOUT LISTED PERSONS

Amendments made: No. 31, page 47, line 39, after 'OHPA', insert '—

(a) '.

No. 32, page 47, line 40, at end insert ', and

(b) may pay to any person whom it proposes to include on a list such allowances and expenses as it may determine in connection with the provision of training for the person by virtue of subsection (2)(b).'.

No. 33, page 47, line 41, after 'OHPA', insert '—

(a) '.

No. 34, page 47, line 42, at end insert ', and

(b) may provide, or arrange for the provision of, such training for persons whom it proposes to include on a list as it may determine.'.

No. 35, page 48, line 5 , leave out 'either' and insert 'any'. —*[Mr. Bradshaw.]*

Clause 98

LEGAL ASSESSORS

Amendments made: No. 36, page 48, line 21, after 'make', insert '—

(a) '.

No. 37, page 48, line 22, at end insert ', and

(b) provision for a fitness to practise panel not to be advised by a legal assessor if the chair of the panel is legally qualified for the purposes of section 96(1A)(a).'.—*[Mr. Bradshaw.]*

Clause 105

FEES PAYABLE BY GENERAL MEDICAL COUNCIL AND GENERAL OPTICAL COUNCIL

Mr. Stephen O'Brien: I beg to move amendment No. 81, page 53, line 3, at end insert—

'(8A) Neither the creation of the regulations under this section nor the payment of any fees under those regulations shall affect the charitable status of a regulatory body.'.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following: Amendment No. 2, in clause 108, page 53, line 39, at end insert—

'(2A) In section 25 of the 2002 Act, in subsection (2), after paragraph (d) insert—

(e) to promote the provision of independent advice to members of the public in respect of the reporting of concerns to any of the bodies listed in subsection (3).'.

Government amendments Nos. 38 to 61.

Mr. O'Brien: As I am sure the House knows, the General Medical Council is a registered charity. Over time, other health regulators that may also be charities will come under the auspices of the OHPA, and will be required to pay a fee to that body. All registered charities have duties in relation to how they spend their income, and the GMC and other regulators are no exception, but the Bill contains provisions that directly affect the way in which the GMC should spend a significant proportion of its income, while leaving it little if any discretion in respect of how it does so.

Given that the OHPA's duties will mirror functions that already sit within the charitable body, the funding of a non-departmental public body such as the OHPA—whose purpose is to uphold the standards of a health profession—is clearly unlikely to fall outside the charitable remit. However, it would seem wrong to place a burden on the GMC or another regulator that might have the potential to jeopardise its charitable status without making it clear that that was not Parliament's intention.

Mr. Devine: As one who worked in the health service and had to deal with the GMC, I am astonished by the hon. Gentleman's argument. Surely he is not suggesting that, after Shipman, we should not change the rules.

Mr. O'Brien: I am not sure how closely the hon. Gentleman has been following the debate. He ought to know that, as has been repeatedly put on record, we have strongly supported a change in the rules. I am a little perplexed about how the question could even have entered his mind, but perhaps he has not been able to follow the Bill's progress as closely as his question might have merited. We have not voted against the Bill, and we welcome the changes. What I am talking about is charitable status, which I hope is deeply important to the hon. Gentleman. If the GMC is not a charitable body, there will be a series of consequences.

8.15 pm

Let me proceed with my argument. It may help to clarify any confusion that may have arisen in the hon. Gentleman's mind. The Government may argue that we should not bind the hands of the Charity Commission, a body that operates independently of Ministers, but there are clear precedents for such action in other legislation. For example, further and higher education corporations are designated charities under section 41 of the Teaching and Higher Education Act 1998, and common investment funds are classed as charities under section 24 of the Charities Act 1993. Amendment No. 81 is intended to prevent the operation of fees from introducing any ambiguity into the designation of the GMC as a registered charity.

As the Liberal Democrats tabled amendment No. 2, it will be for a Liberal Democrat Member to speak to it. The others are Government amendments. While most of them appear to be tidying-up measures, amendment No. 48 appears to disqualify hon. Members from sitting on OHPA adjudication panels. I do not believe that involvement with the GMC is prohibited by membership of the House of Commons, and I should be grateful if the Minister could explain what changes the Government

intend. If the answer is not satisfactory, I dare say that the matter will be pursued in another place, but, as the Minister must be aware, some Members are currently involved in the adjudication processes of the GMC.

We also need to tackle the issue of the costs of the OHPA. I thank the Minister for furnishing us with the report on the costs that we had requested, although I was disappointed that we did not receive it before the Committee stage. I hope that he will be able to provide the independent report by financial advisers engaged by the GMC, which was supposed to be available at the end of January and which is mentioned in column 365 of the record of our Committee proceedings.

The Government report divides the costs into three groups: set-up and transition costs for the GMC, other costs to be paid by the Department, and adjudication and running costs. The set-up costs, the Government finally reveal, will be about £3 million to £4 million over two years, but they are to be "further refined". The other costs, such as those of High Court referrals or big cases, have not been estimated, and I should be grateful if the Minister could identify the nature of that liability. The adjudication costs are not expected to exceed the current GMC costs of around £11.5 million. The running costs are not identified, which is odd, but the paper does identify a probable increase of between £20 and £30 per registrant per year. That would increase the General Medical Council registration to more than £400 and that of the General Optical Council to almost £200. A full GMC registration on the medical register is to rise to £390 a year with effect from April this year, having been frozen at £290 since 2002, and GOC registration stands at £169 per annum. It also suggests running costs for the OHPA of about £6 million per annum—I hope that the Minister will be able to confirm that figure.

We remain deeply unsatisfied about the independence of the OHPA. We have searched Government amendments for where the Minister might give assurances about the independence of its decision making, but as the organisation is created the Department will needlessly still have its hands all over its finances. That is neither necessary nor desirable. Concerns remain over the civil standard of proof, which we discussed earlier and the Government failed to address. We were also looking for permanent legally qualified chairs, but we have now assented to a different situation.

The Government must recognise that as the Bill progresses a full response is required on professional regulation and the impact that the practice of defensive medicine might have on our NHS, particularly financially—I hope there will be time to provide that when the Bill is considered in another place. I am sure that the Minister recalls that this was one of the areas of greatest contention during oral evidence sessions, and I think all Members were concerned about the BMA presenting the idea that the new regime would create over-defensiveness. I do not wish to be too critical—those giving that evidence must have thought that they were making representations on behalf of their members—but we need to bottom out what has been expressed on behalf of doctors about the impact of what is going on in terms of defensive medicine because we do not want that, and I do not believe it is likely to be a trend or a consequence; I would not be able to support the Bill if I did. Although I do not believe that to be the case, it is important to take such representations seriously and address them, rather than simply dismiss them out of hand. If necessary, we might have to appeal, through the BMA, to make sure that doctors are reassured that they need not be over-concerned about that. I have been getting the impression that the Minister might feel that that is a worthwhile point, which is good.

The Government amendments on professional regulation would give the power through secondary legislation to impose a lay majority on the regulatory bodies. The GMC has been arguing for parity, and that makes sense for the confidence of both the public and the profession. I dare say that that will be pursued in another place.

I have spoken to amendment No. 81 and I have addressed the other issues that arise. If the Minister does not provide a satisfactory response on the charitable status of the GMC, I might need to press the amendment to a Division.

Sandra Gidley: I shall start by speaking to Liberal Democrat amendment No. 2, which would make it a duty of the Council for Healthcare Regulatory Excellence to commission independent advice and information services to assist members of the public who have concerns about the fitness to practise of a health professional. One decision that might have to be made would be whether to report a concern to a regulatory body. If the decision was to go ahead with that, there would be a duty to provide help in reporting the concerns in an effective way, and if the matter were dealt with by the OHPA there would be a duty to support the member of the public through the process.

There is currently no service to inform members of the public of where to report concerns about health professionals or to help them do so. That is a great problem. Let us take the Shipman case as an example. The people who were directly affected by Shipman were not in a position to complain, but his mode of operation might have been slightly different and those who might have had concerns because they felt they were being targeted in some way would have been members of one of the most vulnerable groups in society. Many people who have reached the age of 60 do have the time and ability to deal with such things, but some of them, especially if they are not well and life is a bit of an effort, find it difficult to discover in our complicated society where they should go to get the help they need. There is therefore a feeling that many problems are not brought forward because people do not know how to do that; advice is patchy, and no support is available.

Many stakeholders believe that this need should be met. There would have to be a cap on the system because we would not want there to be an open invitation for everybody to take advice, but provided that certain criteria are met this could provide a useful way of enabling people who would not otherwise bring complaints to bring them early, so that problems are nipped in the bud. This duty would be compatible with the CHRE's overall duty to serve patients and the public and promote excellence in health professional regulators.

On amendment No. 81, I was somewhat surprised when I discovered that the GMC was a registered charity. I am not sure why a professional regulatory

body should have that status, and I am interested to know what charitable works it performs, although that is a side issue. I have listened carefully to the comments of the hon. Member for Eddisbury (Mr. O'Brien), and I could not understand how the creation of fees would definitely have an effect on the charitable status of the regulatory body.

Mr. O'Brien: It may be helpful if I clarify that there are precedents elsewhere whereby, when a fee is exchanged of a substantial amount of a body's income, it is effectively a cost recovery or could even be regarded as a professional commercial transaction, because fees are paid for membership. It has not necessarily been as clear as it might have been that a body in that position can retain charitable status. In the case of other bodies, it has been felt necessary to specify that in the relevant legislation, to ensure that there is no danger to their charitable status. I feel that the GMC deserves to have equal assurance and equal respect paid to it.

Sandra Gidley: I thank the hon. Gentleman for that clarification. I am not entirely sure whether the amendment is necessary, so I shall listen to the Minister's comments with interest.

The bulk of the amendments seem to be tidying-up amendments to a certain degree, and I have no problems with any of them, so I shall not detain the House any longer.

Mr. Bradshaw: Amendment No. 81 would provide that neither the making of fees regulations by the Secretary of State nor the payment of a fee to OHPA would affect the charitable status of the regulatory body. I hope to be able to reassure the hon. Member for Eddisbury (Mr. O'Brien). I can go into detail about what justifies the GMC's charitable status if the hon. Member for Romsey (Sandra Gidley) really wants me to, but perhaps I had better write to her. We are advised that it will not be affected. My officials have been in contact with the Charity Commission, which has indicated that the key issue is a body's charitable purpose. A requirement in law to make a payment to another body would not of itself cause a body to lose its charitable status, although it could be a relevant factor in assessing its purpose and whether it is for public benefit. I am pleased to confirm that the Charity Commission's initial view is that

"the proposed changes will not mean that the GMC is no longer in law a charity".

8.30 pm

Amendment No. 2 would insert a new statutory function of the CHRE into section 25(2) of the National Health Service Reform and Health Care Professions Act 2002, through clause 108. The proposed new function is to promote the provision of independent advice to the public on reporting concerns to the regulatory bodies. We fully accept the reasoning behind the amendment tabled by the hon. Member for Romsey, but we do not believe that it is necessary.

Clause 108 already inserts into section 25 of the 2002 Act a new main objective that the CHRE must consider when exercising its functions: how it will promote the health, safety and well-being of patients and other members of the public. That will allow the CHRE to promote and provide independent advice along the lines suggested in amendment No. 2, and to encompass the sentiment behind the amendment. We do not want to be too prescriptive regarding how the CHRE should carry out that objective, because it is important that it work in consultation with patients and the public to determine how best it can achieve it. It has already begun a programme of work that will lead to the implementation of a patient and public strategy aimed at ensuring that it can fulfil the proposed function of becoming an authoritative voice for patients.

In Committee, I confirmed that our reform of the CHRE was intended to ensure that it fits with the new regulatory landscape, including by shifting its role to that of being the independent voice of the patient. I believe that our proposals meet that objective. On that basis, I hope that the hon. Lady will not press the amendment.

Mr. Jenkins: I recognise what my hon. Friend the Minister says, but I also recognise the concern of the hon. Member for Romsey (Sandra Gidley). Although we have feedback about the group of patients involved and the provision for them, what can my hon. Friend say about the individual patient who, although not alarmed enough to make a formal complaint, feels alarmed enough to feed their concerns into the system? Will he ensure that there is a mechanism to allow the individual patient to do that, and that if enough individual patients feed in their concerns about a health professional, inquiries can be made into that professional's conduct?

Mr. Bradshaw: There are already mechanisms in place, as I am sure my hon. Friend would acknowledge, and it is important that they are sustained. I would encourage all patients and members of the public who have complaints to make to inform themselves of the formal complaints procedure and, if necessary, to escalate that. I also think that more could be done by health care providers to advertise and publicise the existence of complaints procedures. All too often, people are still not aware of their right to complain, where to go or how to escalate their complaints. The new Care Quality Commission and the other independent bodies that we are establishing in the Bill will need to address that as a priority. I hope that that reassures my hon. Friend.

Government amendments Nos. 38 to 61 are, as has been acknowledged, technical and consequential on the changes that we are making to the CHRE and to the OHPA. I am grateful to the hon. Member for Eddisbury for his question on amendment No. 48, because clarification may be necessary. The intention behind the amendment is not to prevent Members of this House from serving on the GMC, and nor is that a result of it, but it would prevent them from serving on the OHPA. I undertake to clarify the issue and respond to the hon. Gentleman. If necessary, it will be addressed in the other place.

Mr. Jim Devine (Livingston) (Lab): Will my hon. Friend meet me and members of the Nursing and Midwifery Council who are concerned about the

[Mr. Jim Devine]

structure of that body? It appears to be very racist and to employ a bullying strategy.

Mr. Bradshaw: I am always happy to meet hon. Members. We may be able to discuss the issue informally shortly, and I hope that I will be able to reassure him. I have now concluded my remarks.

Mr. O'Brien: I have listened carefully to the Minister and if there is any residual lack of clarity in the way that I raised the issue of Government amendment No. 48, I suspect that it would be helpful to those who will consider this in the other place to be aware of the intention behind it. If the drafting needs perfecting, I am sure that the other place will have an opportunity to do so. I was baffled by the point raised by the hon. Member for Livingston (Mr. Devine) in an intervention.

Amendment No. 81 is the lead amendment and amendment No. 2, tabled by the Liberal Democrats, rides with it, so I think I am right in saying that it will not cause a problem if I seek to withdraw it. The Minister went out of his way to try to give me the assurance that I was seeking in relation to the continuing charitable status of the GMC. I heard him say in terms and on the record that that was what was expected and, above all, was the advice that he had been given. I had suggested that we might need to divide the House, but in the light of that assurance I am happy not to do so. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 110

POWERS AND DUTIES OF COUNCIL

Amendments made: No. 38, page 55, line 12, leave out 'taking action under section 29' and insert

'where section 29 applies, taking action under that section'.

No. 39, page 55, line 16 , after 'recommendations', insert 'to the regulatory body'.—*[Mr. Watts.]*

Schedule 3

AMENDMENTS OF MENTAL HEALTH ACT 1983

Amendment made: No. 68, page 118, line 13, at end insert—

'( ) In subsection (6), for "section 121(7) and (8) above" substitute "section 134A(1) to (4)".'.—*[Mr. Watts.]*

Schedule 5

FURTHER AMENDMENTS RELATING TO PART 1

Amendments made: No. 69, page 136, line 13, at end insert—

'Audit Commission Act 1998 (c. 18)

63A (1) Section 4 of the Audit Commission Act 1998 (code of audit practice) is amended as follows.

(2) In subsection (7)—

(a) in paragraph (a) omit "the Commission for Healthcare Audit and Inspection and",

(b) in paragraph (b) omit "the Commission for Social Care Inspection and", and

(c) in paragraph (c) before "and such bodies" insert ", the Care Quality Commission".

(3) In subsection (8), for "the Commission for Healthcare Audit and Inspection" substitute "the Care Quality Commission".

63B (1) Section 7 of the Audit Commission Act 1998 (fees) is amended as follows.

(2) In subsection (2)—

(a) in paragraph (a) for "the Commission for Healthcare Audit and Inspection and such other" substitute "such", and

(b) in paragraph (c) before "such bodies" insert "the Care Quality Commission and".

(3) In subsection (9) for paragraph (aa) substitute—

"(aa) the Care Quality Commission,".

63C (1) In section 33 of the Audit Commission Act 1998 (studies for improving economy etc in services), subsection (6) is amended as follows.

(2) In paragraph (c), for "the Commission for Healthcare Audit and Inspection" substitute "the Care Quality Commission".

(3) For paragraph (d) substitute—

"(d) in the case of a study which has a connection with adult social services (within the meaning of Part 1 of the Health and Social Care Act 2008), also consult the Care Quality Commission; and".

(4) In paragraph (e) for "that Part of that Act" substitute "Part 2 of the Health and Social Care (Community Health and Standards) Act 2003".

63D (1) In section 34 of the Audit Commission Act 1998 (reports on impact of statutory provisions), subsection (6) is amended as follows.

(2) For paragraph (ba) substitute—

"(ba) in the case of a study which has a connection with adult social services (within the meaning of Part 1 of the Health and Social Care Act 2008), the Care Quality Commission;".

(3) In paragraph (bb) for "that Part of that Act" substitute "Part 2 of the Health and Social Care (Community Health and Standards) Act 2003".

63E (1) In section 49 of the Audit Commission Act 1998 (disclosure), subsection (1) is amended as follows.

(2) Omit paragraph (ba).

(3) In paragraph (bb), for "that Part of that Act" substitute "Part 2 of the Health and Social Care (Community Health and Standards) Act 2003".

(4) In paragraph (c) omit the words from "or for the purposes of the functions of the Commission" to the end.

(5) After paragraph (ca) insert—

"(cb) for the purposes of the functions of the Care Quality Commission under Part 1 of the Health and Social Care Act 2008;".

63F In Schedule 2A to the Audit Commission Act 1998 (interaction with other authorities), in paragraph 1(1)—

(a) at the end of paragraph (f) insert the word "or",

(b) omit paragraph (g) (together with the word "or" at the end of it), and

(c) for paragraph (h) substitute—

"(h) the Care Quality Commission."'.

No. 70, page 137, line 28, at end insert—

'Children Act 2004 (c. 31)

In section 20 of the Children Act 2004 (joint area reviews), in subsection (4), for paragraph (d) substitute—

"(d) the Care Quality Commission;".'.

No. 71, page 138, line 5, at end insert—

'National Health Service Act 2006 (c. 41)

71A In section 9 of the National Health Service Act 2006 (NHS contracts), in subsection (4), for paragraph (k) substitute—

"(k) the Care Quality Commission,".

71B In section 35 of the National Health Service Act 2006 (authorisation of NHS foundation trusts), in subsection (3)(a), for "the Commission for Healthcare Audit and Inspection" substitute "the Care Quality Commission".

71C In section 56 of the National Health Service Act 2006 (mergers), in subsection (6)(a), for "the Commission for Healthcare Audit and Inspection" substitute "the Care Quality Commission".

72D In section 71 of the National Health Service Act 2006 (schemes for meeting losses and liabilities etc of certain health service bodies), in subsection (2)(f), for "the Commission for Healthcare Audit and Inspection" substitute "the Care Quality Commission".

71E In Schedule 10 to the National Health Service Act 2006 (audit of accounts of NHS foundation trusts), in paragraph 8(1)(e), for the words from "the Commission" to the end substitute "the Care Quality Commission".

National Health Service (Wales) Act 2006 (c. 42)

71F In section 7 of the National Health Service (Wales) Act 2006 (NHS contracts), in subsection (4), for paragraph (k) substitute—

"(k) the Care Quality Commission,".

71G In section 30 of the National Health Service (Wales) Act 2006 (schemes for meeting losses and liabilities etc of certain health service bodies), in subsection (2)—

(a) at the end of paragraph (c) insert "and", and

(b) omit paragraph (d) (together with the word "and" at the end of it).'.

No. 72, page 138, line 12, at end insert—

'Safeguarding Vulnerable Groups Act 2006 (c. 47)

73A In section 45 of the Safeguarding Vulnerable Groups Act 2006 (supervisory authorities: duty to refer), in subsection (7)—

(a) for paragraph (c) substitute—

"(c) the Care Quality Commission in respect of its functions under Part 1 of the Health and Social Care Act 2008;",

(b) omit paragraph (d), and

(c) in paragraph (e), for "that Act" substitute "the Health and Social Care (Community Health and Standards) Act 2003".

73B (1) Paragraph 1 of Schedule 4 to the Safeguarding Vulnerable Groups Act 2006 (regulated activity relating to children) is amended as follows.

(2) In sub-paragraph (10)—

(a) for paragraph (e) substitute—

"(e) the Care Quality Commission;", and

(b) omit paragraph (f).

(3) In sub-paragraph (11), omit paragraph (a).

(4) After sub-paragraph (13) insert—

"(13A) The exercise of a function of the Care Quality Commission so far as the function relates to the inspection of anything which—

(a) is listed in section 56(1) of the Health and Social Care Act 2008, and

(b) involves the provision of any form of treatment or therapy for children,

is a regulated activity relating to children."

(5) In sub-paragraph (14), for "or (11)" substitute ", (11) or (13A)".'.

73C (1) Paragraph 7 of Schedule 4 to the Safeguarding Vulnerable Groups Act 2006 (regulated activity relating to vulnerable adults) is amended as follows.

(2) In sub-paragraph (6), omit paragraphs (a) and (b).

(3) After sub-paragraph (8) insert—

"(8A) The exercise of a function of the Care Quality Commission so far as the function relates to the inspection of anything which—

(a) is listed in section 56(1) of the Health and Social Care Act 2008, and

(b) involves the provision of social services, care, treatment or therapy for vulnerable adults,

is a regulated activity relating to vulnerable adults."'.—*[Mr. Watts.]*

Schedule 6

THE OFFICE OF THE HEALTH PROFESSIONS ADJUDICATOR

Amendments made: No. 40, page 142, line 24, at end insert—

'Meetings of the OHPA in Northern Ireland

(4) Sections 23 to 27 of the Local Government Act (Northern Ireland) 1972 (c. 9) (which provide for public access to meetings of a district council, the publication of information concerning such meetings etc.) apply in relation to meetings of the OHPA in Northern Ireland as they apply in relation to meetings of a district council but subject to the following modifications.

(5) The modifications are that—

(a) any reference to a district council is to be read as a reference to the OHPA, and

(b) any reference to councillors or members of the council is to be read as a reference to members of the OHPA.'.—*[Mr. Watts.]*

Schedule 7

ADJUDICATION FUNCTIONS UNDER MEDICAL ACT 1983 AND OPTICIANS ACT 1989

Amendments made: No. 41, page 148, line 5, at end insert—

'(5A) Omit subsection (8).'.—*[Mr. Watts.]*

Schedule 10

FURTHER AMENDMENTS RELATING TO PART 2

Amendments made: No. 42, page 167, line 33, after first 'in', insert 'Part 2 of'.

No. 43, page 167, line 33, after 'Schedule', insert '—

(a) '.

No. 44, page 167, line 35, at end insert ', and

(b) at the appropriate place insert—

"The Office of the Health Professions Adjudicator."'.

No. 45, page 167, line 38, leave out from beginning to 'for' and insert '—

(a) in paragraph 1 (bodies to which in England and Wales Act applies),'.

No. 46, page 167, line 41, after 'Excellence', insert ';

(bcb) the Office of the Health Professions Adjudicator;", and

(b) in paragraph 2 (bodies to which in Scotland Act applies), before paragraph (d) insert—

"(ca) the Council for Healthcare Regulatory Excellence;

(cb) the Office of the Health Professions Adjudicator;".'.

No. 47, page 168, line 3, after 'disqualified)', insert '—

(a) '.

No. 48, page 168, line 5, at end insert ', and

(b) at the appropriate place insert—

"The Office of the Health Professions Adjudicator.'".

No. 49, page 168, line 8, after 'disqualified)', insert '—

(a) '.

No. 50, page 168, line 10, at end insert ', and

(b) at the appropriate place insert—

"The Office of the Health Professions Adjudicator.'".

No. 51, page 168, line 12, leave out 'Part 3 of'.

No. 52, page 168, line 13, after 'duty)', insert '—

(a) in Part 2, at the appropriate place under the heading "Health" insert—

"The Office of the Health Professions Adjudicator.", and

(b) in Part 3,'.

No. 53, page 168, line 16, at end insert—

' In section 27 of the Dentists Act 1984 (allegations against registered dentists), in subsection (2)(g), after "social care profession" insert ", or by the Office of the Health Professions Adjudicator,".'.

No. 54, page 168, line 20, at end insert—

' In section 36N of the Dentists Act 1984 (allegations against registered dental care professionals), in subsection (2)(g), after "social care profession" insert ", or by the Office of the Health Professions Adjudicator,".'.

No. 55, page 169, line 16, after 'authorities)', insert '—

(a) '.

No. 56, page 169, line 18, at end insert ', and

(b) at the appropriate place insert—

"The Office of the Health Professions Adjudicator.'".

No. 57, page 169, line 18, at end insert—

'Nursing and Midwifery Order 2001 (S.I. 2002/253)

In article 22 of the Nursing and Midwifery Order 2001 (allegations), in paragraph (1)(a)(v), after "social care profession" insert ", or by the Office of the Health Professions Adjudicator,".'.

No. 58, page 169, line 18, at end insert—

'Health Professions Order 2001 (S.I. 2002/254)

In article 22 of the Health Professions Order 2001 (allegations), in paragraph (1)(a)(v), after "social care profession" insert ", or by the Office of the Health Professions Adjudicator,".'.

No. 59, page 170, line 34, at end insert—

'Pharmacists and Pharmacy Technicians Order 2007 (S.I. 2007/289)

In article 48 of the Pharmacists and Pharmacy Technicians Order 2007 (impairment of fitness to practise), in paragraph (1)(k), after "social care profession" insert ", or by the Office of the Health Professions Adjudicator,".' .—*[Mr. Watts.]*

Schedule 15

REPEALS AND REVOCATIONS

Amendments made: No. 73, page 188, line 39, at end insert—

'Audit Commission Act 1998 (c. 18)	In section 4(7)—
	(a) in paragraph (a), the words "the Commission for Healthcare Audit and Inspection and", and
	(b) in paragraph (b), the words "the Commission for Social Care Inspection and".
	In section 49(1)—
	(a) paragraph (ba), and
	(b) in paragraph (c), the words from "or for the purposes of the functions of the Commission" to the end.
	In Schedule 2A, paragraph 1(1)(g) (together with the word "or" at the end of it).'

No. 74, page 189, line 44, at end insert—

'National Health Service (Wales) Act 2006	In section 30(2), paragraph (d) (together with the word "and" at the end of that paragraph).
Safeguarding Vulnerable Groups Act 2006 (c. 47)	Section 45(7)(d).
	In Schedule 4—
	(a) paragraph 1(10)(f),
	(b) paragraph 1(11)(a), and
	(c) paragraph 7(6)(a) and (b).'

No. 60, page 190, line 2, column 2, leave out '(7),' and insert '—

(a) in subsection (7),'.

No. 61, page 190, line 4, column 2, at end insert ', and

(b) subsection (8).'.—*[Mr. Watts.]*

Order for Third Reading read.

8.38 pm

Mr. Bradshaw: I beg to move, That the Bill be now read the Third time.

I would like to begin by thanking hon. Members for their contributions in scrutinising and improving this Bill both in Committee and on the Floor of the House today. I think that the Bill benefited from the evidence-giving process—a young but positive reform of the procedures of this House.

We are not here discussing one of the more controversial or hotly politically contested Bills. In fact, our deliberations have shown a broad consensus of support for the main provisions of the Bill—the integration of the way we regulate health, including mental health and social care, and the modernisation of the way we regulate the medical professions. Central to this Bill is the aim of assuring safety and quality of care for all patients and service users.

The establishment of a new independent, integrated regulator with enhanced powers to succeed the three existing bodies—the new Care Quality Commission—is both timely and right. Patients and service users expect

a comprehensive and seamless system of regulation that focuses on the quality and safety of services, rather than their setting.

The Care Quality Commission will bring several improvements. First, it will bring a joined-up system of regulation for health and adult social care, and I emphasise the importance that we expect the new regulator to place on both areas. That joined-up approach has been welcomed by both sides of the House. Secondly, it will extend regulation to the provision of NHS services for the first time ever. Thirdly, the set of new enforcement and sanction powers, which were again broadly welcomed from both sides of the House, will enable the new commission to deal with unsafe practices, such as poor standards of cleanliness and hygiene. Finally, the commission will allow a flexible and proportionate approach to regulation. The Mental Health Act Commission's existing functions will be set, with some enhancement of the core of the new regulator's work. All hon. Members who have spoken have stressed the importance of the regulator's freedom to carry out its functions in the way that it sees fit, through arrangements that encourage its independence.

During our discussions on the Care Quality Commission we listened to the views expressed by Members on both sides of the House and, as we discussed earlier, we made a number of changes. We have clarified that the Care Quality Commission must have regard to those who represent the views of the public. We also listened to the points raised by the hon. Member for Romsey (Sandra Gidley), among others, about the need for the commission to publish its reports. That has always been the Government's intention, but we are happy to have put that beyond doubt by clarifying it further on the face of the Bill.

As I mentioned earlier, we also intend to address the issue of the application of the Human Rights Act 1998 to health and social care when the Bill reaches the other place. On the regulation of health and social care professions, we have also listened carefully to the representations made, not least to those made by Lady Justice Smith, whose original reports on the Shipman murders helped to inform many of the changes that the Bill will bring about. We have tabled and agreed an amendment just now on the issue of legally qualified chairs for hearings of the new independent adjudicator.

Of course, we fully scrutinised the parts of the Bill that we have not discussed today in Committee, including the health protection elements and the health in pregnancy grant. I am sure that those issues will be scrutinised carefully in another place.

By reforming health and social care regulation, and by introducing tough new sanctions as well as reforming professional regulation, the Bill puts safety and quality at the heart of the health and social care system. I commend it to the House.

8.41 pm

Mr. Stephen O'Brien: This portmanteau Bill is incredibly wide ranging in content and it leaves vast amounts to secondary legislation—both things cause concern to the House in terms of proper parliamentary scrutiny. We have debated only a fraction of the outstanding issues this afternoon, and no doubt further clarification will be sought on a number of points in another place. However, as the Minister rightly observed, the broad thrust of the Bill is right, even if it is not necessarily timely. That makes getting the detail correct even more important.

We have sought many improvements, and we will no doubt seek more as the Bill goes on its way. We were grateful for the 12 sittings in Committee, which included some long sittings in order to bring proceedings to a close. We were able to time that almost to the minute so that both sides felt that the Committee had offered adequate consideration. That was the first time that I have been involved in a Committee of which that could be said.

It was disappointing that the Government did not accept our full witness list for oral evidence, but both sides of the House will agree that that was a useful procedure for the Committee. I dare say that the model will be looked at further—it is yet to be perfected. It is important that the witness list is not just a list of the Government's bidding—it was not in our case.

I pay tribute to my colleagues in the Committee, and not only to those on the Front Bench. My hon. Friend the Member for Guildford (Anne Milton) guided us through many parts of the Bill during the Committee. Those on the Benches behind me, including my hon. Friend the Member for Tiverton and Honiton (Angela Browning)—[Hon. Members: "Where are they?"] My hon. Friends might not have expected Third Reading to begin at this hour and are not yet in their places, but they have certainly been in evidence for a great deal of the debate and have added a great deal of thought and sensitivity to our deliberations.

It was important to have the presence of my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) in Committee. Despite the Bill's significant ramifications for the devolved Administrations, he was the only MP in the Committee whose seat is in a devolved Administration. I also pay tribute to the way in which the Committee was chaired and to all the Clerks.

We have won two important Government concessions. We are grateful for the fact that the Minister has if not bowed, then at least nodded to the force of our arguments on, first, the inclusion of a strong patient voice in the CQC. Despite our best efforts, the Government will not include LINks—local involvement networks—in the Bill. No doubt such efforts will continue in another place, and we urge the Government to reconsider. We are also glad that there is now scope for legally qualified chairs and that they will be piloted. However, we remain concerned, particularly given the application of the civil standard of proof, that their role should be universal. Again, I am sure that that debate will be continued in another place.

We have not been able to change the Government's mind on a number of issues. Obviously those issues will be pursued, particularly those that I raised earlier on Report in relation to HealthWatch. A clear function is required for the CQC, particularly given the concerns about its proposed governance structure. That is not merely a cosmetic legislative issue. The House has an opportunity—indeed, I think that it has an obligation—to send a very clear message to the new commission about what the House expects it to achieve, particularly given, as was agreed, the achievements of the bodies that it will succeed and especially as they were just getting into their stride in a way that was adding value.

[Mr. Stephen O'Brien]

Independence and the complaints process remain concerns, as do the reviews and the general ability to give opinions on the basis of the evidence that has been gained and on the basis that visits must be properly maintained, particularly in relation to those who are detained under the mental health Acts.

We have had useful debates on the extent to which human rights and a rights-based approach should be at the core of health and social care in particular. Again, such debates will continue, as will the discussion of malnutrition and the extent of professional regulation, which we have only just discussed.

Public health measures have not featured in today's discussions, although they have been scrutinised with care and determination by my hon. Friend the Member for Guildford. That needs to be placed on record. Although we broadly welcome such measures towards appropriate legislation to deal with modern-day contingencies, we and others, including the organisation Liberty, remain concerned about the length and reporting of detention under such powers. We hope that the Government will introduce in another place the relevant draft regulations and examples of instances where such legislation might be necessary and that there will be an opportunity to discuss the amendments that we were unable to touch on today. The Government may well want to reflect on those issues, and we might need to consider them again if they come back as Lords amendments, even Government Lords amendments.

The health in pregnancy grant is another area that we have not touched on today. It is therefore appropriate to use Third Reading to highlight the grant, which was discussed at length in Committee. It is an important part of the Bill. Indeed, the Government have made much of what they are seeking to do with the health in pregnancy grant. Unfortunately, although we used an extensive series of arguments, backed by evidence, we never managed to get the Government to accept that there was a better way to approach the benefits that are sought with the grant. Ours is a different way from that proposed by the Government. I encourage hon. Members to read column 455 of the report of the proceedings in Committee. Quite rightly, it would be inappropriate to repeat those arguments now, but the Government need to put more thought into the grant, because the evidence base does not support what the Prime Minister and the Government are pursuing.

Most telling was the Minister's admission that the nutritional benefits of a cash payment are better in early pregnancy—we entirely agree with that, of course—although the Prime Minister, then the Chancellor, announced at the outset that support was needed in the last months of pregnancy, on the basis that nutrition is most important then. Not only was the Prime Minister wrong, but answers to parliamentary questions suggest that the Minister was initially wrong as well. The change made during the proceedings in Committee was a fair reflection of the evidence. All of us who have looked at the issue carefully—particularly women, who are the ones most affected by such issues—recognise that, when focused on the health of the to-be-born child, the most important time for nutrition to be right is both pre-conception and in the early weeks and months of pregnancy, more than in the last weeks, as the Prime Minister suggested.

The Bill includes a huge number of miscellaneous provisions and refers to much secondary legislation. However, it has received worthwhile scrutiny, and Parliament has done the job that it must do by seeking to improve the Bill and to elucidate what lies behind it so that the right pointers are given on how further scrutiny can take place with the wisdom that those in another place can bring to bear. I hope that many of our debates will flag up the areas on which those preparing for such scrutiny will need to focus their attention. I also hope that the arguments that we have tried to make will help their deliberations.

I thank those who served on the Public Bill Committee, especially my Conservative colleagues and my hon. Friend the Member for Guildford. Although this is not very usual, I pay tribute to those in our research offices who do a lot of work in the background and are often unsung. It is important that we in opposition are supported, given that we must contend with the fact that the Minister is rightly supported by a full Department. I thus pay tribute to the researcher who has helped my hon. Friend and to Sam Barker, who has been a tremendous help to me during the passage of the Bill.

8.51 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): I apologise for not being in the Chamber for about a minute at the start of the debate. We moved on to Third Reading rather more speedily than most people had expected.

Public trust is central to rebuilding public confidence in our system of professional health regulation. However, the way in which the Department of Health has gone about addressing that challenge in the past two years has sometimes had the opposite effect. My contribution on Second Reading and the amendments tabled to clauses 105, 106 and 108 were designed to support the capacity of the Council for Healthcare Regulatory Excellence's to be, in the words of the White Paper, a truly

"authoritative independent voice for patients on the regulation of professionals, providing expert advice on policy".

To date, the Government have neglected an important opportunity to renew democratic accountability, perhaps in their desperation to retain central control.

At the citizens councils meeting that I organised in Committee Room 17 on 8 January 2008, underlying a great many issues raised by informed patients and public members, on which reassurance is sought, were five themes that are particularly relevant to the aspirations set out in the original White Paper. I wrote to the Minister about these matters on 6 February and I will no doubt hear from him.

First, astonishingly, the CHRE is yet to agree a patient and public involvement strategy. How will the patient and public arrangements that it puts in place be sufficiently independent and at arm's length from the Government, regulators and the CHRE itself to provide an assurance that the real concerns of informed patients will be addressed?

Secondly, will the process be sufficiently well resourced to cut through often complex technical jargon so that participants are informed and have a capacity to develop a patient-centred position? Thirdly, how will the CHRE's

PPI arrangements enhance existing public and patient engagement strategies in Scotland, England, Wales and Northern Ireland with a commitment that they will actively facilitate communication among representatives from each country, respect the differences and similarities between each country, and be tailored to meet their specific needs?

Fourthly, we know that the number of the oldest and most vulnerable people requiring care will inevitably increase substantially. What assurances have the Government sought and received from the CHRE that it will be able to ensure that such vulnerable groups are identified and that specific measures are put in place to address their needs?

Fifthly, what further systems of parliamentary accountability will the CHRE and the regulators be subject to if the Bill is passed in its current form? If there is a Division on Third Reading, I shall vote for the Bill. I voted against amendment No. 131, to which I put my name, because I accepted the Government's reassurances. However, if we are to have a Standing Committee, why is it to be of both Houses of Parliament? What is meant by "oversee"? Does the Minister agree that there is a need for innovative techniques to ensure that the public and patient voice is heard in the process?

Sixthly, is the Minister aware of the implications of the CHRE not putting in place an effective PPI strategy—including independent arrangements and practical support to ensure that a strong patient voice is heard—that will command public confidence and the support of the devolved Administrations in Scotland, Wales and Northern Ireland? The proposed CHRE membership is far too small for the council effectively to reflect the diversity and breadth of views in a sector employing 2 million people and stretching across four countries. In the Bill, officials propose an inappropriate NHS trust-type model, which will have insufficient members to ensure a clear distinction between remuneration and audit committee functions. That is why it is disappointing that the Minister did not respond positively to the amendments to clause 106 tabled in Committee by my hon. Friend the Member for Luton, North (Kelvin Hopkins).

Will the two CHRE executives allowed to be non-executive council members of the public body be a truly "authoritative independent voice for patients on the regulation of professionals, providing expert advice on policy", when all CHRE executives already speak at council meetings? Why has the White Paper implementation website been such a calamity, preventing anyone outside a magic, private policy circle from contributing to debates preparing us for discussions such as this one, despite the promise of inclusivity given at the national White Paper implementation advisory conference on 5 June last year?

The lack of urgency means that work streams have made very little progress, giving the impression that they are window dressing while real decisions are being taken elsewhere. How can Parliament debate health regulatory corporate governance issues properly when the internal report sent to Ministers in November last year is unavailable for this debate? If the report proposed a Standing Committee of both Houses of Parliament, why are we being denied the opportunity properly to scrutinise that recommendation?

Does the Minister agree that it is no longer good enough to continue to define "lay" as "not on our register"? If so, what changes are required in the criteria to be used in appointing new lay and public members to the regulatory bodies and the CHRE, and when will Parliament and the wider public be able to comment on such criteria before the Appointments Commission adopts them? Why are lay and public members expected to "reflect" a wider perspective across the four countries, rather than representing the interests of patients and the public?

It is a well-intended Bill, no doubt, and it will tackle some of the concerns that were well debated in Committee—I attended some sittings, as well as Second Reading and tonight's debate—with a degree of competence and professionalism, but I shall back the Bill and go through the Lobby, if there is a Division on Third Reading, without significant enthusiasm. I believe that in the Labour Government's fourth term, in two and a half or three years' time, another Minister will be back to tackle the matter yet again with community health councils, mark 4. I do not think that the Bill is the way ahead. An opportunity has been missed. Although the Minister has explained the Government's rationale very well to the House and the Committee, I find it unconvincing.

8.57 pm

Sandra Gidley: I thank all those involved with the Bill, including my hon. Friend the Member for Leeds, North-West (Greg Mulholland), who led debate on various aspects of the Bill in Committee. I also thank Conservative Members and the Minister for what have been on the whole—there were a couple of notable exceptions—relatively good-natured proceedings. A genuine attempt has been made to get to the bottom of some of the issues, and I thank the Minister for taking on board some of our concerns. I would also like to put on record my thanks to the Committee Clerks, who were unfailingly helpful and approachable. My only concern is that the selection of amendments on Report left a little bit to be desired. Some of us would have liked to discuss certain aspects of the Bill in greater depth, such as the health in pregnancy grant, but that was not to be; that pleasure has been reserved for the other place.

Although the bulk of the Bill is involved with the setting up of the Care Quality Commission and deals with health care regulation, it is also worth mentioning in passing the bits that were also important but have not attracted as much attention. I am thinking of health care-acquired infections and the public health measures as well as the health in pregnancy grant, which I have mentioned. The Bill also includes provisions on the measurement of childhood growth and the way in which the global sum is allocated to PCTs for pharmaceutical services.

Although the evidence sittings were useful, the Committee stage was somewhat frustrating because not a single Opposition amendment was accepted. However, I have to be fair—when the Minister said that he would reflect on an issue, he sometimes came back with Government amendments. They did not always meet all our concerns, but they were a welcome step in the right direction. Those amendments dealt with reports to the commission, and we have seen movement on legally qualified chairs. We have been promised some movement on the issue of

[Sandra Gidley]

human rights in care homes, which concerned hon. Member on both sides of the Committee.

I should like to conclude by talking generally about the Care Quality Commission. The Liberal Democrats supported the principle of the commission three years ago. As the Minister said earlier, we were asking the Government, "Why do you not do this now?" Both the Healthcare Commission and the Commission for Social Care Inspection are starting to perform well. Although I support the principle of joined-up administration and regulation, there are genuine concerns about how the transition should be handled. In the changeover, we should not lose the efficiency and effectiveness of the two organisations.

We already know that the transition costs are likely to be £140 million. What concerns me more is the massive disruption to the two organisations and the staff involved. At this point, it is pertinent to reflect on Ian Kennedy's statement for the Public Bill Committee:

"What we will see will be a period of flux: senior staff will need to be recruited and then appoint others; managers will be organising 'away-days' and locked in meetings over organisational design and conditions of employment, instead of meeting the accelerating demands and expectations of patients. Morale in existing organisations will be increasingly hard to sustain. Good members of staff are already leaving, taking with them the knowledge that it has taken three years to develop."

The issue is a concern to us all. The memory of the organisation of PCTs is still fresh: there was a period of stasis in many areas, while people, rightly, fretted about their jobs and reorganised. That put a halt to some parts of what the Government were trying to achieve.

We must not make the same mistake with this reorganisation. Much has yet to be decided by secondary legislation, so there is still great uncertainty. All the people who work in the field and are likely to work for the new commission need as much certainty as possible as early in the process as possible. To deny that certainty would have a knock-on effect on patients and the public.

It is probably worth reminding the House of Ian Kennedy's concluding remarks:

"the reasons for the Bill are unclear...the costs are high...the distraction is very considerable...the risk of harm to patients is significant. We believe that the Committee should seek to be satisfied that each of these matters has been properly taken account of and that the concerns expressed here are unwarranted."

While the reasons for the Bill are fairly clear, as regards costs, distraction and potential harm to patients, I am not sure that I can put my hand on my heart and say that we have done full justice to those concerns in Committee. There will be continued scrutiny in the other place, and we may yet see aspects of the Bill come back. I give a cautious welcome to the Bill but seek reassurances that some of these concerns will be addressed.

9.5 pm

Stephen Hesford (Wirral, West) (Lab): Along with other Members who are here, I served on the Public Bill Committee, and I want to put before the House one or two comments about my experience of listening to evidence at that stage, which is a relatively new procedure. It was useful in informing our proceedings, not least when we saw the Minister cross-examining people who came to give evidence and then giving evidence himself. That was a useful exercise for him to go through in the knowledge that he would be on both ends of it.

I want to pick up four points, three of which deal with the evidence that we heard. I commend the Minister for the successful way in which he dealt with part 1, which establishes the Care Quality Commission. That is one of the reasons why I wish the Bill well from now on as it leaves this place, in contradistinction to the hon. Member for Romsey (Sandra Gidley). The Liberal Democrats welcome the change in principle and then go on to quibble about the timing of the merger and how it is going to take place, and say that the staff who are being reorganised want certainty.

Greg Mulholland (Leeds, North-West) (LD): Will the hon. Gentleman give way?

Stephen Hesford: No. I am sure that the hon. Member for Romsey is big enough to intervene on me if she wants, but I am not having her boy do it.

Sandra Gidley *rose—*

Madam Deputy Speaker: Order. I remind hon. Members to be a little careful in matters of taste when they use expressions in the Chamber.

Sandra Gidley: I am slightly bemused by the hon. Gentleman's comments about having a boy to do my work for me, but I will not press that point. I think that he is being a little unfair. He was not here for the whole Report stage and has just come in for Third Reading, and he is not doing his own Government a service if he dismisses some of the legitimate concerns that have been raised. I am merely reflecting the concerns of people who know far more about this than he or I ever will.

Stephen Hesford: Three commissions are to be merged—the Commission for Social Care Inspection, the Healthcare Commission and the Mental Health Act Commission. That is a major step forward. It reduces what people in other places have called the quangocracy. It pools expertise and creates the certainty that has been mentioned. It creates what will grow into a one-stop shop, which will be a major step forward—a place to which the public will know that they can go if they have problems with social services, the NHS or mental health services. It is also consistent with the Government's rightly made efforts to bring the NHS and social care closer together; it will pool such expertise.

Let me come to the reform of the General Medical Council in part 2. In Committee, one piece of evidence informed that process, but unfortunately it did so in a negative way. Evidence was submitted by the British Medical Association, which tried to persuade the Committee that it would not be right to change the standard of proof in disciplinary proceedings for doctors from the high standard of "beyond reasonable doubt" to the civil standard. The evidence that we

heard from doctors frankly bordered on the self-interested. It was not helpful to the Committee, and closer examination showed that it made the case for the change.

A positive, informative and impressive piece of evidence came from Dame Janet Smith, who spoke about the need for legally qualified chairs to help in the restoration of public confidence in the procedure for making complaints about doctors. She made a powerful case. I am pleased that my hon. Friend the Minister recognised that there was a case to be made, as we all did in Committee. I was saddened slightly by a recent article in one of the national newspapers from the GMC that seemed to be still arguing against the reform process. That is a bit of a hangover from the GMC's previous position. It has recognised that reform is necessary, but it is slightly unhelpful that it is still clinging on to former glories as that reform moves on.

As the hon. Member for Eddisbury (Mr. O'Brien) said, the health in pregnancy grant was not mentioned on Report. I welcome that grant, and from listening to the evidence, it seemed that one could make a case for giving the grant to help a prospective mother at any stage of pregnancy. The Minister gave evidence, which I found credible and persuasive, that that stage should be located at the point set out in the Bill. Prospective mothers will know that they will benefit from the health in pregnancy grant at the 26-week stage, and by accessing the grant, they can access help and information about diet and other factors. That is a good thing and it will help less prepared mothers to look after their children. Once the grant becomes well known, mothers will know that they can get money at that time, and take it into account for their budget during the entire pregnancy. That deals with the point—and the criticism—that it could be done at some other time. In some ways, it does not matter when the money arrives as long as the prospective mother knows that it is coming. It helps to spread the load.

The rights-based approach that the YL case raised was rightly not included in the Bill and was perceived to be part of the governance of Britain agenda, which will be tackled in due course.

I welcome the Bill.

9.15 pm

Mr. Jenkins: I shall not detain the House. Having sat through many hours in Committee, I can honestly say that I welcome the Bill. I especially welcome the merger of the regulatory authorities, perhaps leading away from the silo mentality to a cross-area concept.

I hope that when the Minister, who now has substantial regulatory powers, meets groups, he will realise that some are self-interested. Although they are professionals who purport to want to do their job and to need some authority and power to do it, I hope that he will bear it in mind at all times that patients are the people whom we look after. That is our current difficulty: we lack a strong patient voice. I therefore ask my hon. Friend not to be a stranger to us in the Chamber, because many of us have at least a little experience of patients' concerns from their visits to our surgeries.

When my hon. Friend makes the regulations, will he do us a favour? Will he come back to the Chamber and get us on board? Will he tell us what he is doing, and how he is updating and altering the regulations under the Bill? He knows that much latitude has been given to the new regulatory body. Although we all wish it well, it will not do some things. It will be reticent to tackle some matters, and it may need a little pressure to deliver. If my hon. Friend can come back and convince us, perhaps we can give him the authority to exert that pressure to deliver for the right people—the patients. I wish him well.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

DELEGATED LEGISLATION

Madam Deputy Speaker (Sylvia Heal): With the leave of the House, I shall put motions 2, 3, 4 and 5 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

COMPANIES

That the draft Statutory Auditors (Delegation of Functions etc) Order 2008, which was laid before this House on 17th December, be approved.

That the draft Companies (Trading Disclosures) Regulations 2008, which were laid before this House on 17th December, be approved.

LOCAL GOVERNMENT

That the draft County Durham (Structural Change) Order 2008, which was laid before this House on 8th January, be approved.

That the draft Northumberland (Structural Change) Order 2008, which was laid before this House on 8th January, be approved.—*[Mr. Blizzard.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) Delegated Legislation Committees),

LOCAL GOVERNMENT

That the draft Cornwall (Structural Change) Order 2008, which was laid before this House on 8th January, be approved.—*[Mr. Blizzard.]*

The House proceeded to a Division.

Madam Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 287, Noes 116.

Division No. 79] **[9.18 pm**

AYES

Abbott, Ms Diane	Begg, Miss Anne
Ainger, Nick	Benn, rh Hilary
Ainsworth, rh Mr. Bob	Benton, Mr. Joe
Alexander, Danny	Betts, Mr. Clive
Armstrong, rh Hilary	Blackman, Liz
Atkins, Charlotte	Blackman-Woods, Dr. Roberta
Austin, Mr. Ian	Blears, rh Hazel
Austin, John	Blizzard, Mr. Bob
Balls, rh Ed	Borrow, Mr. David S.
Barlow, Ms Celia	Bradshaw, Mr. Ben
Barron, rh Mr. Kevin	Brennan, Kevin
Beckett, rh Margaret	Brooke, Annette

Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Farron, Tim
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Mrs. Betty
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, David
Wright, Mr. Iain
Younger-Ross, Richard

Tellers for the Ayes:
Alison Seabeck and Mr. Sadiq Khan

NOES

Afriyie, Adam
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Barker, Gregory
Bellingham, Mr. Henry
Bercow, John
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham

Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burrowes, Mr. David
Burt, Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Duddridge, James
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Greening, Justine
Grieve, Mr. Dominic
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Mackay, rh Mr. Andrew
Main, Anne
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Robertson, Hugh
Robertson, Mr. Laurence
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Wilson, Mr. Rob
Wright, Jeremy

Tellers for the Noes:
Mr. Brooks Newmark and Nick Herbert

Question accordingly agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Committees),

ELECTRICITY AND GAS SUPPLY AND TRANSMISSION NETWORKS

That this House takes note of European Union Documents No. 13043/07, 13045/07, 13212/07, 13219/07, 13046/07, 13048/07 and 13049/07 on regulation of electricity and gas supply and transmission networks and cross-border electricity and gas networks; further notes the Government's support for the European Commission's proposals for further legislation on the internal energy market; agrees that adoption of the measures would make a major contribution to the development of competition in the sector across the EU; and supports the Government's intention to press in the negotiations for the powers of the Agency for the Cooperation of Energy Regulators to be strengthened.—*[Mr. Blizzard.]*

Question agreed to.

Insurance Industry (Regulation)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Blizzard.]*

9.35 pm

Mr. Denis Murphy (Wansbeck) (Lab): I thank Mr. Speaker for granting me the debate. The case that I am raising relates to an individual constituent, Mrs. Susan Hurrell, who I believe has been the victim of a major injustice at the hands of Scottish Provident. I do so with her agreement and the issue is not subject to any form of legal proceedings. I shall briefly explain the unfortunate series of events that led up to the debate.

Mrs. Hurrell came to see me at my Friday surgery in January 2007. I was so concerned by what she told me that, in an attempt to resolve the issue, I wrote to Scottish Provident, offering to meet its representatives. Unfortunately, for reasons best known to themselves, they chose not to take up that offer. Since my initial letter of January 2007, numerous additional letters from my constituent and from me have not brought about a satisfactory and just resolution. Unfortunately, referring the case to the ombudsman also failed to bring about the desired result.

In October 2003, Mr. and Mrs. Hurrell took out a life assurance mortgage policy. Sadly, some 14 months later, in December 2004, Mrs. Hurrell was diagnosed as being terminally ill with stage 3 category C ovarian cancer. She was told that she had only a few months to live. Once my constituent and her husband had come to terms with the shock of that, they contacted Scottish Provident by telephone to inform them of Mrs. Hurrell's medical condition and to request a claim form. Their first telephone contact with Scottish Provident was made in December 2004, and they were extremely surprised to be informed that they did not have terminal illness cover and that it would not be possible for them to make a claim except in the event of death. They were both devastated by that advice, as they were convinced that the cover was an important part of the policy. I am sure that that undoubtedly added to the worry and distress that they were already suffering.

A few weeks later, in January 2005, Mr. Hurrell telephoned Scottish Provident to check that the information he had been given was correct. They were again advised that it was not possible for them to make a claim as they did not have terminal illness cover. It is worth noting at this juncture that the telephone calls made in both December 2004 and January 2005 were made well within the 13-week claim period allowed to submit a claim. If Scottish Provident had accepted at that stage that Mrs. Hurrell had terminal illness cover, the claim could have been submitted, considered and determined. In the words of Mrs. Hurrell:

"As Scottish Provident is a reputable company, we took this advice as correct and did not question it further."

Mrs. Hurrell underwent emergency surgery and a heavy course of chemotherapy. Against all the medical odds, she survived and, although very ill, is alive today.

Some 20 months after Mrs. Hurrell was diagnosed as being terminally ill, she and her husband received a letter from their mortgage company about the renewal of their mortgage protection plan. Mrs. Hurrell contacted the company, advising it that she would require a quotation without her name on the policy. Understandably, she was asked why she did not want her name to be on it. When she explained her circumstances, the staff member at the mortgage company was surprised and, having checked the policy, advised her that she was indeed covered for terminal illness and should contact Scottish Provident immediately.

On 19 September 2006, Mrs. Hurrell rang Scottish Provident about the advice given in December 2004 and January 2005. The lady to whom she spoke was extremely apologetic about the advice, and said that she would send a claim form without delay. She then asked Mrs. Hurrell when she had been diagnosed. Having given the date of the diagnosis, Mrs. Hurrell was told, "Sorry, you are too late. You had to die within the first 12 months." Apart from anything else, that was a terribly callous statement. However on 23 September 2006, Mrs. Hurrell received a letter from Scottish Provident apologising for the incorrect advice and confirming that terminal illness cover was included in death benefit. Enclosed in the letter was a claim form and a request that it be returned along with the original policy document. If the claim could then proceed, Scottish Provident would contact the relevant doctors.

After numerous letters from Scottish Provident indicating that it was awaiting a response from Mrs. Hurrell's consultant, a further letter arrived on 5 January 2007 notifying Mrs. Hurrell of the failed outcome of her terminal illness claim. It stated:

"Our definition of terminal illness against which your claim was assessed requires that life expectancy is no greater than twelve months."

It is also worth noting that Mr. Naik, a consultant gynaecologist and oncologist based at Queen Elizabeth hospital in Gateshead, had written to Scottish Provident on 27 November 2006 stating:

"I can confirm that when Mrs. Hurrell originally presented to us with her diagnosis of ovarian cancer she was in a desperate condition requiring emergency surgery, following which she had a number of severe complications. Her life expectancy at that time was certainly less than twelve months".

To me it is abundantly clear that when she made the initial contact with Scottish Provident in December 2004 and January 2005, Susan's condition was such that she met the requirements of the policy: that is, life expectancy was no greater than 12 months. Consequently, in my opinion she should have been paid in full.

Susan wrote complaining about the decision, and received a response on 23 January 2007 telling her that she had not informed the company within the required 13-week period, and that the medical information did not support her claim. Given that Scottish Provident had written to her four months earlier apologising for the fact that she had been given incorrect advice about terminal illness cover, it seems strange that it should now say that she had not informed it within 13 weeks. In fact, she had informed it twice. The letter from Mr. Naik, her consultant, was devastatingly clear: she would not survive for 12 months. How can the company possibly claim that there is no medical evidence to support the claim?

The chief medical officer for Scottish Provident said that, in any event, the company would have waited to discover the outcome of the surgery and chemotherapy before deciding whether to meet the claim. Surely the main reason for taking out terminal illness cover is to enable people to put their finances in order before they

die, and payment should consequently be made as soon as the prognosis of life expectancy of less than 12 months has been delivered. If it was normal practice to defer an assessment of terminal illness until after the response to chemotherapy was known, the company was in effect waiting for a person to die within the 12 months before paying out. Why on earth then are people paying the extra for terminal illness cover? If the company is delaying claims of that nature by more than 12 months, it is doing so deliberately to deny customers their rightful payments. It would be interesting to know how often Scottish Provident has applied that practice, and how many claimants have been denied terminal illness payments as a result. It is worth noting also that the basis of Mrs. Hurrell's claim was the medical assessment of Mr. Naik, who is an eminent consultant. The basis of Scottish Provident's case is not what it did, but what it said it might have done at the time; it is based purely on hindsight. If the claim had been accepted, Mr. and Mrs. Hurrell would have been entitled to receive a lump sum benefit of £60,000. Instead, she was offered £150 for her distress and inconvenience.

Subsequently, Mrs. Hurrell sought the assistance of the financial services ombudsman. Unfortunately, that was without success, as the adjudicator concluded that she could not recommend that the complaint be upheld. As part of her findings, the adjudicator stated:

"I believe that it would have been reasonable for Scottish Mutual to await your response to treatment at the time".

I am both bitterly disappointed and amazed at that finding. In my view, to defer an assessment of terminal illness until after treatment is contrary to Scottish Provident's own stipulation, which states that someone must be suffering from a terminal illness with a life expectancy of less than 12 months as diagnosed by the attending consultant. It is my view that Scottish Provident, backed by the ombudsman, is deliberately breaking the rule and spirit of its own policy, as nowhere does it state it must wait and see.

The UK insurance industry is the largest in Europe and the third largest in the world. I am not suggesting that this case in any way reflects on an industry that rightly prides itself on the quality of its products. I hope that this case is a rarity and no one else has had to suffer what Mrs. Hurrell has gone through.

Scottish Provident is the brand name of Scottish Mutual Assurance Ltd. On its website it describes itself as one the leading providers of life, terminal illness, income protection and unemployment cover. It states that it has a track record that can be trusted, concluding with the statement that since 1996 it has consistently paid out on claims. This certainly is not the case for Mrs. Hurrell. Frankly, the company has behaved disgracefully by first misinforming Mr. and Mrs. Hurrell that they were not covered—it did that not once, but twice—and then refusing to pay what was an entirely legitimate claim and offering an insulting £150 for her distress and inconvenience, instead of paying out the £60,000 she was entitled to.

Mrs. Hurrell's situation is not good. The disease returned some months ago and she has been very ill. This has been an extremely traumatic period for Mrs. Hurrell and I cannot help but believe that the anxiety, distress and pressure that she has had to deal with as a result of the dispute with Scottish Provident will have had a detrimental effect on her health. When Mr. and Mrs. Hurrell took out the terminal illness cover, they will have hoped that it was a claim they would never have to make. Sadly, that proved not to be the case. It appears as if Scottish Provident has been determined to prevent this claim from being successful. However, even at this 11th hour I hope that Scottish Provident will take positive action to resolve this claim in favour of Mrs. Hurrell. I also request that my hon. Friend examines the regulations pertaining to insurance companies with a view to ensuring that there is greater clarity and protection for customers and preventing insurance companies from taking advantage of the often ambiguous wording of their policies. Mr. and Mrs. Hurrell did everything responsibly, including ensuring that they had adequate insurance cover. I ask my hon. Friend the Minister to join me in calling on Scottish Provident to pay Mr. and Mrs. Hurrell, even at this late date, the full amount of the policy that they are entitled to.

9.49 pm

The Exchequer Secretary to the Treasury (Angela Eagle): I congratulate my hon. Friend the Member for Wansbeck (Mr. Murphy) on securing this debate on an extremely important and particular case—he outlined it in great detail—that also gives rise to general issues regarding the way that insurance is regulated.

I want to start by saying how sorry I am to hear of Mrs. Hurrell's illness, which on its own must have made the past few years incredibly difficult. I am sure that the frustrations, which my hon. Friend has outlined, with her insurance policy and with the Financial Ombudsman Service have only added to her distress. I certainly hope that the company has been listening extremely carefully to my hon. Friend tonight.

What happened to Mrs. Hurrell demonstrates that although insurance is a hugely important product that can provide customers with peace of mind as well as financial protection, it can also be complex. It is important that all customers know what they are buying, and that they are appropriately informed by the professional services that the insurance industry brings to bear on products that it has sold. This is one reason why the Government replaced the confusing collection of financial service regulators, complaint adjudicators and compensation schemes that we inherited in 1997 with the Financial Services Authority, the financial services compensation scheme and the Financial Ombudsman Service.

The FSA is now responsible for the regulation of the insurance industry and has laid down detailed rules on all aspects of the conduct of business of regulated firms. In a constantly evolving market, however, as my hon. Friend demonstrated, rules-based regulation can often lag behind new products or circumstances. That is why the FSA is moving toward more principle-based regulation, instead of specifying detailed processes to be performed. This means being clear about the required regulatory outcomes, and then using supervision and enforcement to ensure that they are achieved. The new, simplified conduct-of-business rules that the FSA published in November, and for the insurance sector specifically in January, take this approach. That does not mean that the rules have been relaxed, however. The FSA also took the opportunity to require firms to take reasonable

[Angela Eagle]

steps to establish that customers would be eligible to make a claim under a particular policy, and to ensure better standards of disclosure, so that consumers can make more informed decisions.

This approach is also reinforced by the general principle that firms must treat customers fairly. Obviously, firms should be doing that already, and I will leave it for others to judge what has happened in this instance, but by the end of the year, firms will have to be able to demonstrate to themselves and to the FSA that they are consistently treating their customers fairly. In particular, they will need to demonstrate that customers are provided with clear information and kept appropriately informed before, during and after the point of sale, and that any advice is suitable and takes account of their circumstances. Again, whether this has been achieved in this very difficult instance is for other people to judge.

On Mrs. Hurrell's specific case, let me say again that I am sorry to hear of the difficulties that she has had with her health and, as a consequence, with the insurance policies that she took out and with the Financial Ombudsman Service, on top of her illness. I think it best, given the information that my hon. Friend has put before the House tonight, if I invite him to write to me with more details and specific dates. I will certainly refer this case to Hector Sants, the FSA's chief executive, asking him to get in touch with my hon. Friend to explain the impact of such regulations. I also want to write to the Association of British Insurers' director-general, drawing attention to this case and asking him to take Mrs. Hurrell's experience into account when the industry reviews, in the 12-month period to 2009, the definition of "terminal illness" that is used across the whole insurance industry, to see whether changes can be made that might make the definition more understandable for everybody concerned.

I also wish to contact the Financial Ombudsman Service again, given some of the details that my hon. Friend has put before the House tonight, so that it can check whether it has got everything right in its adjudications so far. If my hon. Friend will write to me soon, I will ensure that I get the letters sent to the appropriate people to see if there is any way forward in this case.

I also hope that the insurer has listened to what my hon. Friend has to say. If it wished, it could take the matter forward to a satisfactory conclusion, although that is of course a matter for it and not for me. However, I can assure my hon. Friend that I will make inquiries to see whether anything else can be done in these very particular circumstances to make any progress in Mrs. Hurrell's unfortunate situation.

Question put and agreed to.

Adjourned accordingly at five minutes to Ten o'clock.

House of Commons

Tuesday 19 February 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BOURNEMOUTH BOROUGH COUNCIL BILL
[Lords] (By Order)
Order for Second Reading read.
To be read a Second time on Thursday 28 February.

CANTERBURY CITY COUNCIL BILL *(By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 28 February.

LEEDS CITY COUNCIL BILL *(By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 28 February.

LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL
(By Order)
Order for Second Reading read.
To be read a Second time on Thursday 28 February.

MANCHESTER CITY COUNCIL BILL *[Lords] (By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 28 February.

NOTTINGHAM CITY COUNCIL BILL *(By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 28 February.

READING BOROUGH COUNCIL BILL *(By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 28 February.

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Afghanistan

1. **Mr. Mark Harper** (Forest of Dean) (Con): If he will make a statement on political progress in Afghanistan. [186583]

9. **Mr. Peter Bone** (Wellingborough) (Con): What progress has been made in the democratisation of Afghanistan. [186591]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): There are significant security challenges in Afghanistan, epitomised by the tragic death of a British soldier from the 2nd Battalion the Yorkshire Regiment on Sunday. However, there has also been significant political progress since 2001. Afghanistan has a constitution, and the first parliamentary elections for 36 years took place in 2005. The Interior Ministry has registered more than 80 political parties, and our Government have funding programmes to increase the participation of civil society in politics. The UK will continue to assist the Afghan Government to build on progress so far.

Mr. Harper: I join the Foreign Secretary in paying tribute to the British soldier killed at the weekend and offer our condolences to his family. Following the abortive attempt to appoint Lord Ashdown as the special representative of the United Nations Secretary-General, it all seems to have gone rather quiet on that front. Can the right hon. Gentleman give the House an update on progress? It is critical that all the key agencies working in Afghanistan are co-ordinated properly, so that we can build progress not just on the military front, but on the political front, and ultimately be successful.

David Miliband: As the hon. Gentleman knows, he is echoing the Government's determination to see a strong political figure appointed to that role. The fact that it has gone quiet in the media and on the airwaves is probably a good thing rather than a bad thing, given the difficulties that arose with the previous suggested appointee. However, I assure the hon. Gentleman that in my discussions with President Karzai and the Secretary-General of the UN, I have stressed the importance of a timely and early appointment of a new special representative. I look forward to announcements when the Secretary-General and the Afghan Government have come to a conclusion. Like the hon. Gentleman, I think that that should happen sooner rather than later.

Mr. Bone: The men and women of Her Majesty's armed forces are doing an extraordinary job in Afghanistan, and some are making the ultimate sacrifice. However, the total number of service personnel provided by Germany, Portugal, Greece, Ireland, Denmark, Norway, Belgium, Sweden, Spain and France is less than the total number of British troops deployed. What is the Foreign Secretary doing to ensure that our European allies bear their fair share of the burden in this fight for democracy?

David Miliband: The hon. Gentleman is right that the UK is the second largest contributor in Afghanistan, with some 7,800 troops. I agree with him that it is critical for all of NATO that there should be the increased burden sharing of which the Prime Minister has spoken. I also assure the hon. Gentleman that the NATO summit in Bucharest in April is an important occasion, and that there are intensive ongoing discussions in advance of it to ensure that there is a proper, increased deployment of troops from European and other countries, not least to help ensure that the Canadians continue their important work.

However, I am sure that the hon. Gentleman would also agree that it is not only through the extra deployment of overseas troops that progress will be achieved in Afghanistan. Critical, too, is the build-up of the Afghan national army and, of course, the economic, political and social development that must go side by side with military deployment.

Mrs. Ann Cryer (Keighley) (Lab): Is my right hon. Friend aware that quite a number of hon. Members on the Labour Benches supported the invasion of Afghanistan, owing to our grave concerns about the treatment of women there? Will he therefore give us an update on the position of women in Afghanistan?

David Miliband: I am aware of my hon. Friend's support in that regard. I think that she would agree that 25 per cent. of the MPs in the Afghan Parliament being women is a start, but that she would also agree that economic and social progress will be critical. One indicator is education, and under the misrule of the Taliban, education for girls was all but banned. The fact that, of the 5 million pupils now in school in Afghanistan, nearly half are girls is obviously a significant start to progress. I can assure my hon. Friend, however, that equal citizenship for all Afghan citizens must bridge the divide in life chances that exists between men and women, and our efforts are certainly dedicated to achieving that.

Richard Burden (Birmingham, Northfield) (Lab): Does my right hon. Friend agree that one important factor in achieving sustainable political progress in Afghanistan will be the development of effective systems of sub-national governance, to enable people in the different regions and localities to have a real stake in building a future for democracy in their country? Will he tell me what action is being taken to promote that?

David Miliband: I strongly agree with my hon. Friend. He will be pleased to know that the decision last August by President Karzai to establish a dedicated national directorate of local governance—led by Mr. Popal, who has respect across the political spectrum in Afghanistan—has been a significant development. It is leading to neighbourhood level councils being established across the country, and I think that that is critical. After all, our own democracy was built from the bottom up, not from the top down. That should apply in Afghanistan as well as elsewhere in the world.

Sir Peter Tapsell (Louth and Horncastle) (Con): In judging political progress in Afghanistan, has it occurred to the Foreign Secretary how disbelieving Mr. Attlee would have been if he had been warned that, 60 years after he had withdrawn the British Army from the Indian sub-continent, there would be a Labour Government so stupid as to send yet another undermanned, ill-equipped army to the north-west frontier, when, in the preceding century, the British Raj, with all its expertise in Pathan tribal politics, had never been able to pacify the area?

David Miliband: I think that the hon. Gentleman would agree with me that the late Lord Attlee was critical to the foundation of NATO. I think that he would have reflected on the fact that the end of the division in Europe was a signal event that allowed NATO to think beyond its traditional remit. I think that he would also have believed that the values for which we are standing up in Afghanistan are the values that brought him into politics in the first place. So, although I would not want to put words into his mouth, I think that he would rest happy with the knowledge of the efforts that this Government and others—with cross-party support, it has to be said—are using to try to do good in that important part of the world.

Tony Lloyd (Manchester, Central) (Lab): Would not Mr. Attlee also have sent a strong message that he left India in order to provide a democratic basis for Indians to make decisions about their own future, just as this Government are trying to do in Afghanistan? Is not that also the message that we should be giving to our European partners? The earlier point raised by the hon. Member for Wellingborough (Mr. Bone) was right: we are not seeing enough commitment or recognition among our European partners that what is taking place in Afghanistan is about preventing the Taliban from coming back, about preventing the erosion of the rights of women, and about the ability to ensure that the Afghan people are in control of the destiny of Afghanistan.

David Miliband: The chairman of the parliamentary Labour party will know that Lord Attlee wrote a famous book called "Empire into Commonwealth", which epitomised precisely such values. The Minister for Europe tells me that he read that book as a child, which explains a lot about his later political development—

John Bercow (Buckingham) (Con): At nursery?

David Miliband: I am not sure whether it was at nursery; it was at a formative stage of his budding political career, at the age of eight, that my hon. Friend read it.

My hon. Friend the Member for Manchester, Central (Tony Lloyd) makes an important point, and I wholeheartedly agree with him. He will be pleased to know that, at the meeting of European Foreign Ministers yesterday, there was an extensive discussion about how the European policing mission could help to provide an important counterpart in Afghanistan, where a European police training operation is in evidence. It could be improved, however, and its co-ordination with NATO could also be improved. That is something that the European Union should be taking seriously.

Mr. James Gray (North Wiltshire) (Con): The Secretary of State can judge the success of our political aims in Afghanistan only if we know precisely what they are. Perhaps he could take this opportunity to clarify them for us. Is the aim to reverse the awfulness of the Taliban, bearing in mind that the Taliban were our allies against Saddam in 1991? Is it to defeat al-Qaeda and to remove the international terrorists, of whom there are many hundreds in Afghanistan? Is it to eradicate the poppy crop, in which case we could be alienating the very people who ought to be our friends? Or are we trying to establish a Guildford style of democracy, with universal suffrage and gender balance? Will the Secretary of State please be clear about precisely what we are trying to achieve in Afghanistan?

David Miliband: Along with our international partners, we have a simple aim—for Afghanistan to be run by the Afghans and not to be influenced by outside foreign fighters inspired by al-Qaeda. The hon. Gentleman says that the Taliban were there in 1991, but I have to disagree with him about that. We can have a longer discussion about it, but our political aim is for democracy to take root in Afghanistan—though not necessarily Guildford-style democracy, as I would not want to speak on behalf of Guildford. Afghans should be able to run their own country; it is a very poor country, which deserves to be able to run its own affairs.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The Foreign Secretary made a mockery of the non-appointment of Lord Ashdown to co-ordinate international development. Will the right hon. Gentleman update the House on what is happening with that appointment? When this question was put to the Prime Minister, he ducked it and said it was a matter for the UN Secretary-General. Is not that an example of the sort of indecision that is adding to the problems of Afghanistan? If the fundamental lack of co-ordination between the international community and Afghanistan is not solved, we will see the country fall into civil war.

David Miliband: I can only believe that the hon. Gentleman was either not in his place or not listening when I answered the first question put by his hon. Friend the Member for Forest of Dean (Mr. Harper), because there was no mockery at all in respect of Lord Ashdown: We supported his candidacy, but in the end the new special representative must be acceptable both to the UN and to the Afghan Government. I can assure the hon. Member for Bournemouth, East (Mr. Ellwood) that we are talking to and working with the Government of Afghanistan and with the UN to ensure that a new special representative is appointed in a timely fashion. That is not a matter of mockery, but a matter of substance and urgency.

Mr. Keith Simpson (Mid-Norfolk) (Con): The Foreign Secretary quite rightly pointed out that there were a number of positive aspects to what has happened in Afghanistan in the past, but all hon. Members are only too well aware of a series of more recent powerful reports from national and international bodies, including the International Development Committee, which conclude that Afghanistan is possibly beginning to tip towards failure. Will the Foreign Secretary clarify the strategy of the British Government in what is looking more like a crisis. I fear that there is an element of complacency in his attitude. If we wait cautiously and slowly for the appointment of the new special representative, the position may get completely out of hand, when it has already got far too serious for that to happen.

David Miliband: The situation is far too serious for complacency and I defy the hon. Gentleman to find any suggestion in anything that I or the Prime Minister have said that the challenges we face—security, economic and political—are anything other than extremely significant. We have made that clear in every article, speech or answer that we give, as I did in response to the first question today. However, it is not right to talk about the situation in Afghanistan tipping into chaos or failure. The analysis of the Select Committee on International Development and others, including the Senlis Council, is similar to the analysis set out by the Prime Minister in December, so it is a shared analysis of the economic, political and security concerns that apply in Afghanistan.

As to our own strategy, the Prime Minister set out a number of features. First, the Afghan leadership is important, as we are there to support the Afghans, not to create a colony. Secondly, we want to ensure that we build up the local governance, to which my hon. Friend the Member for Birmingham, Northfield (Richard Burden) referred earlier. Thirdly and critically, alongside the military effort; we are pursuing an economic and political effort to ensure that ordinary Afghans feel the benefits in their everyday lives. That is what we are trying to engineer. Fourthly, critical to that effort are the responsibilities of both the international community and the Afghan Government to each other: the international community must be better co-ordinated and the Afghan Government must clean up corruption and other problems that have stood in the way of making progress towards a solution in that country.

British Overseas Territories

2. **Andrew George** (St. Ives) (LD): What services his Department provides to the residents of British overseas territories and Crown dependencies. [186584]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): The overseas territories have a significant degree of internal self-governance. In general, the Government of each territory is responsible for the provision of services to their residents. The UK Government are responsible for the territories' defence, external relations and internal security. The Ministry of Justice is responsible for the UK's relationship with the Crown dependencies.

Andrew George: I am grateful for that response, but how can Britain call on other countries to uphold human rights and basic freedoms when the Chagos islanders were unlawfully deported from their homes 40 years ago and denied the right to return—a right restored three times by the courts over the past seven years and appealed against by the Minister's Department—and when Diego Garcia is being used by the US for extraordinary rendition?

Meg Munn: I make no excuses for what happened in the 1960s and 1970s. That was a dreadful situation. As for the present position, we concluded on the basis of a feasibility study commissioned in 2002 that lasting resettlement would be precarious. As the hon. Gentleman knows, however, the issue of settlement is subject to legal proceedings. We have appealed on the ground that the previous judgment would cause problems for the way in which we run our relationships with other overseas territories, not just the British Indian Ocean territories.

Jeremy Corbyn (Islington, North) (Lab): Does the Minister accept that that was a deeply disappointing answer? The islanders were forcibly removed from their homeland, disgracefully and wrongfully, one of their islands has been taken over as an American base and possibly used for extraordinary rendition, and many of them have lived in poverty ever since their removal. Is it not time to give justice to the Chagos islanders? Is it

not time to pay them appropriate compensation, and allow them to return to the homes from which they were so brutally removed?

Meg Munn: I have already said that I do not excuse what happened previously: in that respect I agree with the hon. Member for St. Ives (Andrew George). The matter is currently subject to a court process. Compensation has been paid—that has been legally agreed—and British citizenship given to all Chagos islanders. We await the outcome of the court hearing.

Mr. Paul Keetch (Hereford) (LD): Can the Minister tell us when the agreement with the United States on the use of its bases on Chagos expires? Can she also tell us whether the renewal of that agreement requires the approval of Her Majesty's Government, or whether it can be effectively continued by the United States without such approval?

Meg Munn: The agreement with the United States is continuing. At the moment there is no end date to that. It should mean that at the end of the period, if we no longer needed the British Indian Ocean territories, we would consider the rights of Mauritius.

Andrew Mackinlay (Thurrock) (Lab): Why does the Foreign Secretary not take account of the mood of the House in respect of the Chagos islanders? Overwhelmingly the House wants this wrong remedied, and remedied with some expedition and dispatch.

Meg Munn: I understand the anger that hon. Members feel about what has happened, and I share their concern. The Government looked into whether it was possible to resettle the islanders. The feasibility study commissioned in 2002 said that lasting resettlement would be precarious and, if sponsored by the Government, would entail substantial open-ended contingent liability to the British taxpayer.

Richard Ottaway (Croydon, South) (Con): The Minister will be well aware that the economy of Tristan da Cunha depends on the export of crayfish. Regrettably, however, despite being a British overseas dependent territory, it is denied access to European Union markets. Can the Minister explain why that is, and tell us what steps she is taking to remedy the position?

Meg Munn: It is true that the fish industry is extremely important to that territory, but I have had no recent discussions on the matter. It was not raised at the Overseas Territories Consultative Council. However, I will look into it further for the hon. Gentleman.

Zimbabwe

3. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent assessment he has made of the political situation in Zimbabwe, with particular reference to the forthcoming elections. [186585]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): Zimbabwe is suffering from an economic, humanitarian and political crisis for which President Mugabe is directly responsible. Although the election has been declared for 29 March, the conditions for it are far from free and fair. We are pressing for effective international monitoring and for states in the region to require the election to meet international standards, including those adopted by the Southern African Development Community itself.

Sir Nicholas Winterton: The Foreign Secretary will be aware that the imminent elections in Zimbabwe are critical to the welfare and well-being not only of the country as a whole, but of its people. My support for Zimbabwe and for an African democratic solution to its problems is well known to the House. What steps is the Foreign Secretary taking to ensure that the elections are, in an African context, as free and fair as is acceptable to the civilised world?

David Miliband: The hon. Gentleman's long record of standing up for democracy and the interests of the people of Zimbabwe is well known. I would point him in three directions. First, it has been important to emphasise that there is a humanitarian crisis in Zimbabwe, which requires humanitarian action by the Department for International Development. Secondly, I would point at the support for the SADC movement, including in its election role. Thirdly, it is critical—not least given that there are 4 million refugees outside the country, which already calls into question the election processes and result—that we none the less support international demands from the European Union, the Commonwealth and elsewhere for proper observation missions that allow an on-the-ground assessment of how the election campaign and the election counting are conducted.

Dr. Julian Lewis (New Forest, East) (Con): Having served his sentence in Zimbabwe, my constituent, Mr. Simon Mann, has been illegally handed over by Zimbabwe to a dictator in Equatorial Guinea who has promised to sodomise him, skin him alive and drag him through the streets of the capital city. What steps can the Government take against Zimbabwe for the outrageous breach of my constituent's human rights when he was handed over before his appeal procedures were completed, and what assurance can there be for—

Mr. Speaker: Order. I think that the Secretary of State will have got the point by now.

David Miliband: I am sure that the hon. Gentleman will agree that our first priority is Mr. Mann's immediate welfare and the legal case against him. That is why we have put such emphasis on consular access, which has now been granted, and on making representations to the Government of Equatorial Guinea in the UK. I am pleased that we have received assurances from the Equatorial Guinean authorities that Mr. Mann will be treated well in detention. Obviously, we are monitoring that through continued consular access. A number of welfare points were raised during the visit of 12 February. We are taking them up and, within the limits of what we are allowed to disclose by Mr. Mann's family, I would be happy for the hon. Gentleman to see the explanations that we have received. He is right to raise both the humanitarian and the legal side of the case. Those are our current focus, and we can in due course turn to the role of the Government of Zimbabwe once Mr. Mann's future has been determined.

Lisbon Treaty

4. **Mr. Andrew Robathan** (Blaby) (Con): What discussions he has had with his EU counterparts on planned referendums on the treaty of Lisbon in other EU countries. [186586]

The Minister for Europe (Mr. Jim Murphy): My right hon. Friend the Foreign Secretary and I have regular contact with our EU counterparts on numerous issues, including the Lisbon treaty.

Mr. Robathan: May I quote from a piece in Saturday's edition of the *Financial Times* on the European Parliament and its legislation? The author writes:

"If we intervene as voters, we get spat on...I realised how cross I felt about the inter-governmental plot—there is no other word—to deny everyone a say on the new Lisbon Treaty, the rebranded version of the failed constitution killed off by French and Dutch referendums...The underlying assumption is that we're far too stupid to understand."

Does the Minister think the British people are too stupid to have the referendum that he promised them in his manifesto in 2005?

Mr. Murphy: Far from it. The fact is that only one country across the EU is having a referendum: our good friends in Ireland. The hon. Gentleman quotes from Saturday's *Financial Times*. I thought he was going to quote his colleague, MEP Caroline Jackson, in yesterday's *Financial Times*, who described his party's policy as "a hopeless quest" and said that the party was developing

"a bad reputation...for crass and offensive behaviour",

and she went on to describe his party's European policy as a "patch of poisonous fungus". The truth is that the Conservative party is more obsessed about, and isolated on, Europe now than at any time in modern history.

Mr. David Heathcoat-Amory (Wells) (Con): How many EU countries that are not having referendums are led by governing parties that promised a referendum before an election and then broke that promise after the election, or is the UK unique in that respect?

Mr. Murphy: The right hon. Gentleman knows all about these issues, of course—*[Interruption.]*

Mr. Speaker: Order. Allow the Minister to answer.

Mr. Murphy: The right hon. Gentleman knows all about them from having been deputy Chief Whip during the Maastricht debacle. The fact is that nine countries—nine separate sovereign states—promised a referendum on the old constitution. Only Ireland intends to hold a referendum, on the basis that it is in adherence with its domestic 1937 constitution, which originates from the constitution of the Irish Free State of 1922 and a High Court ruling of 1987. Opposition Members should recognise that we have an entirely different domestic constitutional arrangement from that of our good friends in the Republic of Ireland.

Mr. Mark Francois (Rayleigh) (Con): The Minister will know that I had the pleasure of visiting East Renfrewshire last week in support of the "I Want a Referendum" campaign, which is running a referendum in his constituency. I must tell him that a lot of his own constituents do not agree with him on this issue. He and his Government might continue to deny the British people the referendum that they were so clearly promised in Labour's manifesto, but what will the Minister for Europe do if even his own constituents, who sent him to this place, vote against him on the issue?

Mr. Murphy: At the start of our debates and proceedings on the Lisbon treaty, I joked that I was looking forward to spending more time with the hon. Gentleman than with my own wife. He popped into my house last Friday to visit my wife—*[Laughter.]* I was not at home. Inexplicably, she had sent me out for the day. The constituent who lives with me, and I, have both decided to bin the ballot, and I believe that most of my constituents and those across the other nine areas where these local referendums are being held will do so too. They will recognise this as an expensive, ineffective publicity stunt by the Conservative party.

Smuggling (Gaza)

5. **Mrs. Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): What representations he has made to the Palestinian Authority on the prevention of smuggling into Gaza? [186587]

The Minister for the Middle East (Dr. Kim Howells): Arms smuggling into Gaza remains a great concern. The United Kingdom has not made representations to the Palestinian Authority on this subject. We understand the problems that the authority has with Hamas, which seized control of Gaza nine months ago. However, we support the work of the Quadrilateral Committee, which consists of the Palestinian Authority, Israel, Egypt and the United States, and has been working closely to address the smuggling issue.

Mrs. Ellman: The people of Sderot are under daily bombardment from Gaza, a situation made possible by smuggled arms, by explosives disguised as humanitarian aid and by terrorists coming into Gaza from Iran, Syria and Egypt. Given that reply, will the Minister assure me that he will make renewed representations to both the Palestinian Authority and Egypt? Does he accept that the current representations are inadequate to deal with the growing humanitarian problem faced by the people of Gaza?

Dr. Howells: Yes, I can certainly give my hon. Friend that assurance. I can also tell her that my right hon. Friend the Foreign Secretary spoke to the Egyptian Foreign Minister this morning and that the border was mentioned in that discussion. We know of the conditions that people are suffering from in Sderot—more than 2,000 rockets and mortar rounds have been fired at that town since Hamas took over nine months ago. She is also right to highlight the terrible humanitarian plight of so many people living in Gaza. We are seeking to ameliorate that by urging the Israeli Government to ensure that adequate supplies of fuel oil, for example, are allowed into Gaza and the west bank.

Mr. Gary Streeter (South-West Devon) (Con): Is it not true that the real losers are the people living in the Gaza strip? Given that any overall peace settlement between the west, the Israeli people and the Palestinian Authority must also include the authorities in Gaza, what is the British Government's strategy for including them in such dialogue at some stage, whether that be through the Egyptian Government or otherwise? What is our thinking about that?

Dr. Howells: Our thinking is certainly that we support President Abbas, Prime Minister Fayyad and the negotiating team that is talking to the Israelis post-Annapolis. Hamas must renounce violence, and it must recognise the validity of existing agreements and the right of Israel to exist without being bombed and rocketed. If it does that, we would have no difficulty talking to its representatives. We want everybody to play a part in rebuilding Gaza and the west bank. That will not happen at the moment. We certainly have no intention of undercutting the authority of President Abbas and his Government.

Mr. Andrew Love (Edmonton) (Lab/Co-op): The smuggling of arms is also happening in Lebanon, but little can be done about that while the crisis in that country continues. I understand that the Prime Minister of Lebanon is meeting our Prime Minister today, and that is welcome recognition, but what more will the Government do to bring that crisis to an end, so that we can have stability in that country?

Dr. Howells: I know that Lebanon is not that far from Gaza, but my hon. Friend is ingenious in raising that issue. He is right: one of the common variables is Syria, and we would like Damascus to stop supporting the rejectionists of the two-state solution. We would also like Damascus to stop supporting the smuggling of arms into Lebanon, which is in a very fragile state.

Mr. Brooks Newmark (Braintree) (Con): Given that much of the smuggling into Gaza is done by the Bedouin tribes through deep tunnels, I am curious as to what conversations the Minister has had with his counterpart in Egypt about gaining greater control over the Bedouins and the smuggling that they are carrying out.

Dr. Howells: The area is not just open desert. There are large urban centres and the hon. Gentleman will know how difficult it was to stop smuggling in Berlin. It is not easy. The material goes down inside one house and emerges up through another house. It is very difficult to stop, and we have talked to the Egyptians about how they might control it. The best suggestion that I have heard so far is for a 20 ft deep trench on each side of the border. That would probably uncover about 50 tunnels.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Is it not a fact that what was being smuggled into the Gaza strip from Egypt, while the opportunity was there, was food and fuel to ameliorate the starvation and the terrible poverty of the people of Gaza; that President Abbas's influence in Gaza is nil; and that the stranglehold of Hamas over the Gaza strip, with terrible deaths among the Gaza people and the Israelis, will continue until a meaningful peace dialogue is started? It did not start at Annapolis and it will not start until pressure is put on both sides.

Dr. Howells: I certainly do not agree with my right hon. Friend that there is not a dialogue proceeding: I believe that there is one, and I am glad to see it happening. I agree with him that the images that we all saw on our televisions of Palestinians living in Gaza smuggling food back into the Gaza strip was a revelation that told us a lot about the situation inside Gaza and the desperate circumstances of its people. But as my hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman) pointed out, the difficulty is that while food and other requirements are being smuggled in, so are arms. As the hon. Member for South-West Devon (Mr. Streeter) said, the people who are suffering as a consequence are the Palestinians living in Gaza, because they suffer from the blockades and the retaliation against those extremists who fire rockets and mortar rounds into Israel.

Dalai Lama

6. **Norman Baker** (Lewes) (LD): What the arrangements are for the forthcoming visit of the Dalai Lama; and if he will make a statement. [186588]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): The Government are aware that the Dalai Lama is planning to visit the UK in May this year. The Dalai Lama's representatives in the UK will make the arrangements for that visit.

Norman Baker: I am grateful to the Minister for that answer, as far as it goes. She will be aware of the significant concern on both sides of the House about China's human rights record. Although Steven Spielberg's comments about Darfur have taken the headlines, she will be aware of the gross abuse of human rights in Tibet and the fact that if Chinese migration continues, Tibet will be finished within 10 years as a possible nation state. Given that Angela Merkel, George Bush and the leaders of other countries have met the Dalai Lama, can the Minister say whether the Prime Minister intends to do so?

Meg Munn: As I have said, the visit is some way off and arrangements have not yet been made. Diaries will need to be consulted nearer the time. I assure the hon. Gentleman that we urge China to engage in serious negotiations with the Dalai Lama's representatives to build a peaceful, sustainable and legitimate solution for Tibet.

Harry Cohen (Leyton and Wanstead) (Lab): May I urge the Minister and the Government to meet the Dalai Lama when he visits this country? I welcome the fact that the Government have turned from the Prescott philosophy, which is that we cannot tackle China on human rights, to doing so when it matters on issues such as Darfur. It matters over Tibet, too. The Government's policy is that there should be autonomy for Tibetans and the Dalai Lama is the representative of most Tibetans. I urge the Minister, in a gentle way,

to ensure that the leaders of this Government meet him when he comes to this country.

Meg Munn: We take very seriously the issue of human rights and China. The UK-China human rights dialogue took place at the end of January and included a field trip to Tibet and calls on a range of administrative bodies in the Tibet autonomous region. We are keen to ensure that work is ongoing to improve human rights and we will continue that dialogue with China.

Mark Pritchard (The Wrekin) (Con): When the Minister next meets her Chinese counterpart, will she remind him that the people of Tibet do not want independence but autonomy and cultural protection? In that regard, does she agree with the 14th Dalai Lama that the next Dalai Lama should be chosen by the people of Tibet through a referendum, not imposed by a regime in Beijing that has no regard for religious minorities?

Meg Munn: I assure the hon. Gentleman that my noble friend Lord Malloch-Brown, who has responsibility for our relationships with China, raises issues of human rights regularly with his counterpart. We continue to regard Tibet as autonomous while recognising the special position of the Chinese authorities there, and we make those points when we meet them.

Darfur

7. **Chris McCafferty** (Calder Valley) (Lab): What assessment he has made of the political situation in Darfur; and if he will make a statement. [186589]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): Sustainable peace in Darfur can be achieved only through the political process under United Nations and African Union leadership. But fighting between Sudanese forces and rebels makes the situation increasingly complex and the consequences for civilians increasingly dire. We call on the parties to uphold a ceasefire and we are supporting attempts to reinvigorate the political process. We are also pushing for the accelerated deployment of the UN-AU force.

Chris McCafferty: I thank the Minister for that reply. Given the necessity of helicopter units to the UN-African Union Mission in Darfur and the Government's preparedness to underwrite the costs to other countries of donating helicopter assets, has the Minister had any dialogue with her counterparts in Ukraine and Russia about that possibility?

Meg Munn: As my hon. Friend says, the issue of helicopters is enormously important. The UK convened meetings in New York on 16 and 30 January in support of the UN to discuss approaches to generating helicopter units for UNAMID. The representatives of more than 20 countries attended that meeting. My noble friend Lord Malloch-Brown also visited New York last week to press for rapid effective deployment of UNAMID, and those issues were raised then.

Mr. Edward Davey (Kingston and Surbiton) (LD): Although the Minister's answer is welcome, does she realise that Ethiopia has managed to find five helicopters for Darfur whereas the UK Government, the US and all the NATO and EU countries have not managed to provide a single helicopter? Are not the people of Darfur entitled to ask what has happened to the Government's many promises of help and support? I asked a similar question to the Foreign Secretary six weeks ago, and he told me he shared my sense of urgency. Is it not time that the Government acted urgently, got the helicopters deployed and did not leave all the efforts to American actors and film directors?

Meg Munn: I am sorry that the hon. Gentleman does not recognise the huge effort from the UK to support the mission, as well as the substantial financial support that is being offered. We have lobbied hard to close remaining gaps in helicopter provision. We have targeted Egypt, South Africa and the central European states, including, as my hon. Friend the Member for Calder Valley (Chris McCafferty) mentioned, Ukraine, as well as Bulgaria and Slovakia. The issue is that the helicopters need to be suitable for the circumstances and the terrain in Darfur. We need those helicopters, and it is important that we keep trying to get them as soon as possible.

John Bercow (Buckingham) (Con): Too many people have suffered too much for too long with too little done to help them in Darfur. Given that foot-stamping by the Sudanese Government has thus far acted as an effective veto on the necessary AU-UN troop deployment to the region, will the Under-Secretary of State tell the House, on a scale of one to 10, what she reckons is the likelihood that that necessary deployment will take place before the genocide of Darfurians has been completed?

Meg Munn: I know that the hon. Gentleman rightly takes a great interest in this issue, and we share his concern about the slow process of deployment. Some 10,000 people—7,000 of them troops—have already been deployed to Darfur, but we want more to happen, and more quickly. We have concerns about the Sudanese Government blocking part of the deployment, and we continue to press them about that. We also have concerns about the rebel groups' failure to take part in the political talks that must take place alongside the peacekeeping process.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): My hon. Friend's response to the earlier question was a little bleak and depressing for all of us who care about the continuing misery in Darfur. Is there no way ahead? Is there not even a way to have an intelligent dialogue with the Chinese to try and break the deadlock in Darfur?

Meg Munn: My hon. Friend raises an important point. The Chinese special representative for Sudan and Africa will meet my hon. Friend the Minister for the Middle East later this week. Let us be clear: the Government are providing a great deal of support for the process. We have made available £1 million to the AU-UN joint mediation support team, and we are the second largest bilateral humanitarian donor to Sudan.

Mr. David Lidington (Aylesbury) (Con): Given that only 9,000 of the promised 26,000 peacekeeping troops

have been deployed in Darfur, and that more than 250,000 Darfuris have had to flee their homes in the past 10 months alone, does not the Minister accept that we need rather more than warm words and further meetings, and that our Government must show diplomatic leadership? Will the British Government now press for further sanctions against the Sudanese leadership if they continue to block the deployment of the full peacekeeping force? In addition, will our Government seek to impose an air exclusion zone so that the Sudanese can be prevented from using their aircraft to attack their own people?

Meg Munn: I do not accept the views that the hon. Gentleman is putting forward. We are taking a lead on the matter, and pressing very hard for a full deployment. As I am sure that he recognises, it is very important that other countries in the international community play their part and get involved. Further sanctions are, of course, an option, and tougher measures may be necessary if the Government of Sudan and the rebel groups continue to fail to co-operate.

Topical Questions

T1. [186522] **Mr. Lindsay Hoyle** (Chorley) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The House will know that on 17 February the Parliamentary Assembly of Kosovo declared Kosovo to be an independent state. The declaration also committed Kosovo to implement fully UN Special Envoy Ahtisaari's comprehensive proposal, including extensive safeguards for all Kosovo's minorities.

The UK has decided to recognise Kosovo's independence and establish diplomatic relations with that country. I have set out more details in a written statement that I have put before the House today, but I shall take this opportunity to underline three factors that have driven our approach.

First, we share the view that leaving Kosovo's status unresolved is "unsustainable", to quote the UN Secretary-General. Secondly, after almost two years of intensive negotiations, it was clear that a mutually agreed settlement between Belgrade and Pristina, although desirable in many ways, was out of reach. In those circumstances, the implementation of the UN special envoy's proposals was the most viable way forward. Thirdly, the EU and other international players have made clear their readiness to play a leading role in implementing a settlement—a point demonstrated by yesterday's unanimous Council conclusions.

We shall work closely with our international partners and Kosovo's Government to support Kosovo as she takes her next steps forward.

Mr. Hoyle: My right hon. Friend has received a request from the overseas territories that they be allowed to lay a wreath at the Cenotaph. Discussions have taken place with his Department, and I do not believe that his ego is so great that he will not recognise that the overseas territories have a right to lay a wreath at the service, given that their people have given, and continue to give, their lives on behalf of our armed forces. Will he give in and allow the overseas territories to lay the wreath themselves?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): As my hon. Friend knows, the Secretary of State lays a wreath on behalf of the overseas territories at the service at the Cenotaph. There are no plans at present to change that arrangement.

Mr. William Hague (Richmond, Yorks) (Con): With reference to Kosovo, may I agree with the Foreign Secretary? Nearly two years of negotiations between Belgrade and Pristina failed to reach agreement, so the supervised independence of Kosovo, in line with the Ahtisaari plan, became the only realistic way forward. However, will the right hon. Gentleman make it clear to Kosovo's leaders that the widespread support here in Britain for that country's independence depends crucially on one thing above all—the full protection of the rights of all minorities, including property and religious sites? If that protection is supplied, the dark fears of the past in that region will not be ignited again.

David Miliband: I am grateful to the right hon. Gentleman for his constructive and supportive attitude to this difficult issue. I absolutely assure him that the spirit as well as the letter of the Ahtisaari plans is important to us. The cultural and religious sites that he mentions are important to many of the Kosovar Serbs, who are not simply in the north of the country but also in the south. I assure him that, both in our contacts with the new Kosovan Government and in my statement yesterday, I was clear about the importance of this aspect of the Ahtisaari plan.

Mr. Hague: On a separate issue, may I return the Foreign Secretary to the Prime Minister's speech at the lord mayor's banquet on 12 November on foreign policy, which called for EU sanctions on the Iranian financial sector and on investment in Iranian oil and gas fields? Iran is now thought to be nearing the threshold for the industrial enrichment of uranium. It continues to develop ballistic missile programmes. Does he agree that the issue has lost none of its urgency since the Prime Minister spoke? Can he say whether sanctions in line with those called for by the Prime Minister are ever going to be agreed, or is there now a danger that western policy on Iran has begun to unravel?

David Miliband: Far from unravelling, the "western" policy that the right hon. Gentleman describes now has the formal support of China and Russia as well, as a result of the E3 plus 3 meeting in Berlin and other discussions that I and other colleagues have been having. He is right to continue to point to the importance of this issue and to stress that there is a clear choice for Iran. It can either work with the international community and reap all the economic, scientific and technological benefits of such co-operation, or defy three successive UN Security Council resolutions—another one is in the pipeline—and suffer the consequences. I believe that the sanctions to which the Prime Minister referred remain important. The UN is in the lead this month with a resolution

soon to be tabled, and it will be for the EU then to follow. I might point out that EU sanctions currently go beyond what is required by the UN resolution currently in place.

T4. [186525] **Paddy Tipping** (Sherwood) (Lab): Yesterday's elections in Pakistan were significant. Will it not be important to maintain good relationships with the current President and develop new ones with the incoming Government? What did the British Government do yesterday to ensure that the elections were free and fair?

David Miliband: My hon. Friend makes an important point. The election results to be announced in Pakistan over the next week or so matter to us all, and the credibility of those results is critical to this country. I can assure my hon. Friend that we worked closely with the Government of Pakistan on the detailed arrangements in 64,000 polling stations for which they had responsibility, and the importance of due process in those polling stations. The EU observer mission will be reporting later today, but I am sure it is gratifying for the whole House that despite, by our standards, large loss of life and injury over this weekend of voting, the allegations of electoral fraud seem to be small in number. There seems to be some confidence that, now that the governing party has indicated that it expects to spend time on the Opposition benches, the election results will carry credibility. I certainly intend to follow that up as the new Government are put into place.

T2. [186523] **Mr. Andrew Mackay** (Bracknell) (Con): What did the Foreign Secretary make of Vladimir Putin's belligerent final presidential press conference? What read-across does it have for Kosovo, bearing in mind the welcome news of this weekend?

David Miliband: I would like to have a longer chance to discuss British relations with Russia, but specifically in respect of the western Balkans, President Putin, soon to be Prime Minister Putin perhaps, made it clear that he did not propose to take action in respect especially of the Georgian provinces of South Ossetia and Abkhazia. That is important.

In respect of Kosovo, the Russian position has been made clear at the UN Security Council and elsewhere. Diplomatic protests and political views are welcome, but it is important on the basis of my discussions this morning with the new British ambassador in Pristina that the situation in Kosovo is calm. The continuation of electricity and other supplies is giving confidence to people there that the situation will remain calm.

T6. [186527] **Ms Katy Clark** (North Ayrshire and Arran) (Lab): My right hon. Friend will be aware that Colombia is considered the most dangerous country in the world in which to be a trade unionist. Last August, I went with a delegation of British trade unionists and parliamentarians to Colombia to meet victims of human rights abuses. While we were there, we met many trade unionists who had been detained in jail without trial for lengthy periods for their trade union activities. One of them was Carmen Mayusa, who has been detained in custody without trial since 11 May 2006 for being involved in campaigns against the privatisation of the Colombian health service—

Mr. Speaker: Order. I am expecting briefer supplementaries.

Ms Clark: I appreciate that.

Mr. Speaker: It was a hint to the hon. Lady.

The Minister for the Middle East (Dr. Kim Howells): My hon. Friend is quite right; Colombia is a very dangerous place. I met the chairman of the Colombian TUC on my last visit to Bogota, and a large delegation of Colombian trade unionists will come to this country shortly. We will discuss with them how we can help to ensure the security of trade unionists in Colombia. I add that the people who are murdering the most trade unionists in Colombia are not the Colombian Government but FARC.

T3. [186524] **Norman Baker** (Lewes) (LD): Yesterday saw the publication of the first version of the dossier that took us to war in Iraq. It is quite clear that it was written by a Foreign Office press officer, yet in May 2003 Downing street said:

"Not one word of the dossier was not entirely the work of the intelligence agencies",

and much of the wording from the first version is replicated in the final version. When will the Foreign Secretary correct that totally wrong statement, and when will we have a proper inquiry into why we were led into an illegal war in Iraq contrary to British interests?

David Miliband: I certainly continue to believe that the September 2002 publication was the work of the intelligence services. The fact that both that document and the so-called Williams draft drew on similar intelligence material explains why the wording, to use the hon. Gentleman's phrase, is so similar. It seems to me that he and the Government have a difference of opinion about the Iraq war, but the publication of the Williams draft puts to bed many of the phantom scare stories put around about the origins of various aspects of the September 2002 document, not least of which is the so-called 45-minute claim, which he will now see was never in the Williams draft.

T5. [186526] **Mr. John Baron** (Billericay) (Con): Further to that question, given that the Foreign Secretary has been forced to publish the Williams draft of the Iraq dossier, will he now reverse his previous refusal to answer the key questions that his Department has been avoiding during the past three years, including who authorised John Williams to produce the draft, who it was handed to and who commented on it? Otherwise, the Government's continued evasiveness on the issue can only create the further impression that they have something to hide.

David Miliband: The hon. Gentleman has pursued the issue for a long time, but now that the document has been published, I do not see how he can refer to evasiveness in respect of its contents. We do not know who wrote the marginalia and comments; that was made clear yesterday, not least by John Williams. Now that the document is in the public domain, it would be as well for the hon. Gentleman and his colleagues to

recognise that publication has taken place and that we can debate what was in the dossier.

However, it remains important that draft documents and discussion within Government should be free and frank. It cannot be the case that officials believe that everything that they write down will go into the public domain. They must be able to advise Ministers without fear or favour, and it was that important point of principle that the Government were defending. *[Interruption.]* The hon. Gentleman can speak to me afterwards, as I did not hear what he said. There has been the publication of—

Mr. Speaker: Order. May I stop the Secretary of State there?

T10. [186531] **Tony Lloyd** (Manchester, Central) (Lab): The world has been rightly preoccupied with the situation in Kenya. Both the previous and the present UN Secretary-General have been involved, and President Bush visited recently. However, in neighbouring Somalia the situation is absolutely desperate. The warlords are still in control, and the peace process and the reconstruction of the Government have not gone anywhere significant. If I were to advise Osama bin Laden where to look for the next failed state, Somalia would be high on the list. Will the British Government give us some assurance that we will play our role at the international level so that concentration through the African Union is devoted to ensuring that Somalia is reassembled and given the opportunity to function as a modern state?

The Minister of State, Foreign and Commonwealth Office (Mr. Jim Murphy): My hon. Friend is correct. Somalia is generally regarded as being, perhaps, the world's only current failed state. It has had 16 years of brutal violence and is indeed a human tragedy. My hon. Friend will rightly continue to raise the matter. We are determined to play our part in the international community and also with the transitional federal Government to make sure that there can be effective governance and a degree of reconciliation, and to ensure that those 16 years of violence are brought to an end.

T9. [186530] **Mark Pritchard** (The Wrekin) (Con): Does not the Simon Mann case underline the folly and short-sightedness of the Government in closing missions and embassies all over Africa? Twenty-three African nations have no British diplomatic representation at all, including Equatorial Guinea. Will the Minister give a commitment that Mr. Mann's rights will not be undermined as a result of the Government's short-sightedness?

Meg Munn: The Government consider carefully where we have our diplomatic missions and we make sure that there are appropriate arrangements for consular support wherever British citizens are in the world. As the hon. Gentleman knows, HM consul in Lagos travelled to Malabo on 5 February and subsequently was able to visit Mr. Mann in prison in Malabo on 12 February. He will continue to keep in contact with Mr. Mann, and we will continue to provide excellent consular services to all British citizens wherever they are in the world.

Ann Clwyd (Cynon Valley) (Lab): The UN special envoy on Burma is touring ASEAN—Association of South East Asian Nations—countries in an attempt to get them to act together in relation to Burma, and he has confirmed that India and China have the most leverage over Burma. What influence are we exercising over India and China to get them to exercise that leverage?

Meg Munn: My right hon. Friend is right. The role of India and China in seeking to influence what takes place in Burma is enormously important. The topic of Burma is raised whenever we have contact through my noble Friend Lord Malloch-Brown in relation to China and India. The Prime Minister raised the matter when he was in China, and my right hon. Friend the Foreign Secretary will also do so on his visit to China.

ROYAL ASSENT

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Act:

European Communities (Finance) Act 2008.

BILL PRESENTED

BANKING (SPECIAL PROVISIONS)

Mr. Chancellor of the Exchequer, supported by the Prime Minister, Secretary David Miliband, Secretary Jack Straw, Mr. Secretary Hutton, Yvette Cooper, Jane Kennedy, Angela Eagle and Kitty Ussher, presented a Bill to make provision to enable the Treasury in certain circumstances to make an order relating to the transfer of securities issued by, or of property, rights or liabilities belonging to, an authorised deposit-taker; to make further provision in relation to building societies; and for connected purposes: And the same was read the First time; and ordered to be read a Second time and to be printed. Explanatory notes to be printed. [Bill 73].

Allotments (Planning)

3.33 pm

Tony Baldry (Banbury) (Con): I beg to move,

That leave be given to bring in a Bill to encourage local authorities to make provision for allotments; to require them to consider imposing duties on developers to provide land for statutory allotments when determining planning applications; and for connected purposes.

I am glad of the opportunity to introduce a Bill on allotments that has support across the House, the proposed sponsors all being members of the all-party horticultural group, a number of whom, such as the hon. Member for Islington, North (Jeremy Corbyn) and me, being fortunate enough to be allotment holders.

Allotments have long been enshrined in law. The General Inclosure Act 1845 enabled allotments to provide fresh fruit and vegetables for the "landless poor". This year we celebrate the centenary of the Act of Parliament that placed a duty on local authorities to make provision for allotments for the use of local people—the Small Holdings and Allotments Act 1908, which is still in force. It places a duty on local authorities to provide sufficient allotments according to demand and also makes provision for local authorities compulsorily to purchase land to provide allotments. The 1908 Act states that if local authorities

"are of the opinion that there is a demand for allotments...in the borough, district or parish the council shall provide a sufficient number of allotments to persons...resident in the borough, district or parish and desiring the same".

In recent years, there has been a surge in the number of people wanting to work their own allotments. Last year, for example, the London Assembly published a survey entitled "A Lot to Lose: London's disappearing allotments". It found that in London alone, more than 4,300 people—3,000 more than 10 years ago—were on allotment waiting lists.

A similar picture can be found in every part of England, given that more and more people want the opportunity to work an allotment. The profile of those launching allotments is changing. Women and young families are increasingly active on the issue, and members of ethnic minorities are often keen to grow their own vegetables. As the chair of Friends of Windmill Allotments in Lambeth recently observed, allotments are

"a scarce, popular and oversubscribed local resource which besides food growing and cutting food miles, contributes to biodiversity targets, decreasing CO_2 emissions etc."

Those who have allotments, and those who would like to, have a love of gardening and a desire to grow better produce than can be bought. They may want to grow their own vegetables or flowers. A century after the passing of the 1908 Act, we should all champion allotments on grounds of health, the environment, community relations and ethnic diversity.

There is, however, a difficulty. I seek to introduce the Bill because as demand for allotments increases, the number of available plots is decreasing. The London Assembly survey found that 54 football pitches' worth of allotments had recently been lost in London. Again, the picture is pretty much the same throughout the country. Sites are being chipped away a bit at a time,

[Tony Baldry]

and that is leading to spiralling waiting lists. All too often, waiting lists are counted in years or even decades. The London borough of Camden, for example, has a 10-year allotment waiting list, and three years or more is not unusual across the country. Many councils are having to halve the size of traditional allotment plots to ensure that more families can move off waiting lists, but the reality is that councils need to find extra land for allotments so that more people can benefit.

It is true that existing allotments have some statutory and regulatory protection. In February 2002, the Government issued a circular to chief executives of all local authorities in England. It stated:

"As you know, the Government is committed to ensuring adequate protection is afforded to allotments. The Allotments Act 1925 requires that statutory allotment land only be disposed of with the Secretary of State's consent".

However, notwithstanding attempts to protect them, all too many allotments are disappearing and even fewer new ones are being created. Geoff Stokes, secretary of the National Society of Allotment and Leisure Gardeners, has observed:

"In general, few new sites have been set up and those that have are mainly by parish councils".

Under section 3 of the Allotments Act 1925, there used to be a requirement for every local authority preparing a town planning scheme in pursuance of the Town Planning Act 1925 to consider what provision ought to be included for the reservation of land for allotments. The section also required every council whose district was in the area of a town planning scheme to take into consideration at least once a year whether any lands—and if so, which—were needed for allotments and should be acquired in accordance with the Allotments Acts. At one stage, once a year, every local authority in England had to consider whether it was making a sufficient allocation and enough space for allotments. Alas, when the 1925 Act was repealed, that provision to consider the need for new allotments was also lost.

The Bill seeks to redress the balance. Even when councils are keen to establish new allotments, it is not always easy for them to find and acquire the land. For example, Bicester town council in my constituency has a three-year waiting list for allotments. Debbie Pickford, the leader of the council, is keen to increase the number of available allotments, but with the extraordinary pressure on any available land in the town the council is unlikely to be able to acquire land for allotments at a price that it can afford. In recent years, there has been consistent pressure on all local authorities to dispose of any surplus land, so few local authorities nowadays have surplus land of their own to convert into allotments.

The Bill proposes that under the Planning and Compensation Act 1991, which amended the Town and Country Planning Act 1990, when local authorities are considering planning applications for large developments and what it might be appropriate for developers to provide under section 106 agreements, they are obliged to consider, akin to the 1925 legislation, whether there is a need for the developers to make provision for allotments either on that site or on land elsewhere. In another place on 27 November 2006, Baroness Andrews, a planning Minister, confirmed, in response to Baroness Scott of Needham Market, that section 106 agreements have enabled developers to make provision for allotments. However, the sponsors of the Bill are concerned that such consideration is not being made on a regular or consistent basis across England. We need to see opportunities for new allotment sites.

I am fortunate to have an allotment near Banbury railway station. If one visits allotments at the weekend one will almost certainly find them full of younger people and families. Allotments are in big demand for growing fruit, flowers and vegetables, or just as a great way to chill out. In this, the centenary year of the Smallholdings and Allotments Act 1908, it would be very good if this House and the Government found the way and the will to enable new allotments to be created to meet spiralling demand and to expand allotment availability as we go into the 21st century. I commend this modest measure to the House.

Question put and agreed to.

Bill ordered to be brought in by Tony Baldry, Ben Chapman, Robert Key, Mr. Brian H. Donohoe, Mrs. Gwyneth Dunwoody, Mr. David Wilshire, Mr. David Marshall and Jeremy Corbyn.

ALLOTMENTS (PLANNING)

Tony Baldry accordingly presented a Bill to encourage local authorities to make provision for allotments; to require them to consider imposing duties on developers to provide land for statutory allotments when determining planning applications; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 14 March, and to be printed [Bill 68].

Business of the House (Banking (Special Provisions) Bill)

3.43 pm

The Chief Secretary to the Treasury (Yvette Cooper): I beg to move,

That the following provisions shall apply to the Banking (Special Provisions) Bill:

Timetable

1.—(1) Proceedings on Second Reading, in Committee, on consideration and on Third Reading shall be completed at this day's sitting in accordance with the following provisions of this paragraph.

(2) Proceedings on Second Reading shall (so far as not previously concluded) be brought to a conclusion at 8 p.m.

(3) Proceedings in Committee shall (so far as not previously concluded) be brought to a conclusion at 10.30 p.m.

(4) Proceedings on consideration and on Third Reading shall (so far as not previously concluded) be brought to a conclusion at midnight.

Timing of proceedings and Questions to be put

2.—(1) As soon as the proceedings on the Motion for this Order have been concluded, the Order for the Second Reading of the Bill shall be read.

(2) When the Bill has been read a second time—

(a) it shall (notwithstanding Standing Order No. 63 (Committal of bills not subject to a programme order)) stand committed to a Committee of the whole House without any Question being put;

(b) proceedings on the Bill shall stand postponed while the Question is put, in accordance with paragraph (1) of Standing Order No. 52 (Money resolutions and ways and means resolutions in connection with bills), on any financial resolution relating to the Bill;

c) on the conclusion of proceedings on any financial resolution relating to the Bill, proceedings on the Bill shall be resumed and the Speaker shall leave the Chair whether or not notice of an Instruction has been given.

3.—(1) On the conclusion of proceedings in Committee, the Chairman shall report the Bill to the House without putting any Question.

(2) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

4. For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1, the Chairman or Speaker shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded.

5. On a Motion so made for a new Clause or new Schedule, the Chairman or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

6. If two or more Questions would fall to be put under paragraph 4(d) in relation to successive provisions of the Bill, the Chairman shall instead put a single Question in relation to those provisions.

Consideration of Lords Amendments

7.—(1) Any Lords Amendments to the Bill shall be considered forthwith without any Question being put.

(2) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

8.—(1) This paragraph applies for the purpose of bringing any proceedings to a conclusion in accordance with paragraph 7.

(2) The Speaker shall first put forthwith any Question already proposed from the Chair and not yet decided.

(3) If that Question is for the amendment of a Lords Amendment the Speaker shall then put forthwith—

(a) a single Question on any further Amendments to the Lords Amendment moved by a Minister of the Crown, and

(b) the Question on any Motion made by a Minister of the Crown that this House agrees or disagrees to the Lords Amendment or (as the case may be) to the Lords Amendment as amended.

(4) The Speaker shall then put forthwith—

(a) a single Question on any Amendments moved by a Minister of the Crown to a Lords Amendment, and

(b) the Question on any Motion made by a Minister of the Crown that this House agrees or disagrees to the Lords Amendment or (as the case may be) to the Lords Amendment as amended.

(5) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown that this House disagrees to a Lords Amendment.

(6) The Speaker shall then put forthwith the Question that this House agrees to all the remaining Lords Amendments.

(7) As soon as the House has—

(a) agreed or disagreed to a Lords Amendment, or

(b) disposed of an Amendment relevant to a Lords Amendment which has been disagreed to, the Speaker shall put forthwith a single Question on any Amendments moved by a Minister of the Crown and relevant to the Lords Amendment.

Subsequent stages

9.—(1) Any further Message from the Lords on the Bill shall be considered forthwith without any Question being put.

(2) Proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

10.—(1) This paragraph applies for the purpose of bringing any proceedings to a conclusion in accordance with paragraph 9.

(2) The Speaker shall first put forthwith any Question which has been proposed from the Chair and not yet decided.

(3) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown which is related to the Question already proposed from the Chair.

(4) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown on or relevant to any of the remaining items in the Lords Message.

(5) The Speaker shall then put forthwith the Question that this House agrees with the Lords in all the remaining Lords Proposals.

Reasons Committee

11.—(1) The Speaker shall put forthwith the Question on any Motion made by a Minister of the Crown for the appointment, nomination and quorum of a Committee to draw up Reasons and the appointment of its Chairman.

(2) A Committee appointed to draw up Reasons shall report before the conclusion of the sitting at which it is appointed.

(3) Proceedings in the Committee shall (so far as not previously concluded) be brought to a conclusion 30 minutes after their commencement.

(4) For the purpose of bringing any proceedings to a conclusion in accordance with sub-paragraph (3), the Chairman shall—

(a) first put forthwith any Question which has been proposed from the Chair but not yet decided, and

(b) then put forthwith successively Questions on Motions which may be made by a Minister of the Crown for assigning a Reason for disagreeing with the Lords in any of their Amendments.

(5) The proceedings of the Committee shall be reported without any further Question being put.

Miscellaneous

12. Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply so far as necessary for the purposes of this Order.

13.—(1) The proceedings on any Motion made by a Minister of the Crown for varying or supplementing the provisions of this Order shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to those proceedings.

14. Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

15.—(1) No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken or to recommit the Bill.

(2) The Question on any such Motion shall be put forthwith.

16.—(1) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(2) The Question on any such Motion shall be put forthwith.

17. The Speaker may not arrange for a debate to be held in accordance with Standing Order No. 24 (Adjournment on specific and important matter that should have urgent consideration) at this day's sitting, or at the sitting on Thursday 21st February, before the conclusion of any proceedings to which this Order applies.

18.—(1) Sub-paragraph (2) applies if the House is adjourned, or the sitting is suspended, before the conclusion of any proceedings to which this Order applies.

(2) No notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

19. Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

20.—(1) Any private business which has been set down for consideration at 7 p.m. at this day's sitting or at 3 p.m. at the sitting on Thursday 21st February (as the case may be) shall, instead of being considered as provided by Standing Orders, be considered at the conclusion of the proceedings on the Bill at this day's sitting or at the sitting on Thursday 21st February (as the case may be).

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to the private business for a period of three hours from the conclusion of the proceedings on the Bill or, if those proceedings are concluded before the moment of interruption, for a period equal to the time elapsing between 7 p.m. or 3 p.m. (as the case may be) and the conclusion of those proceedings.

21. The Speaker shall not adjourn the House at the sitting on Thursday 21st February until—

(a) any Message from the Lords on the Bill has been received;

(b) he has reported the Royal Assent to any Act agreed upon by both Houses.

The House will realise that the Banking (Special Provisions) Bill is being introduced in exceptional circumstances. The Chancellor made it clear in his statement yesterday that Northern Rock will be brought into temporary public ownership and explained the reasons for that decision. We will have the opportunity to discuss those exceptional circumstances, and the interests of protecting the financial stability of the banking system while protecting the interests of the taxpayer, as part of the debate on the Bill.

I want briefly to make a couple of points on the programme motion. I think that the House will understand the importance of reaching a conclusion on this Bill as quickly as possible. Shares have been suspended, and it is now in everyone's interests for the transfer of shares to be effected as swiftly as possible to avoid any greater uncertainty or unnecessary delay for the bank, and for the bank to have clarity about its position and the way forward. Of course, we also need to set out the details for the scrutiny of the Bill and to ensure that the business motion provides for business to be extended to midnight this evening. Members have been able to table amendments since yesterday evening, and the amendments that are selected will be taken during the Bill's Committee stage this evening. I commend the motion to the House.

3.44 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Time is limited, or at least it will be if this motion is passed, and I do not want to turn the debate on the motion into a substantive discussion of the issues before the House. However, I must place on record our view that nationalisation is not the way forward and that the Bill is, therefore, not the best use of the legislative time available to us today.

We have always made it clear that if the Government introduced an emergency Northern Rock nationalisation Bill, we would oppose it in principle and seek to amend it where necessary, but would accept a timetabling of the process. We expected, and I believe that the country expected, a specific Northern Rock Bill: a narrowly focused, substantive measure specific to the case that consisted of a few clauses and could be effectively scrutinised in a day. Nothing prepared us for this 24-page Bill of 17 clauses and two schedules, which includes quite complex provisions of wide general applicability.

The Bill is not a measure targeted at dealing with Northern Rock, but one that allows nationalisation of other deposit takers—not only banks, but also mutual building societies. If we are asked to set aside our procedures for a specific emergency, the resulting measures must be targeted at that emergency. They must be concise, relevant and clearly necessary to the resolution of the problem in hand. Of course, we understand that it would be convenient for the Government to have legislation on the shelf to cover any future bank problem, but such standing legislative powers are for another day, with proper consultation and proper scrutiny. We cannot casually hand over to the Government a blanket power to nationalise banking institutions. If such a power is needed in a specific case, the Government must come to this House of Commons and justify it on a case-by-case basis.

Over the past couple of days, we have heard many references to the Rolls-Royce nationalisation by a Conservative Government in 1971. The legislation to nationalise Rolls-Royce consisted of a two-clause Bill, which was read for the first time on 8 February 1971 and given its Third Reading on 11 February 1971. The decision to act in that case was made expeditiously, the

legislation was concise and focused on the specific case in hand, and Parliament was able to scrutinise it properly—all very different from the present case.

Indeed, one might ask, "Where's the fire?" The problems at Northern Rock have been with us since September. The Chancellor has had a fairly laid-back attitude to the passage of time. He originally told us that the fate of the bank would be clear by Christmas, then he came back to us before Christmas and told us that it would be clear by the New Year. Here we are in February, and apparently there is now a pressing need to do everything in one day. Why? The shares are suspended. Depositors are able to operate their accounts normally. There are no queues around the block at Northern Rock branches. There is no threat to the stability of the UK financial system; the damage has already been done. In fact, there is no fire.

The Government have produced a relatively long Bill for an emergency measure, of general application, with a procedure by which the specific provisions, including very important ones, are in a draft order that is unamendable and, if the Bill is passed unaltered, is subject to the negative resolution procedure only. I ask the Chief Secretary for at least an assurance today—now will do, if she would like to intervene—that regardless of whether the Bill is amended, either here or in the other place, the Government will allow a full day's debate on the orders when they are laid, on the Floor of the House, in Government time. It would be an outrage if the detailed arrangements for the sequestration of private property, for the compensation of those who lost out as a result of that sequestration and for the transfer to the taxpayer of a contingent liability of approximately £110 billion were considered in just 90 minutes on a damp Tuesday morning along the corridor upstairs.

The melodramatic timetable has already created practical difficulties with drafting and tabling amendments, which we have had to do without hearing the Chancellor's presentation of the detailed rationale for the individual clauses. Outside bodies have had no opportunity to give their input to Opposition parties on the principles or, indeed, the drafting.

We now face a Second Reading debate of probably no more than three hours and a Committee stage of, at most, two and a half hours to consider a Bill that transfers liabilities of £110 billion to the taxpayer. That is about £650 a minute of Committee scrutiny—a rate of pay that would make even Ron Sandler's eyes water.

The result will be that even the few amendments that the Opposition have tabled will not all be debated, the vast majority of the Bill will not receive line-by-line scrutiny and, once again, it will be their lordships or, more probably—given the time constraints in the other place—the courts that have to deal with the inadequacies, imperfections, drafting errors and omissions that we shall inevitably miss during the travesty of a scrutiny process.

Mr. William Cash (Stone) (Con): Has my hon. Friend noticed that clause 2 contains a specific provision to exclude the courts when it appears appropriate to the Treasury to make such orders? In other words, the Government are trying to bypass the courts, too.

Mr. Hammond: My hon. Friend makes a good point. I am sure that he will elaborate on it in the debate.

We do not support the proposed nationalisation, but, if it is to happen, we want to ensure that the legislation is workable and as fair as possible; that Northern Rock will be managed without political interference; and that competition in the market will not be distorted. We want to ensure that the process is open and transparent and that Parliament is properly informed of the progress of the company in public ownership.

If the Government had those interests at heart, they would have done in their draft what we must now try to do through amendments: turn their warm assurances on arm's-length management, lack of political interference—a commitment that was made yesterday and broken within the hour by the appointment of Tom Scholar to the board of Northern Rock—and unfair competition into binding legislative constraints.

We are willing to work through the night tonight to ensure a proper Committee stage. We are happy to sit on Friday to deal properly with Lords amendments. However, an "emergency" apparently occurs only when it suits the Government to override parliamentary procedure, not when it risks Labour Members having to do a bit of a nightshift.

We signalled our willingness to co-operate on a timetabled passage of a Northern Rock nationalisation Bill. We did not—and, in conscience, could not—acquiesce in the procedure for a Bill of extended duration and broad application. Twenty-four clauses and two schedules cannot properly be scrutinised in this House in the time proposed. Inevitably, the burden will fall on the other place. That means that Lords amendments are likely to be tabled, which, again, cannot be scrutinised by this House in the single hour allotted for that purpose.

Taken together, the length of the Bill, its broad definition and the inadequacy of the time provided make the motion unacceptable. On the basis that the Government have our word that, if the business motion is defeated, we will not delay Third Reading in this House beyond 6 am tomorrow morning, and that we will deal with any Lords amendments returned to this House during the course of Thursday night and Friday morning, I urge my hon. Friends to vote against the motion.

3.53 pm

Simon Hughes (North Southwark and Bermondsey) (LD): As the House knows, my colleagues and I support the Bill because it was our idea in the first place. We argued some months ago that the House should have discussed such a measure. There is a debate about whether it could have been more narrowly focused; we understand that the argument is as much about parliamentary procedure as anything else. It would be better if the measure dealt only with Northern Rock, but I understand why it is probably procedurally necessary to have such a Public Bill, which does not suffer from the hybridity problems that could delay it here longer.

However, if we are to have this Bill, it must be properly debated, as I made clear yesterday. It is just not reasonable to ask the House to deal with everything today: Second Reading to debate the principle, the

[Simon Hughes]

Committee stage to consider amendments—people may have thought of them already or decide that they are appropriate when they have heard the main debate—then Report and Third Reading. It would be entirely possible, as well as compatible with what the Chief Secretary rightly said and we agree with—the Bill should be passed into law by the end of this working week, so that there is an end to the uncertainty and paralysis of Northern Rock—for us to give the Bill proper scrutiny. This House is regularly bounced into timetables on legislation that are not justified by the facts. It is quite possible to have an agreed programme for the Bill that would clear its stages in the House tomorrow, allow it to go to the Lords tomorrow and Thursday, and allow us to deal with it later, without the programme motion before us, as I made clear to the Leader of the House yesterday.

I have two final points. First, the Lords will certainly have amendments; it is not conceivable that on a Bill of such breadth there will not be amendments later in the week. That means that there will rightly be further work for the House of Commons to do. Therefore, it is further nonsense that we are giving ourselves just one hour to deal with any arguments that may emerge in the House of Lords, any of the points made and not answered, and any of the commentary made by the informed press, the City, the financial world, the shareholders, and people in the north-east and elsewhere. To think that we can do that work, with any amendments from the Lords dealt with, in one hour on Thursday is treating the House just disgracefully.

I ask the Chief Secretary, the Chancellor and the Leader of the House to respond to the mood not only on the Liberal Democrat Benches, but in all parts of the House. If we are going to take the business under the national umbrella, as we now have to, and ensure that the shareholders, investors, future investors and above all the taxpayer have a properly secured measure, the Bill may be allowed to go through, but not on this timetable. I hope that colleagues in all parts of the House will say no to the timetable and give this place a proper chance to debate the Bill.

3.57 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I support my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) and some of the comments of the hon. Member for North Southwark and Bermondsey (Simon Hughes).

This is truly a dreadful programme motion. It is consonant with all that the Government are about, and the nearest thing I can think of—the risible equivalent—is the Dangerous Dogs Act 1989, which served the then Conservative Government so well in the '80s. No case has been made that there is such a national emergency that we need the suspension of Standing Orders and the imposition of an intolerable guillotine by the Government on the House, by majority, to consider a matter of considerable national importance. Five months they have had to come to a determination; they now insist, according to their motion, that the House dispose of the business in about five and a half hours.

The other point, which has already been made, is the consideration of their lordships, if they make amendments. We now treat ourselves with contempt, when they have double the time in the House of Lords to consider such an important issue that touches on our national honour and that has brought this country's management of its financial affairs into some disrepute in the world. The Chancellor well knows this, the Treasury well knows it, and we well know it, too. The House is therefore required to consider, in proper and effective detail, the proposals contained in the Government's extraordinary Bill, which covers every bank in the country. No, no—this House should repudiate it.

I say this to Labour Members: it is all very well thinking that a majority is sufficient to justify the actions of the Government, but this House is increasingly becoming a place merely of announcements. We are expected to be pulled by strings and say, "Hail! Hail!" That is absurd. This is a debating chamber. This matter touches on very important issues, and the Government's motion is a corruption of the processes that we have. If they go on like this, they will be denying legitimacy to the very measures that they seek to secure.

3.59 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): Let me make it quite clear that I approve wholly of the Bill. I support the principle and the political implications behind it, because I believe that they are not only necessary, but in some measure overdue. However, it would be wrong for the House of Commons just to accept such a programme for a Bill of such complexity without registering that we should not be bounced, as the hon. Member for North Southwark and Bermondsey (Simon Hughes) put it, into accepting timetables. The House itself has limited its activities by passing rules that give us the sort of procedures that consistently and continually timetable Bills.

The privileges of the House of Commons were not easily won, and nor are they to be discarded after many hundreds of years simply because it is convenient for the Executive of any particular Government party. However, it is therefore the responsibility of every individual Member of Parliament not simply to accept whatever they are presented with. If the debate breaks down along the easy and comfortable lines of party privilege and party view, we not only underplay the role of Members of Parliament but frequently discard the implications and responsibilities associated with being Members of Parliament.

I do not think that this programme motion is defensible. It has not been properly thought out, and I think that it will prove difficult to pursue in the way that the Government want. However, my views have been activated by something much stronger and deeper. If the House of Commons consistently accepts limits on its ability to debate legislation, irrespective of the content of that legislation, on the spurious ground that it is important that we proceed in a particular number of hours and minutes, we shall be responsible for the poor quality of legislation on the statute book. The House of Commons, and not just the Government, will then be responsible for accepting second best, because we are too lazy and, if I may say so, too happily unaware of the implications of our own actions to do anything to reverse them.

The Government are wrong to pursue this timetable for a Bill that has very large implications and is quite

complex. I regret the fact that Members of Parliament on both sides of the House now accept that they should be directed as to the times and the ways in which they debate legislation. I believe that the result will make the United Kingdom a poorer nation.

4.3 pm

Mr. John Redwood (Wokingham) (Con): I rise to speak because I see a disturbing trend: the way in which this legislation is being handled is reminiscent of how European legislation is handled—*[Interruption.]* Labour Members should listen carefully to this, because it is about Parliament, accountability and creating better legislation.

I rise to speak in defence of the Committee stage. All Members with experience in the House will know that the Committee stage provides an opportunity for Members of all parties who are interested, have experience or have been well briefed by outside interests to come to the Committee and make their contribution in order to help the Government to get the legislation right in their own terms.

Obviously, I speak as someone who disagrees with what this legislation is trying to do. However, were there to be a proper Committee stage, I and people like me would be able to join in and to try to get the words and clauses right in order to do what the Government want to do, having vented our anger on Second Reading about what they want to do. In order to have proper Committee proceedings, there has to be a gap between Second Reading and the Committee. I appreciate that in this case, the gap might have to be rather short, for reasons that Ministers have set out, but there could have been a gap so that we could have heard first, on Second Reading, what the Government were trying to achieve, after which those interested could have tried to help the Government pick their way through in Committee.

When I was a Minister putting legislation before the House—I did so relatively infrequently, because I do not think that legislation is a very good idea on many occasions—I was always very grateful for the Committee stage, and for the contributions made by some serious-minded Labour Members. I did not think that I and the draftsmen and women working for me in the Department had a monopoly on all wisdom, so it was helpful to have interested and well-briefed people making suggestions in Committee and trying to get the measure right.

As the House knows, we get only an hour and a half in Committee to debate huge chunks of constitutional treaty, and we are going to get only two and a half hours this evening, if the motion goes through, on an extremely complicated Bill that has implications for the country's whole banking sector. I urge the Government to think again. The Committee stage is crucial. Members of Parliament need a chance to talk to people outside the House who have real expertise in these areas, and Members with expertise in their own right need the chance to marshal amendments and bring them to the Government's attention. We need to table probing amendments to see whether the Government have got it right and we need to table amendments to help them get it right. That has not been possible in this case. Will the Government please think again?

4.5 pm

Mr. William Cash (Stone) (Con): I endorse what my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) and my right hon. Friend the Member for Wokingham (Mr. Redwood) said. The question before us is very simple. The Bill does not have the urgency that the Government seem to claim for it by the means of its introduction, but they are railroading a series of parliamentary conventions. In introducing retrospective legislation, the Government are in fact trying to avoid the prospect of introducing a hybrid Bill by transferring the provisions over to a hybrid instrument—if that is what it turns out to be—while dealing with the matter in a way that will bypass the courts if they can possibly get away with it.

All those are matters that require proper consideration in themselves. It is absolutely and abundantly clear that House procedures and conventions on taxation are being overridden by the way that the Government are proceeding. By denying this House and thereby the people affected in the country through the methods that they are employing, all the Government are doing are bringing themselves into total contempt.

4.7 pm

Yvette Cooper: Let me respond briefly to the points that have been raised, which I have listened to very carefully. The hon. Member for Runnymede and Weybridge (Mr. Hammond) made points that should really be raised on Second Reading. He will have the opportunity to raise them then.

I hope that hon. Members will recognise that the Bill is being introduced in very unusual circumstances. It will allow us to deal swiftly, by order, with the position of Northern Rock, and it is right that we are able to do so. Northern Rock shares were suspended yesterday morning, and it is a bank that has faced a series of problems with implications for the financial stability of the banking system. It is also a bank in which the taxpayer has an important and legitimate interest, so it is right that the circumstances surrounding this bank should be resolved as swiftly as possible. Those in the bank, creditors, depositors and so on should have certainty and clarity about who the shareholders are and what the direction of the bank should be. It is important to resolve those issues as swiftly as possible, so I hope that hon. Members will recognise these unusual circumstances and understand that the House needs to respond to them. We need to respond swiftly, now that shares have been withdrawn, in order to be able to put the bank on a proper longer-term footing as rapidly as possible.

Finally, the hon. Member for Runnymede and Weybridge effectively asked for a hybrid Bill to deal just with the circumstances of Northern Rock. Any hon. Member who sat on the Committee considering the Crossrail Bill—our most recent hybrid Bill—would not regard it as a Bill that came through the House rapidly to deal with problems that needed to be addressed rapidly.

I hope that hon. Members will take this issue seriously and bear in mind that there is a sunset clause on the main powers in the Bill and that we will have an

[Yvette Cooper]

opportunity to debate at great length in the usual way the proper reforms that will be made to the banking system. We shall do so in the proper way through the revised Bill that will replace these powers. I support the motion.

Question put:—

The House divided: Ayes 291, Noes 223.

Division No. 80] **[4.9 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Etherington, Bill
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Iranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne

Goulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Siobhain McDonagh and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Lewin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Jeremy Wright and James Duddridge

Question accordingly agreed to.

Orders of the Day

Banking (Special Provisions) Bill

[Relevant document: The Fifth Report from the Treasury Committee of Session 2007-08, The run on the Rock, HC 56.]

Order for Second Reading read.

4.23 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): I beg to move, That the Bill be now read a Second time.

As the House knows, the powers in this Bill are necessary to take Northern Rock into a period of temporary public ownership and the Bill is a general one. The reason for its being general is that it contains provisions that could be applicable in other circumstances, but I made it clear yesterday, and I make it clear today, that it is being introduced now only because there is a need to enable the Government to take Northern Rock into that temporary period of public ownership and it is essential that we proceed quickly.

The hon. Member for Runnymede and Weybridge (Mr. Hammond) asked why the Bill was urgent. I listened to the Opposition complaining yesterday that we should have introduced this legislation some time ago, so for them now to say that it is not urgent and that we do not need to make any haste seems complete nonsense, although it is in line with the attitude that they have taken on every other aspect of Northern Rock so far.

It is an obvious point, but now that the Government have made their intentions clear, it is important that legal ownership and certainty of authority is given to the board as quickly as possible, which is why we need Royal Assent to the Bill—[HON. MEMBERS: "Why?"] It is because it is impossible to run a bank, let alone any other company, unless it is clear who is in charge of that bank and who is running it—*[Interruption.]*

Mr. Speaker: Order. Hon. Members must not shout.

Mr. Darling: Shouting is all they are good for at the moment: they certainly have not come up with any good ideas.

Several hon. Members *rose—*

Mr. Darling: I will, as I usually do, give way to as many Members as possible, but because this is a timetabled debate I intend to make progress so as not to detain the House too long.

Mr. John Redwood (Wokingham) (Con): Can the Chancellor give us an indication of how long it will take to value the bank and therefore how long it will take to transfer the shares if the Bill goes through this week?

Mr. Darling: If the Bill is approved, the necessary order will be laid to make that transfer. As I shall say when we reach the relevant part, the Bill makes provision for compensation to shareholders under the terms and conditions that I made clear. In addition, the timing is clearly laid out.

Mr. William Cash (Stone) (Con): Will the Chancellor deny that in clause 2 there is an attempt to override challenge in the courts? The provision that "it appears...to be" necessary for the Treasury to take certain actions seems to be an attempt to bypass the courts. Does he agree?

Mr. Darling: No, I do not.

The hon. Member for Runnymede and Weybridge also made the point that the Government are consulting on longer-term legislation to make more substantial reforms to the banking system, and I believe that that has general support in the House. We are consulting on that because it is important that we get the detail right. Legislation will be introduced thereafter. Some clauses may be closely followed in that future legislation, and they are necessary not only to allow us to acquire the shares in the bank, but to deal with it after acquisition, with a view to returning it to the private sector.

Stewart Hosie (Dundee, East) (SNP): The Chancellor makes the point about consultation on changes to the banking regulatory framework generally. He has said that that would require primary legislation and take some months. Does he not think that it is odd that we will nationalise Northern Rock if this Bill is passed in the next few days, but the framework that allowed its collapse is still in place? Should he not have taken emergency measures to bring forward more quickly the changes to the banking regulatory framework, perhaps at the same time as this legislation?

Mr. Darling: If I had included in this Bill legislation to amend the Financial Services and Markets Act 2000, it would have been a formidable Bill indeed, because that is a very long piece of legislation. It is important that we continue with the consultation that we launched in January on some of the more far-reaching and radical reforms to the regulatory and supervisory system of banks and other financial institutions, with a view to introducing legislation in the remaining part of this parliamentary Session, so that we can get it onto the statute book as soon as possible. Today's legislation, which is being introduced now because of the particular circumstances that we face, is necessary, as I hope to be able to demonstrate when I get to the detail of the provisions. I wish to say a word about competition, because that issue has been raised by Members on both sides of the House, and it is a perfectly legitimate concern.

Mr. Philip Dunne (Ludlow) (Con): The Chancellor has just referred to the consultation document that he published only last month, which referred to the Government's proposals to bring forward legislation after consultation to cope with financial stability. What perplexes Opposition Members and those watching from outside the House is that the legislation that we are discussing, particularly clause 2(2), covers the maintenance of stability in the UK financial system. It goes far wider than the narrow issue of Northern Rock. Is that not in direct conflict with the document that he published last month, which will require extensive public consultation?

Mr. Darling: It might have been tempting to have a Bill that simply had one clause saying, "Let's nationalise Northern Rock." It is just not possible to do that. As

hon. Members are aware, the procedures of this House require that for a specific Bill on one institution we adopt a procedure that can take some years rather than a matter of days. It is because of the urgency of establishing the certainty that the board needs in order to run the bank—it is a bank and it is important that the board has that authority and certainty—that we need that legislation. I have said on previous occasions that I think that we need to make more substantial reforms to the banking and supervisory system. We also need to learn from what is happening in different parts of the world, as systems in many countries have been found to be in need of reform. To carry on with that consultation is important.

Mr. John Greenway (Ryedale) (Con) *rose—*

Mr. Darling: Let me say what I have to say about competition, and we will then see what the hon. Gentleman has to say. I think that he raised the matter yesterday.

I recognise that banks and building societies want to be assured about the impact on competition of taking Northern Rock into public ownership. We intend to hold discussions with the British Bankers Association, the Building Societies Association and the Council of Mortgage Lenders before the final business plan is submitted to the European Commission for state aid approval.

Just as protecting the taxpayer has been one of the key principles of our actions and decisions over the past few months, one of the key features must be to ensure that we have the proper approach to Northern Rock in future. Although we will not be involved in the day-to-day management of Northern Rock, we will need to approve its business plan, as I said yesterday. We want to ensure that it is prudent and sensible and that it protects the interests of the taxpayer. We also want to ensure that it avoids distortions.

If the business plan were built on taking advantage of the temporary Government support, it would not be consistent with our general aim of running the bank so as to reduce and remove that level of support. I hope that that provides the House with some reassurance that we do not want the bank to compete unfairly or distort competition. As I say, we will have discussions with some of the banking and building society associations before we submit the proposals for state aid approval, which we have to do by the middle of the month.

Mr. Greenway: I am grateful to the Chancellor for giving way, and I am particularly grateful that he is addressing the question that I put to him yesterday. There is concern and nervousness in the banking and building society community, and I am sure that what he has just said will be studied carefully. May I link this point to the one that he was making about the need for supervisory reform? Between now and the reform of the Financial Services and Markets Act, the Financial Services Authority will have to monitor the solvency of all the smaller lenders. Will he therefore ask the FSA to monitor the impact on the market of any commercial or competitive advantage that accrues to Northern Rock as a result of nationalisation? Whatever reassurance he gives the House, the public might have a different view.

Mr. Darling: I appreciate the hon. Gentleman's point. That is a concern that we need to address. I met the chief executives of some of the major banks fairly recently and they expressed that concern. They recognise that the Government have to ensure that Northern Rock can continue to trade and conduct business. The alternative to managing it through the proposed process is to wind it down. As I said yesterday, it would be far better to allow it to carry on trading. That means that it has to be able to compete, but it would obviously be wrong if it did so unfairly, taking advantage of the support that it has. As I have said, our aim is to reduce the amount of support. It will eventually be removed, but that has to be consistent with the business plan that Ron Sandler, as executive chairman, is working up.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): The whole House will appreciate that there is much less uncertainty in the city of Newcastle today than there was three days ago, especially among the work force, but a lot of anxiety remains. My right hon. Friend mentioned the business plan, but people who work for Northern Rock, and others, have asked me the following question: what will be the public sector company's repayment schedule to the Treasury on loans that have been issued? If he cannot answer me today, will my right hon. Friend say when people in Newcastle can expect to know, at least in broad terms, what the Government's expectations will be?

Mr. Darling: My hon. Friend is right to ensure that we keep the concerns of people employed by Northern Rock at the front of our minds. It is an uncertain time, and has been since the company got into difficulties last September. Ron Sandler and his team will be drawing up a business plan which, among other things, will look at how the business can be managed so that the sums due to the Government, and in particular the lending supplied by the Bank of England, can be repaid.

I understand people's frustration, and that they want to make progress as quickly as possible, but that is all the more reason to get the authority that the new team need. However, as I have said, the business plan has to be ready for submission to the European Commission by the middle of March. It will have to be prepared in fairly short order, but we will be able to address the implications with a bit more certainty when that work is completed.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): I want to pursue the point raised by my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson). The Chancellor has made his position very clear, but less than a fortnight ago the Government were saying that the bond issue that they were then considering to support the private sector options would have to be repaid within one to three years. Will that limitation stake out the terms for Mr. Sandler's work, or will he be able to come up with some different options?

Mr. Darling: We will have to see what he proposes and why, but one hurdle to be overcome is the fact that whatever we do must comply with European rules on state aid. In general terms, and for understandable reasons, those rules mean that state aid support cannot be carried on indefinitely. The EU is also dealing with the actions that have been taken by other member states—for example, Germany has also been helping its banks—and will want to ensure that the rules are applied

[Mr. Darling]

consistently. Such matters will be dealt with in the business plan. As I said, we will not have to wait too long for it, as we have to submit it by the middle of March.

I want to add one other thing, in anticipation of what Opposition Members may say about the board. The hon. Member for Runnymede and Weybridge made a remark about a civil servant who is a member of the board, but we have appointed Ron Sandler because of his formidable experience, much of it gained when he restructured Lloyd's of London. He in turn appointed Stephen Hester, who was chief officer of the Abbey National building society. Philip Remnant is chairman of the Shareholder Executive, which advises the Government on their remaining shareholdings, and so his appointment is not surprising. Mr. Scholar will be on the board for an initial transitional period. It is proposed that the Treasury will have the option of appointing two people, but that is not surprising when one considers Northern Rock's indebtedness to the public purse. It is important that the Treasury has that option, but the full board membership will be announced in the next couple of days or so. I believe that the board will be able to restructure and refocus the bank in the way that is necessary.

As for the Bill, clause 1 defines the class of institutions that could be acquired. In practice, it means that they have to be incorporated here or regulated by the Financial Services Authority. However, the powers can be exercised only in what I regard as exceptional circumstances and a pretty high hurdle has to be passed. Those circumstances, which are set out in clause 2, include a serious threat to the financial system—so serious that the Treasury considers that the exercise of the powers is necessary—or conditions under which significant financial support has had to have been provided beyond the Bank of England's lender of last resort functions. The Treasury has had to have underwritten that support and notified it to Parliament under the existing conventions. Both of those conditions were met in the case of Northern Rock, but they are exceptional. There must be a serious threat to the stability of the financial system before the powers are exercised. That is a high test to be met, and the action must be proportionate. The Treasury must consider alternatives. The circumstances go way beyond simply a threat to depositors.

In relation to public support, the scale of assistance necessary has to be such that it could not be met by the Bank of England in the normal course of its support operations. It would have had to be underwritten by the Government and then reported to the Public Accounts Committee and the Treasury Committee, which is what we did in relation to Northern Rock. I assure those Opposition Members or any Members of the House who are concerned that the Bill gives us the arbitrary power to act that it does not do so. Only in defined and what I regard as exceptional circumstances would it be possible to use the power in the Bill to acquire the shares or other assets of a financial institution. Clause 2 is important because it erects what I regard as a high hurdle that the Government must cross before they can proceed further.

Mr. Edward Leigh (Gainsborough) (Con): The Chancellor may recall that when I informed him that the Comptroller and Auditor General was instituting a review of the costs of the rescue, he assured me that fees paid to Goldman Sachs and other advisers would be covered by Northern Rock. As Northern Rock is effectively now to be nationalised, will not those fees now be paid by the taxpayer? According to *The Times*, the total fees could amount to £100 million.

Mr. Darling: As I think I also said to the hon. Gentleman, and if I did not I will say it now, when we know the total costs that we have to deal with, we will report them to the House in the normal way. It has been necessary in the exceptional circumstances of Northern Rock for us to take advice. People would expect us to do that, especially in relation to Goldman Sachs, in trying to find a private sector—

Mr. Peter Bone (Wellingborough) (Con): Will the Chancellor give way?

Mr. Darling: I would like to finish answering the first question before I go on to the next one, and I do not think it is unreasonable to do so.

Mr. Stephen Dorrell (Charnwood) (Con): Will the Chancellor give way?

Mr. Darling: I will give way to the right hon. Gentleman and then I will make some progress.

Mr. Dorrell: The Chancellor has laid great stress on the fact that the circumstances have to be exceptional to satisfy the tests set out in clause 2. Can he confirm, however, that in clause 11 the Bill gives him the power to grant financial assistance to building societies independently of the exceptional circumstances on which he has just laid such stress?

Mr. Darling: The right hon. Gentleman is right. I will come on to clause 11, which deals with a different issue. Clause 2, which is the precursor to the exercise of powers under clauses 3 or 6, presents a significant hurdle that must be overcome, as I hope that the right hon. Gentleman will accept. Clause 11 deals with a slightly different set of circumstances, and I will explain why.

Several hon. Members *rose—*

Mr. Darling: I will give way to the hon. Member for Hexham (Mr. Atkinson) and then I will make some progress. I may well be able to take the other interventions as well.

Mr. Peter Atkinson (Hexham) (Con): Can the Chancellor explain something to me? Why was it not possible to introduce a one-clause Bill because it might be hybrid, when it was possible to introduce a short Bill in 1971 called the Rolls-Royce (Purchase) Bill?

Mr. Darling: I am not immediately acquainted with the rules and procedures of the House of Commons back in 1971. I do know the rules and procedures in 2008. I am endeavouring to explain by going through the Bill in some detail why we need its clauses. Of course it is open to the House to decide that we do not, but we need to make sure that we have adequate provisions

to take over this bank, operate it and transfer it back into the private sector. That is what we want to do.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Will the Chancellor give way?

Mr. Bone: Will the Chancellor give way?

Mr. Darling: I am going to make some progress and then I will take some further interventions.

Clauses 3 and 6 will give the power to transfer shares, property or other securities. Clause 3 deals with the transfer of securities. Securities can be transferred to the Bank of England, to a nominee of the Treasury or Treasury solicitor or to another private sector body—in other words, another bank or building society. The power is extremely important, and a similar power may well find its way into future legislation, because it allows us either to take the shares into Treasury control or to transfer them to another private sector body.

Clause 6 will allow the transfer of property rights and liabilities in cases where one wants to remove part of a bank that has got into difficulties and transfer it to another bank. It is the sort of bridge facility that the Governor of the Bank of England has mentioned on many of the occasions when he has appeared before the Treasury Committee. Clauses 3 and 6 contain precisely the sort of power that the Opposition seek to promote, in so far as I understand their position. I therefore hope that they can support those two clauses at least. Clause 8 provides for further transfers following a transfer to the public sector, and is designed to give some flexibility in restructuring the business.

All the powers are necessary. No matter where parties or individual Members of this House stand on the question of public ownership, there is nearly universal agreement that it can be only a stepping-stone to transferring the business back into the private sector. The clauses to which I have referred are necessary to transfer ownership from Northern Rock and clauses 8 and 9 allow transfer back to the private sector. Opposition Members such as the hon. Member for Hexham (Mr. Atkinson) have asked, "Why can't you do it all in one clause?" The answer is that we need to provide powers to acquire the bank, to run it and then to transfer it back into the private sector. That is how the Bill is structured.

Mr. Hugo Swire (East Devon) (Con): Is the Chancellor exposing the Government to a legal challenge by existing shareholders if the compensation offered to those shareholders by the Government is at variance with the price achieved by the Government—and, effectively, by the nation—once the bank is re-privatised?

Mr. Darling: I will come to compensation shortly, but first I will conclude my point about how the Bill is structured. If it had been possible to have fewer than 17 clauses, there are many reasons why the Government might have tried to ensure that, but it is necessary for the Bill to contain powers not just to acquire Northern Rock but to run it and then transfer it back into the private sector.

On the question of compensation—

Greg Clark (Tunbridge Wells) (Con): Will the Chancellor give way?

Mr. Darling: If it is a question on my previous point, I am happy to answer it before I go on to compensation.

Greg Clark: As we now know that the cost of the advice received by the Government is likely to fall on the taxpayer, will the Chancellor undertake to publish that advice so that we can judge its quality?

Mr. Darling: The Government have received all sorts of advice on the matter. As I said at the weekend, I will consider when and how it is appropriate to put the right information in the public domain.

Mr. Henry Bellingham (North-West Norfolk) (Con): Will the Chancellor give way?

Mr. Darling: No, I am going to discuss compensation, because hon. Members have asked about it.

Mr. Bellingham: Will the Chancellor give way before he moves on?

Mr. Darling: I am not giving way; I do not know how to put it more clearly. I want to turn to the question of compensation. If there is time at the end, I will give way to the hon. Gentleman, as he is a regular attendee at such debates.

Compensation is provided for in clause 5. As I said yesterday and in my statement to the House on 21 January, compensation will be decided by an independent valuer. The Bill provides for the appointment of that valuer, but it does so on the basis that the valuer must assume that financial support provided by the Bank of England and the Treasury has been withdrawn and that no further public financial support will be given, apart from the ordinary market support that banks may receive from the Bank of England.

The reason for that is simple. If we had not intervened last September, the bank would have gone under. It would have gone bankrupt. It would be unfair to the general taxpayer, therefore, to calculate compensation on the basis that the bank is continuing as a going concern purely because of public support. We have to strike the right balance between what is right for individual shareholders and what is right for the general taxpayer. I think, though I may be wrong, that there is all-party support for that.

Mr. Graham Brady (Altrincham and Sale, West) (Con): The Chancellor makes the important point about achieving fairness for the taxpayer. Obviously that will be achieved only when the bank is transferred back into the private sector. What are the criteria that he would expect to be fulfilled for that to happen?

Mr. Darling: Again, much depends on the business plan that is to be prepared. As the business plan progresses, the Government will have to reach a judgment as to when it is right—when it is the best value for the taxpayer in terms of getting the Bank of England money repaid—to do so. That judgment will

[Mr. Darling]

have to be reached further along the line. I cannot tell the hon. Gentleman when exactly that will be. I have made it clear, however, that the business plan will need to set out the direction in which the company is to proceed. I have also made it clear on many occasions that the measure can only be a stepping stone before the company is returned to the private sector.

Mr. Christopher Chope (Christchurch) (Con): Does the Chancellor accept that if the board of Northern Rock had known the terms on which the Government are setting out compensation back at the time that it received Treasury and Bank of England assistance, it might well have declined that assistance because it thought that it would lead to confiscation of shareholder value?

Mr. Darling: I do not know on what basis the hon. Gentleman can make that claim. The board's position last September was rather more stark. It had reached a situation where it could not continue because it could not raise the billions of pounds that it needed in order to continue trading. That is why the board came to the Bank of England for lender of last resort support. That was in the forefront of its minds. The then board would have taken legal advice as to what it ought to do and what its options were. That is a matter for the board, but as I have said on many occasions, by the end the company did not have much choice because it was so exposed. When the difficulties arose in the financial market, the board had little alternative but to come to the Bank.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Clause 9(7), dealing with provisions for compensation, includes

"power to make different provision for different cases or circumstances".

Is it the intention of the Chancellor that different classes of shareholders might be compensated differently?

Mr. Darling: That might be difficult. Shareholders are shareholders, and it is difficult to discriminate between one and another. What we want to do is to try and put in place a compensation scheme that allows as much fairness as possible, consistent with the problem that the bank had run out of money and is trading today only because of Government support. We hope that as it is restructured and refocused, it can recover its position. At this stage, in the absence of the business plan, we must wait and see what the new management proposes.

Mr. Kevan Jones (North Durham) (Lab): My right hon. Friend will be aware that many of the small shareholders are former employees of Northern Rock who saved in the company savings plan at their retirement. If the Government had not interceded last September, is it not the case that those shareholders would have got nothing, and that they would likewise have got nothing if we had followed the barmy suggesting of putting the bank into administration?

Mr. Darling: My hon. Friend is right. Had the Government not agreed to the Bank of England intervention last September, Northern Rock would have gone under. It had simply run out of money; it could not raise the money that it needed. If that had happened, not only would employees and shareholders have been affected, but depositors would have been put at risk. We have always made it clear that the reason why we intervened was, first, to ensure financial stability—the first and foremost duty of any Government—and, secondly, to assure the savers and depositors. We also had to have regard, quite rightly, to the interests of the taxpayers, and we have been doing that.

I have said on many occasions that to have put the bank into administration would have been a huge mistake. It would have crystallised the losses, which would have had to have been met by the taxpayer, and it could have provoked a fire sale. I am not alone in thinking that; the hon. Member for Tatton (Mr. Osborne) said something very similar last November.

Mr. Swire: I am grateful to the Chancellor for giving way again. What discussions did he have at the time with Paul Thompson on the new management proposal? He and his team had raised £700 million—£500 million from existing shareholders, and another £200 million from the Tyne consortium in the United States. What discussions did the Chancellor have with them at the time?

Mr. Darling: I do not think that I have had any discussions with Mr. Thompson. In relation to the Northern Rock board and the Virgin consortium, they had discussions with Treasury officials and others about their proposals. As I said in my statement yesterday, both their proposals were considered and both were judged against the option of a temporary period of public ownership. As I said yesterday, the best value for money is the course of action that I am putting forward today.

Mr. Hands: Will the Chancellor give way?

Greg Clark *rose—*

Mr. Darling: I shall not give way; I have done so fairly generously.

I hope that I have outlined to the House the way in which the Bill is structured. I readily recognise that no matter what I or anyone else might say, the Conservative party is against this proposal. I am not entirely sure, and I do not think many people outside the House are, about what exactly its proposal is. Its whole approach throughout this whole affair has been muddled, confused, opportunistic and without any solution whatever.

We are proposing a course of action that will maintain financial stability. It will support the savers and give a chance for the company to be refocused and restructured. However, above all it is a proposal that supports the interests of the taxpayer, which must be first and foremost. I commend the Bill to the House.

4.57 pm

Mr. George Osborne (Tatton) (Con): Thank you, Mr. Deputy Speaker—*[Interruption.]* The hon. Member for Blyth Valley (Mr. Campbell) should calm down.

Today we debate all stages of a Bill that will give the Government, for the next year, unprecedented powers to take into public ownership any bank or building society. We are also to debate the particular application of the Bill to Northern Rock. Having listened to the Chancellor for the last half hour, one could forget that for five months he and the Prime Minister had done everything possible to avoid the course of action that the Chancellor is recommending this evening. Even after his half-hour speech, we still do not know the simplest things about the Bill. For a start, we do not know how much we are buying the bank for. We do not know what we are buying in terms of its assets and liabilities, nor how long we are buying it for. What do the Government plan to do with it once it has been bought?

I know that the Prime Minister has a long record of doling out public money with no regard as to how it is spent, but even by his standards this is a huge blank cheque. Let us go through the questions in turn. First, what are the Government going to pay for Northern Rock? We are told that that will be decided after we have bought it, which is certainly an unusual approach to buying something. The Chancellor hopes—I stress "hopes"—that the shares will be valued as all but worthless. However, as he knows full well, the hedge funds will fight tooth and nail through the courts for £4 a share, which would leave the taxpayer with a bill just shy of £2 billion. He can give the House absolutely no assurance that he will be successful in persuading either an independent valuer or the courts to agree with his valuation. When the House passed the British Leyland Act 1975, the cost to the taxpayer was limited in the Bill to £265 million. There are precedents in nationalisation Bills for putting a limit on taxpayer exposure in terms of the amount of money that the taxpayer will pay for initial purchase of the company.

Frank Dobson (Holborn and St. Pancras) (Lab) *rose—*

Mr. Osborne: I give way to the right hon. Gentleman, who probably remembers the British Leyland Act.

Frank Dobson: Would it be the policy of the Conservative party to support a court action by the hedge funds to get compensation that they do not deserve?

Mr. Osborne: I certainly would not support such a court action. I personally believe, as indeed the Chancellor believes, that the shares are virtually worthless, and without the Government support in September they would not be worth anything.

I hope that the Chancellor succeeds in achieving this objective, but he has no way of assuring us that he can do so. Let us be clear; some of the hedge funds that we are dealing with specialise in taking Governments through the courts for years in order to achieve the maximum return. I was told a story about one of the hedge funds involved, which finally ended up seizing the aircraft of the Argentine state airline in lieu of defaulted Argentine Government bonds that it had bought on cheaply from other banks. We are dealing with a lengthy process; this is the beginning of a long period rather than the end of one.

Mr. Leigh: Will not the courts take the view, sadly, that the shares have an obvious value, which is the value that was proposed by Virgin, so the figure of £2 billion that my hon. Friend mentioned is quite possible?

Mr. Osborne: My hon. Friend is right. A whole range of different sums could be agreed on by the independent valuer, and I am sure that my hon. Friend's Committee will want to take a close look at this matter given its concern for the use of public money. The key point is that we do not know how much we are buying the bank for and how much we are being asked to shell out at the end of this debate.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): The whole House will be pleased that the hon. Gentleman has put a value of precisely zero pounds sterling on the shares of Northern Rock—we have heard that very clearly from the Conservative Front Bench. Is that the value at which, in his nutcase scheme, he would transfer them to the Governor of the Bank of England so that he could conduct a fire sale for him?

Mr. Osborne: I know that the hon. Gentleman is an expert on giving mortgages to people who cannot get them through normal channels. However, let me deal with his first point. I agree with the Chancellor of the Exchequer and, I think, with the deputy leader of the Liberal Democrats, that we have to accept, I am afraid—it is not a happy story for many small shareholders, particularly those in the north-east of England who received shares when the bank demutualised—that the value of the shareholders' shares is very low, and they would be worthless without the Government support back in September.

Let me be clear about our proposal for a Bank of England-led reconstruction, which the hon. Gentleman mentioned in derogatory terms. That is exactly the procedure that we are all going to be asked to vote on for future bank rescues. I make a heady prediction that he will be trooping through the Lobby to support Bank of England-led reconstruction, which, by the way, would not double the liabilities of the taxpayer, as nationalisation will, would mean that the taxpayer comes first in the queue rather than last, and would not mean that the rest of the world looks to Britain and says, "This is the country where they have nationalised a high street bank."

Mr. Kevan Jones: I am listening closely to the hon. Gentleman. Is he saying to those small shareholders in the north-east that he would give them no compensation whatsoever?

Mr. Osborne: I am saying that I agree with the hon. Gentleman's Chancellor of the Exchequer that the value of those shares is, I am afraid, very small. It will be a decision for the independent valuer, but I am afraid that they would not be worth a great deal without the support that the Government gave in September. I am afraid that the hon. Gentleman had better break the news that this is the approach that the Government have taken. By the way, Bank of England-led reconstruction would mean that at the end of the process, once the taxpayers got their money back, there was at least a possibility that something would be left for the shareholders. I suspect that that will not be the case if we go down the route that he will vote for tonight.

[Mr. George Osborne]

Not only do we not know what we are paying for this bank, but we do not know what we are buying into. We know that nationalisation will double the exposure of the taxpayer from £55 billion to £110 billion—£3,500 for every taxpayer—but the Government simply refuse to tell us how risky that exposure is. The Chancellor did not tell us today, either. All he says is that the FSA judges the bank's loan book to be of good quality. He said that last September, and says the same thing now, even though the prospects for the housing market have deteriorated markedly since then.

We know, however, that the independent rating agencies disagree with the Chancellor's assessment. Standard and Poor's says of Northern Rock's mortgage securitisation that the losses are rising and repossessions are on the way up. We also know that Northern Rock wrote more mortgages than any other bank in Britain at the top of the housing market. We know that it offered 125 per cent. mortgages when most of its competitors thought that such mortgages were too risky. We are told that, as a result, Northern Rock is repossessing more homes than any other major bank in Britain. The least we should have from the Government before we vote on this Bill is an honest and independent audit of what we are being asked to buy.

Will the Chancellor tell us how many bad loans there are? What is the default rate? What is the pension fund deficit? The private sector bidders know those things; they were told. But the public sector and Parliament, which are being asked to buy the bank, know none of those things. Surely that is not an acceptable state of affairs. We are entitled to know what we are buying.

Mr. Bellingham: My hon. Friend is making an absolutely vital point. Does he agree that it is strange, to say the least, that the Chancellor did not tell the House the level of Northern Rock's unsecured debts? Surely he should have told the House that, because we do not have a figure for it.

Mr. Osborne: My hon. Friend is right in the sense that we have not heard anything from the Chancellor about the general state of Northern Rock's mortgage book beyond his bland assessment, repeated month after month, that it is in a good state. That is not what the credit rating agencies are saying.

My hon. Friend the Member for Gainsborough (Mr. Leigh), the Chairman of the Public Accounts Committee, said that we do not know how much we will be paying for the various City fees that have racked up while we have been waiting for the Prime Minister and the Chancellor to make a decision. We know that Mr. Sandler is going to be paid more than £1 million a year, but we do not know what the total bill for the advisers will be. I think that the Chancellor said, in answer to my hon. Friend the Member for Gainsborough, that he would publish the fees at some point—I hope that he did; I shall have to check *Hansard* tomorrow. I hope that that is the case, and that he does not just publish the fees for Goldman Sachs; hon. Members may not realise it, but we are paying the banking fees of Olivant, Virgin and Northern Rock. Once they became preferred bidders, Northern Rock agreed to pay their advisory fees, and that is how we get to the £100 million figure on the front page of some of the newspapers.

Let us be clear: the consequence of nationalisation is that the risk of every Northern Rock loan defaulted on, of every Northern Rock mortgage that cannot be repaid, of the pension deficit and of those City fees will now be borne by the taxpayer.

Mr. Jonathan Djanogly (Huntingdon) (Con) *rose—*

Mr. Cash *rose—*

Mr. Osborne: I shall give way first to my hon. Friend the Member for Huntingdon (Mr. Djanogly).

Mr. Djanogly: Would my hon. Friend agree that the fees incurred so far would be dwarfed by the litigation fees that may arise if the shareholders are not sorted out quickly?

Mr. Osborne: As my hon. Friend is a very successful solicitor, I am sure that he did not need to declare an interest. He well knows the substantial fees we all have to pay for good legal advice. I now give way to my hon. Friend the Member for Stone (Mr. Cash), who also has some expertise in this area.

Mr. Cash: I do not know whether my hon. Friend will reach clause 10, which is entitled "Tax consequences", but does it worry him that the arrangements that it sets out constitute carte blanche, especially given the width of the orders,

"in connection with...or in consequence of"

the transfer of property and so on, and the fact that the

"provision that may be made by the regulations includes provision for or in connection with...a tax provision not to apply"?

In other words, clause 10 could lead to no tax being paid and total tax relief being given in all the circumstances that the provision outlines.

Mr. Osborne: I think that my hon. Friend's interpretation of clause 10 is right. When we went through the technical details of the Bill, we asked Treasury officials about the clause and we were told that the reason for it was to avoid any perverse tax consequences of nationalisation and that it was an insurance policy against taxpayers losing out unexpectedly. However, my hon. Friend makes a good point. I suspect that we may not even reach clause 10 in the couple of hours allowed for the Committee proceedings, but if we had longer, the points could be explored in more detail and we could hear Ministers' reasons for its inclusion.

John Hemming (Birmingham, Yardley) (LD): Perhaps the hon. Gentleman accepts that the difficulty is that, as soon as the Government underwrote the Northern Rock depositors, they were in a position whereby, if the music stopped, they were responsible for all the remaining losses. The error was to incur all the due diligence costs of hundreds of millions of pounds rather than nationalising straight away so that the Government were in control and could act to minimise the losses for the taxpayer.

Mr. Osborne: The one point of agreement between the Conservatives and the Liberal Democrats on the substantive point is that, whatever the Government wanted to do, they should have done it earlier instead of dithering for four or five months. However, I am glad that we have Liberal Democrat support for some of the amendments, which we tabled with Liberal Democrat agreement. I therefore hope that there will be opportunities to vote on, for example, ensuring the public's right to know and fair competition. If there is no opportunity to vote tonight, there will be plenty of opportunities in the House of Lords, where circumstances mean that we may carry the day through working with the Liberal Democrats, and that we will come back on Thursday evening, perhaps late at night, to discuss those matters.

We do not know what we are buying or how much we are paying for it. We also do not know for how long we are buying it. The Prime Minister and the Chancellor keep telling us that there will be a temporary period of public ownership. They still cannot bear to utter the word "nationalisation". It has become the policy that dare not speak its name. How long could "temporary" be? The Chancellor and the Prime Minister refused to say. The Chief Secretary, whom it was enjoyable to watch on "Newsnight" last night, also refused to answer the question. However, Ron Sandler is not so coy. He said yesterday, "We're clearly talking about some years". Why did we hear that from Ron Sandler but not from the Chancellor of the Exchequer today or yesterday?

We know that, in private, the Chancellor tells journalists that "temporary" could be at least three years. That is reported as being said by authoritative sources in Government. Why does not he say that in Parliament and to the public instead of simply briefing the press?

The sorry history of nationalisation is littered with examples of companies that were taken into what was supposed to be temporary public ownership and stayed there for years. I repeat that we do not know what we are buying, how much we are paying for it and for how long we are going to own it. We do not know what the Government plan to do with that high street bank. The formal business plan will not be presented until 17 March. When it is, I understand from the Chancellor that it will be presented to the European Commission instead of the House of Commons. Are we in Westminster not entitled to know the plans for the bank that we are being asked to buy?

We will try to amend the Bill to require the new management of Northern Rock to explain to Parliament and the taxpayers' elected representatives the Government's plans for the taxpayer-owned bank.

Jim Cousins *rose—*

Mr. Osborne: I give way to one of the critics of nationalisation.

Jim Cousins: Perhaps I will have an opportunity to deal with that point later.

The hon. Gentleman has implicitly criticised Mr. Sandler's comments about the length of time it could take for the bank to remain in public ownership. Does he believe that a brief period of public ownership—days, weeks or months—would be in the taxpayer's interests?

Mr. Osborne: I am not in favour of nationalisation, full stop. What I am pointing out is that it will take a long time; indeed, Mr. Sandler said yesterday that it would take several years. That is not something that has been heard from the Chancellor's lips—at least not in public—but it is something that Mr. Sandler says. The hon. Gentleman was fairly acute in pointing out the dangers of nationalisation, telling the House that

> "the policy of nationalisation would lead to a slow lingering death for the jobs of the Northern Rock workers, its assets and Britain's reputation as a major financial services centre, with my right hon. Friend the Chancellor cast in the role of undertaker".—[*Official Report*, 19 November 2007; Vol. 467, c. 968.]

I therefore look forward to the hon. Gentleman's support in the Division Lobby tonight.

The next point that I want to address is exactly what the Chancellor hopes to do to prevent the bank from unfairly competing in the market. He said yesterday that he wanted business as usual. However, he said at the beginning of his speech—this was when north-east Members suddenly woke up and paid attention—that there would be elements of the business plan that prevented the bank from competing on a commercial basis in a straightforward way and which prevented business as usual. We are talking about a Government-owned bank. It can borrow more cheaply than any of its competitors and can offer better savings rates and cheaper mortgages than any other bank.

If the bank is operating on a strictly commercial basis, which the Chancellor said yesterday—*[Interruption.]* I know that the hon. Member for Blyth Valley wants Northern Rock to use the fact that it is backed by the Government to undermine every other bank and building society in the country, but the rest of us are concerned about the other jobs in the financial services industry. The Chancellor said that he wanted the bank to operate on a commercial basis. However, anyone who visits its website today will find that it is offering the most generous savings rate in its class and a 0.5 per cent. bonus for existing savers, and it is still offering those 125 per cent. mortgages that people cannot get in most other places. There are no plans for that to change. Ron Sandler said yesterday:

> "We will continue to operate on normal commercial principles, both as a deposit-taker and a mortgage provider. On a day-to-day basis, nothing will change".

But to allow Northern Rock to compete vigorously as a nationalised company in a fiercely competitive mortgage and savings market is completely unacceptable. It will cost jobs in other banks and building societies, and do more damage to Britain's reputation as a home for financial services.

Dr. Gavin Strang (Edinburgh, East) (Lab): Is there not a slight contradiction between that point and the hon. Gentleman's earlier statement, when he described what a poor state Northern Rock was in, citing the fact that many of the loans were no longer viable? I put it to him that either we want the firm to be successful and profitable, before going into the private sector, or we are going to cripple it, along the lines that he suggests, giving it no chance to achieve that. Surely the idea that a successful Northern Rock will undermine the rest of the financial sector is a bit overdone.

Mr. Osborne: The right hon. Gentleman should pay attention to what Mr. Sandler and the Chancellor are saying in briefings to the press, which is that they are going to shrink the bank to half its size and lay off many thousands of the work force. That is what we read in the newspapers, but not what we hear from the Chancellor at the Dispatch Box, when he is standing in front of his colleagues from north-east constituencies.

If the Chancellor were absolutely straight with us, he would tell us what he knows the business plan for the bank will be. If the plan is a managed run-off of the bank, let him tell us. He said yesterday that it would be business as usual. But business as usual for a Government-backed bank that can borrow more cheaply than any of its competitors means that other companies in Britain's financial services markets will be undermined and jobs will be lost in Edinburgh and every other part of the country.

Mr. Cash: Has my hon. Friend noticed the consequential and supplementary provisions, which, under a Treasury order, would effectively give a power to disapply any statutory provision or rule of law, quite apart from the fact that the provisions also provide for indemnities to everybody for everything?

Mr. Osborne: My hon. Friend is persistent in making the point that clause 2 introduces general powers for the Government. We may actually reach clause 2 in the Committee stage, so I look forward to his contribution on that point.

Rob Marris (Wolverhampton, South-West) (Lab): I know what the hon. Gentleman says about unfair competition and the possibility of destabilising other financial institutions in this country. Following the logic of what he has said, would he be in favour of privatising the Royal Mail?

Mr. Osborne: Royal Mail operates under a regulatory regime specifically designed to consider its impact on private competitors. We have tabled an amendment, and I know that the hon. Gentleman is assiduous in looking at amendments and taking part in the debate—

Rob Marris: They are not available yet. This is Second Reading.

Mr. Osborne: I know that they are not, but we did try to change that.

We have tabled an amendment, with the support of the Liberal Democrats, that would allow the Office of Fair Trading to have a supervisory role, in order to ensure that we were not simply relying on the assurances of the Chancellor of the Exchequer—or, indeed, EU state aid rules—to protect other financial services and institutions from unfair competition from Northern Rock.

Mr. Kevan Jones: Will the hon. Gentleman give way?

Mr. Osborne: I will give way again to the hon. Gentleman, even though he keeps referring me to the Standards and Privileges Committee.

Mr. Jones: I missed you but got your leader!

Following on from the question put by my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), will the hon. Gentleman tell the House whether he would privatise National Savings and Investments or premium bonds? They are clearly investment vehicles that are in direct competition with other banks and savings institutions.

Mr. Osborne: First, they operate under a proper, statutory regulatory regime. That will not be the case with Northern Rock in these special circumstances. The hon. Gentleman can vote for our amendment tonight. Secondly, with the best will in the world, National Savings is not offering the extraordinary rates that are to be found on the Northern Rock website at the moment, which are better in their class than the savings rates of any other major institution in Britain.

Mr. Greenway: My hon. Friend knows from my interventions yesterday and today that I very much share his concerns. Has he also taken on board the fact that the likely offering of Northern Rock to depositors could have such wide implications that it could undermine the gilt market? That is undoubtedly the view in the City of London.

Mr. Osborne: That is a possibility, and it has been raised with me by various people in the City. It is another reason why I am against the nationalisation of Northern Rock. I shall be voting against the proposals later this evening, and I am sure that my hon. Friend will join me.

I should also say—as we might not get the chance to discuss these matters in Committee—that we shall be tabling a couple of other amendments. Labour Members might not be aware that article 18 of the draft order exempts Northern Rock from the Freedom of Information Act 2000, on the bizarre ground that it should not be treated as a publicly owned company. Royal Mail is not exempt. National Savings is not exempt, and neither is the Tote. Why should Northern Rock escape public scrutiny? We shall seek to amend the Bill so that members of the public can find out more about what they own.

We shall also table amendments to prevent our Prime Minister from interfering in the day-to-day management of Northern Rock. Only he could keep a straight face, after announcing yesterday morning that Northern Rock would be entirely at arm's length from the Government, when, yesterday afternoon, he appointed his former chief of staff to the board. We shall seek amendments to keep the Ministers out.

We will also try to reduce the extraordinary scope of this legislation, so that it will be exactly for the purpose for which we are told it is intended. If it is simply intended to bring about the nationalisation of Northern Rock and to get around the hybrid Bill procedures, the Government could easily reduce the length of time for which the legislation is to be active from one year to one month. We shall table an amendment to that effect. It is interesting that the British Bankers Association, which the Chancellor quoted in his speech, has said this afternoon that it is very concerned about the year-long period for which the provisions will be active. It believes that that will be "repuationally detrimental" to UK financial services.

We can only assume that the Government are taking on these sweeping powers to nationalise banks because they think that there is at least a possibility that they might have to exercise them. In that case, they should bring forward proper legislation at the proper time, which we can debate in the House.

Mr. Deputy Speaker, the correct way forward, I believe, is to follow the plan that the Chancellor is going to ask us all to vote on later this year for future bank rescues, which would minimise the already substantial exposure of the taxpayer: it would not double it, but ensure that the taxpayer comes at the top, not the bottom, of the list. We would also avoid the "nationalisation" word, which the Chancellor is so keen to avoid as well. That is the way to minimise the taxpayer's exposure. Instead, we are being asked to vote for something that the Chancellor did everything he possibly could to avoid for five months. The Chancellor did so because he knows that nationalisation will double the taxpayer's exposure; he knows that the public will bear all the risk; he knows that nationalisation means years of lingering uncertainty and no clear exit; he knows that nationalisation could do real damage to Britain's reputation as a home for financial services; and he knows that it will destroy the Government's reputation for economic competence as well as the Chancellor's own credibility. All those things are right, which is why we are going to vote against nationalisation tonight.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Hon. Members may have noticed that Mr. Speaker has placed a 10-minute limit on Back-Bench speeches, which operates from now.

5.25 pm

John McFall (West Dunbartonshire) (Lab/Co-op): I am pleased to contribute to the debate on behalf of the Treasury Committee; our report, "The run on the Rock", is tagged to today's debate.

As the House will know, the Treasury Committee has undertaken a five-month inquiry into financial stability and transparency, which began with the taking of evidence from the Governor of the Bank of England on 20 September—within days of the announcement of the support operation for Northern Rock. Our report of late January covered the events leading to that support operation and the subsequent run, guarantees and proposed reforms, which the Committee believe will prevent a recurrence of these problems. I do not propose to talk about those aspects of our report today; instead, I want to concentrate on the proposals for public ownership and how they relate to the analysis in the final chapter of our report on Northern Rock since September last year.

The Bill allows a bank or building society to be taken into public ownership when there is a threat to financial stability or when state support has been provided. I realise that there are concerns that Northern Rock might set a precedent for other institutions, but it was clear during our inquiry that Northern Rock's excessive dependence on wholesale markets made it an extreme outlier among banks. Indeed, we were told by the European Central Bank in Frankfurt that no European bank had comparable exposure. I understand why the Bill is drafted so that it relates to deposit-takers in general and why there is no provision on the face of the Bill for a particular interest—thereby making it a public, not a hybrid Bill. I will confine my remarks to the case of Northern Rock.

On 11 October, my right hon. Friend the Chancellor of the Exchequer told the House that any proposals on the future of Northern Rock would have to be considered in the context of how far they, first, protected taxpayers; secondly, promoted financial stability; and, thirdly, protected consumers. He subsequently confirmed in an answer to my question that he viewed those three criteria as being of equal importance. My own assessment of the proposals for Northern Rock arising from this Bill relates to those three criteria.

On the first—the protection of taxpayers—I believe that the decision to nationalise Northern Rock is the right one. The taxpayer has been paying the piper since September and it is now rightly time for the taxpayer to call the tune. The Virgin offer seems to have been based on an optimistic view of the value that Virgin Money would bring to the table. I well remember the BBC reporting that Richard Branson was going to put in £200 million of his own money. When I spoke to people in the City, I discovered that Virgin Money was being sold to Northern Rock, and when I asked someone very close to Northern Rock what they thought the value of Virgin Money was, they said that it was not £100 million, but only £50 million. Hey presto—Richard Branson's personal contribution of £200 million from the sale of Virgin Money to Northern Rock! The £10 million to £11 million that was requested for the branding of the Virgin Money name did not strike me as a good investment.

Any private takeover would have posed the threat of taxpayers continuing to bear all the risk, with the bulk of any profits going to a private owner. The scandal that that might have created in due course, particularly if the profits were realised in a tax haven, could have been far more damaging than any difficulties associated with nationalisation.

Mr. Djanogly: Will the hon. Gentleman give way?

John McFall: I have only eight minutes left, and I want to put my views on record. If I have time at the end of my speech, I will give way to the hon. Gentleman.

On the second criterion of financial stability, the Treasury Committee concluded that the Chancellor's decision to make public support available to Northern Rock was the right one. For a time at least, there was political consensus on that decision. I have heard no convincing argument as to how, having embarked on providing taxpayer support, the Government could extricate themselves from their commitment without jeopardising financial stability. Under existing insolvency law, administration would mean deposits being frozen, and the expensive guarantees offered by the Government would be invoked. In modern circumstances, the difficulties of individuals with no access to their bank accounts, even for a short while, would undermine confidence in the whole banking system and jeopardise financial stability, and there would be multiple runs on banks. At least until there is a new legislative framework for handling failing banks, administration is not a realistic option.

[John McFall]

The third interest on which we must focus is that of consumers. It must be made clear that the consumers who matter are all consumers, not just those who have accounts or mortgages with Northern Rock. In the long run, the interests of all consumers will be best served by a competitive and properly regulated banking system. We must be alert, as I am sure the European Commission will be, to the danger that Northern Rock will distort the financial markets. Such a distortion would jeopardise the long-term interests of consumers and the financial system. At times of economic uncertainty other financial institutions do not need a new heavyweight competitor, numbed to the pain of competition by the anaesthetic of state aid.

As has been mentioned, Northern Rock is a high loan-to-value lender. I believe that its average loan to value is more than 60 per cent., compared with percentages in the low 50s in the rest of the industry. That makes Northern Rock more risky. Probably a gratuitous request to the new management is for it to ensure that the together mortgage, with a 125 per cent. loan to value, is no part of the company in the future. A statement to that effect from the management would reassure the rest of the market.

To satisfy myself and others that a nationalised bank will not distort competition, four conditions must be met. First, as the Chancellor has acknowledged, the terms of the agreement between the Government and the new management must meet the Commission's state aid rules. I trust that the way in which that is done will be made public. Secondly, given the state guarantee, a nationalised Northern Rock must continue to pay a penalty for attracting new depositors, as the private Northern Rock has done since last October under the terms of guarantee in paragraph 303 of the 9 October extension document. I hope that, when she replies to the debate, my right hon. Friend the Chief Secretary of the Treasury will confirm that the penalty charge will continue when the bank is in public ownership.

Thirdly, there must be proper accountability and transparency of the new management's business decisions. When it is a public entity operating in the private sector, the Treasury Committee and the House will want to be assured that Northern Rock's business plan is good for the bank, its employees and its customers and for the taxpayer, the consumer and the wider financial services market. I welcome the appointment of Ron Sandler as chief executive. As I have said, he has form in the financial services sector: he was called in by Lloyds in the mid-1990s when there was chaos there, and served the interests of Lloyds and the financial community well. However, it is important that his incentive plan is examined. The incentives should focus on the appropriate size of the company rather than on growth objectives. It was the incentives and growth objectives in the old Northern Rock that led it into such trouble with its extreme business model.

Another question is, what is the disclosure regime for Northern Rock? There must be a focused retention package for Northern Rock employees, particularly those in IT and product design. I well remember the comments of the Governor of the Bank of England telling the Select Committee that Northern Rock's middle management had done its job in exemplary fashion, and that if the senior management—the board—had followed the lead of middle management and the rest of the work force the company would not have found itself in this position.

There must be a commitment to the principle that state ownership is temporary. The decision to nationalise must have been difficult, but the judgment of when to privatise will be just as difficult, and of crucial importance.

Mr. Djanogly: I thank the right hon. Gentleman for giving way. He said that he believes that nationalisation is in the best interests of the taxpayer. How does he know what is in the best interests of the taxpayer? What due diligence information has he received on the assets and liabilities of the bank? What information have we Members received on the bank, on which we must make this decision today after one day's notice from the Government?

John McFall: If the hon. Gentleman had read the newspapers yesterday, he would have seen that although the top headlines were critical of nationalisation, almost every writer on the inside pages said that nationalisation is the best alternative to protect taxpayers' interests. It is folly for the hon. Gentleman to consider otherwise, and to think that we should accept a bid from Virgin or others on the basis that the share price will double and they will then start paying money back in 10 or 20 years. Is that a good deal? Of course it is not. We only need two clear eyes to see that.

In due course, the Government must spell out the criteria they will use in judging when to privatise Northern Rock. I expect that the Treasury Committee will continue to monitor that when Ron Sandler and others appear before us, and we will try to make sure that the Committee carries out its objective, as laid down by the House, of ensuring true accountability.

5.27 pm

Dr. Vincent Cable (Twickenham) (LD): I made it clear yesterday that we support the decision and the Bill, and I fully understand the Government's need to move quickly; the bank is paralysed, so we must help to pass the Bill this week. That said, the Government seem to have an extraordinary search engine for finding banana skins to slip on. It was announced this afternoon on the BBC, which I presume is right, that Mr. Ron Sandler, who has been appointed as the chief custodian of taxpayers' money, is a non-dom. It seems that all the Government's favourite businessmen, including Sir Richard Branson and now Ron Sandler, have so little commitment to the country, let alone the Government, that they prefer to pay their taxes elsewhere. I presume that Ron Sandler will now become the second best-paid person in Newcastle after Michael Owen, but at least Michael Owen pays his taxes here. *[Interruption.]* Yes, we think so.

Clearly, there is scope for improving the Bill. As the Conservative spokesman, the hon. Member for Tatton (Mr. Osborne), rightly said, important challenges need to be made, particularly on parliamentary accountability, and we shall support his and other amendments designed to strengthen the Bill in that respect.

Mr. Redwood: Should we welcome the idea that taxpayers' money could help to pay Michael Owen's salary through the sponsorship deal that I believe is already in place?

Dr. Cable: The right hon. Gentleman is one step ahead of me on that.

We can continue to debate the argument that has been going on for several months about the pros and cons of nationalisation, but we have passed that point: the decision has been made, and the nature of the question has now changed and is to do with what kind of bank we are now talking about.

Mr. Cash: The hon. Gentleman might not know this, but in the draft order to which my hon. Friend the Member for Tatton (Mr. Osborne), the shadow Chancellor, referred there is a remarkable provision that says that no director of Northern Rock shall be liable for any act or omission of theirs that occurs while Northern Rock is wholly owned by the Treasury and, accordingly, no proceedings may be brought. Would the hon. Gentleman and his party approve of a provision that exempted directors of Northern Rock—being paid more than £1 million a year—from any liability for anything they do as directors?

Dr. Cable: The hon. Gentleman has an eye for legal detail, but I am not clear about whether he is talking about Crown immunity and civil servants' status.

Mr. Cash: I am talking about a specific provision, which the hon. Gentleman will doubtless alight upon when he has a chance to examine the draft order. Does he approve of it in principle?

Dr. Cable: I shall alight upon it and then decide whether I approve of it in principle.

May I return to the central question of what kind of bank will now operate? Will it be built up or run down? The hon. Member for Newcastle upon Tyne, Central (Jim Cousins), with whom I have had several exchanges in the past few weeks, put it rather well yesterday when he asked whether this is the end of the beginning or the beginning of the end of this bank. That question is crucial. It is at the heart of the argument about the business model, on which Ron Sandler will presumably be asked to decide. It is not clear to me which of the two approaches is the better. A wide range of options exists, so one can envisage a kind of continuum, at one extreme of which the bank would be run off and would have no new business. The other extreme might involve a highly expansionary strategy—a kind of publicly owned Virgin or "the people's bank", as somebody called it yesterday. Alternatively, something between the two might happen.

At some point, there must be a proper debate about which option will be chosen. This is a political issue; it is not just a technical issue for the man who has been appointed to chair the company. It is not obvious to me which is the best approach. My instincts suggest that given the excesses of the past, the bank is probably best run on a more conservative basis, but there is an argument for saying that if the primary concern is repaying the taxpayer, that could be done in two different ways. The assets could be run off to realise cash or the bank could be built up to sell it at a large profit. It is not clear which of those approaches is the better.

There is an issue to address in respect of the staff, who are important in themselves. If large numbers of them are laid off, one must deal with not only the redundancy bill, but problems of retention, management and keeping the bank going effectively. A crucial human resource issue is involved, and somebody has to decide on it. The matter is political as well as administrative.

The Conservative spokesman rightly mentioned the nature of competition and unfairness, and that is clearly important. It is complex, because the banking industry is not a normal one—Cruickshank reported on that several years ago—and other banks have lender of last resort privileges. A few moments ago, I saw the former chairman of Lloyds complaining on television that it was very unfair that Northern Rock would be the only bank that could not go bust. That is not true, because his former bank could not go bust either. The national savings bodies have complex competition arrangements. Insurance companies may well say that Aviva does not have lender of last resort facilities, but where an insurance company is owned by a bank, the parent company does. This is a messy area where competitive principles are very unclear, so there must be proper, publicly accountable discussion about which of the options will be taken.

I want to discuss a second set of questions, relating to the inheritance from the pre-nationalisation stage. This is not the point at which to have an inquest or post-mortem on what has happened—the Treasury Committee and the Public Accounts Committee will have plenty of opportunity to do that. Some questions about the past are highly relevant to what happens now, the first of which was posed by the Conservative spokesman—how sound is the bank?

An important contribution was made yesterday by the right hon. Member for Hitchin and Harpenden (Mr. Lilley). He reminded us of the scale of the repossessions that are now taking place. They run wholly contrary to everything we had previously been told about the bank's soundness. I began to become concerned about that matter about a year ago, possibly because of my particular personal interest—some would call it an obsession—with problems of personal debt and the housing market. It was clear that something very strange was happening with this bank and its performance. I questioned it, but the Financial Services Authority was completely blind to it. I recall being telephoned by the FSA's chairman on the day the crisis originally broke. He said that I was being irresponsible in talking about the bank and criticising its management. He said that it was a very well run bank with an exemplary loan book, and he asked what my problem was. Unfortunately, his position was undermined by the fact that at the same time a press conference was being held in the City explaining how Northern Rock's management had taken on rather a lot of the sub-prime mortgage liabilities in the US. None the less, that remains the official view, and as far as I know the Chancellor still subscribes to that description of the bank. However, we have had plenty of evidence to the contrary, including not just the evidence given yesterday, but serious brokers' reviews. For example, Panmure Gordon has said that bad debts were systematically hidden.

There were therefore all sorts of problems with the bank and the next step—which I advocated yesterday and on the day of the announcement, and which has been taken up today—is for a proper, independent

[Dr. Cable]

audit under the supervision of the Bank of England, and not carried out by the FSA, to investigate how sound the bank and its mortgage book are.

The second inheritance from the past is the costs of delay. What were they? We have had questions already about the costs of financial advice, but there is a potentially much bigger cost, which is the cost to the bidders. Who has paid the bills for Sir Richard Branson and other bidders for due diligence and other costs, which have been formidable? I was alerted to this problem at the outset when it was said that 10 companies were interested in bidding. I happened to talk to someone from one of those companies and he said, "We are not going any further with this, because we have discovered that the Branson consortium has preferred bidder status and the Treasury is paying all its bills. Why should we compete on that basis?" A few days later, the other companies were told that the Treasury had changed its mind and would cover everybody's bills. I do not know what happened, but since last October bidders' costs have been paid by the Government. What are those costs? I suspect that they are a lot more than the Goldman Sachs bills.

The question of costs is important not simply because we want to rake up the past but because if the bank is to be sold again we need to know the principles on which it will be done. That is why the status of the bidders and who covers their costs is important.

A third question from the past is precisely how the Government came to make the decision to nationalise, which they announced formally on Sunday. Strategically, they made the right decision, but what steps led them to that conclusion? That is important, because if the bank is to be privatised eventually, the potential bidders need to understand the criteria that will be used. It has emerged in the press—we have no other source on this—that what seemed to have tipped the Government's decision were the scale of the fee offered for the security, the length of time of repayment of the taxpayer and what the professionals call the equity kicker for the Government. But there were many other issues involved that were not discussed.

I wrote to the Chancellor and Sir Richard Branson about those other issues. They include, for example, the nature of the security that was being offered for Northern Rock assets, and the tax status of the bidders and their vehicle. Those issues have never been discussed publicly and, at some point, we will have to have a proper explanation of the process by which the Government reached that decision to ensure that when the eventual sale takes place there is complete clarity about the criteria.

My final question is about Government debt. We all understand that by nationalising the bank the Government are taking on its full liabilities. Some of the newspapers yesterday, including the *Daily Mail* in its headline, assumed that nationalisation would increase the Government's liability from £50 billion to £110 billion. That is wrong, because the Office for National Statistics classified the bank a week ago as a public company, under which all or most of the debt became public. I am not sure that that is the case either, as there may well be new commitments that have been taken on, and it would be useful to have an explanation.

My questions relate to the Bill, to what it says and to how its provisions can be strengthened. The first issue, compensation, has been touched on already. The Conservative spokesman put it clearly and correctly: although we would all like to make a sentimental distinction between the hedge funds and the £100 shareholding grannies in Newcastle, it is not possible legally to do so. The practical, painful reality is that without Government support the shares would be worthless. Any independent valuer is bound to have to come to that conclusion, I would have thought—but those involved obviously need to fight their legal corner.

The second issue relates to competition and how the competitive process will now be dealt with. I think the right questions have already been asked. Other banks will certainly make several points, such as about the deposit interest rate that can be offered by the new Northern Rock bank. Will it offer a higher rate of interest in attracting deposits, or the same rate of interest? How will it be constrained? What will its lending practices be? We know that in the past those practices have been extremely aggressive to expand market share. Will the bank be allowed to do that, or will it be constrained in some way? A more important question for competitors will be what will happen when the wholesale markets open. Will the Northern Rock bank be able to access them much more easily than other banks? A lot of questions will be asked about the fairness and appropriateness of competition.

It is right to say that although the EU has rules, it also has a lot of state banks—in Sweden, France and elsewhere—that are accommodated in a fairly permissive way. It is not entirely clear that European rules meet our requirements. I support the measures to build in a role for the Office of Fair Trading.

The Bill inadvertently opens up the whole question of the banking system in general, because it is about banks in general and not Northern Rock. We understand the parliamentary procedural reasons for that, but the Government have inadvertently brought forward an argument that we were going to have in six months' time about the nature of bank rescues, bank nationalisation, intervention and how it all happens. They have therefore brought to the fore an argument that was originally made by Cruickshank in 2000. The former chairman of the stock exchange made the point that this is a strange industry that has what it calls regulatory privileges. It pretends that it is operating as a normal commercial operation and the bankers claim to be buccaneers who are out there competing in the market, when of course they are not—they are ultimately underpinned and protected by the Government.

The logic of Cruickshank's argument points in one of two ways. Either the industry must be much more tightly regulated against excess profits, as he put it—or, in some instances, companies should be nationalised—or it has to be fundamentally reformed so that new companies can come into banking much more easily and those that perform badly can go bust. One of the unexpected outcomes of the debate might be that we will go through the first approach, but finish up with the second. Eventually, the cosy little set-up in British banking and the pretence of having a competitive industry will be broken. The industry will have to become genuinely competitive, like others are. Perhaps the Chancellor will be the author of a much more radical set of reforms than even he yet appreciates.

5.53 pm

Jim Cousins (Newcastle upon Tyne, Central) (Lab): The House is confronted this afternoon with a new and rather interesting situation. In front of the House is the question—in a sense, it has been there to be debated and thought about since last September—of what sort of bank this will be in the future. The reason why I have been very sceptical about nationalisation as an option is that the people who put forward the case for nationalisation, as I think the hon. Member for Twickenham (Dr. Cable) will be honest enough to acknowledge, clearly saw it as a transitional move—a more decent option than bankruptcy. They saw it as a kind of state-organised wind-down, with some of the less attractive features of bankruptcy removed.

The nationalisation that has been offered to the House by Mr. Sandler in Newcastle over the last 24 hours and by my right hon. Friend the Chancellor in the House yesterday and today may prove to be a different beast. That prospect gives me some optimism about the outcome of the affair. The Conservative Front-Bench spokesman's policy was clearly to have a rapidly managed run-down of the bank; I think that that was the phrase he used—"managed run-down". As I have discovered in the past couple of days, one has to check *Hansard* very carefully for the words that people use. Rapidly managed run-down is just about the worst possible outcome of the affair for the taxpayer, who will get less value out of the bank; for the jobs in Newcastle and in Durham, which will all be lost; and for the human resources that have been built up in the bank, which have proved quite remarkable and have sustained the difficult experiences of the past few months. Such action would fire into the markets at one of the most difficult moments to dump assets and to undermine savings. It is the worst possible course of action that we could adopt at this moment.

Mr. John Maples (Stratford-on-Avon) (Con) *rose—*

Jim Cousins: I hope that the hon. Gentleman will understand my situation.

Mr. Maples: I completely understand the hon. Gentleman's situation with his constituency; in his position, I might think the same thing. However, I do not think that he can argue that putting the bank into liquidation, for instance, and freezing the situation as it is now—we are told the loan book is good—would leave the taxpayer in a worse position than letting the bank go on, making more and more unsecured loans at 125 per cent. loan to value on mortgages. I do not see how that would put the taxpayer in a better position than they are in now.

Jim Cousins: At least the hon. Gentleman has clearly stated what was implicit, although not so clear, in the comments made by those on his Front Bench—that they were, in fact, advocating bankruptcy. That would destroy the assets and the ultimate value in the business. Let us be clear: that is not a good course of action for the people of Newcastle or for the markets.

Mr. Redwood: As a local Member for the business, has the hon. Gentleman been given any assurances by the Chancellor that he is going for the growth model and not the wind-down model?

Jim Cousins: No, I have had no such assurance; nor, at this stage, would I necessarily look for one. We have had from Mr. Sandler clear comments that he sees the business as a going concern and is preserving the option of growing it on. Let us be fair about this. Northern Rock was trying to be a big bank based in the north-east that could take on the big boys of the banking sector. That prospect, from the north-east's point of view, must be retained. It may not ultimately work out that way, but it must be retained.

My right hon. Friend the Chancellor has not ruled out that option, because 11,000 jobs in Newcastle now depend on the finance and business services sector. They are jobs that people were told were a modern economy into which they should put their aspirations and careers. Most of those jobs depend directly or indirectly on Northern Rock. Retaining the possibility that the good business that is still there in Northern Rock can be grown on is an important part of the proposals. It is clear that that option has not been ruled out. I did not quite understand the remarks made by the hon. Member for Twickenham on that issue. He was not clear. His phrase about whether this was the beginning of the end or the end of the beginning seemed to me to mean that the logic of what he went on to say was that this should be the beginning of the end. That is a matter that the House will have to consider in the future.

John Hemming: Will the hon. Gentleman give way?

Jim Cousins: I am sorry; I cannot give way.

I must also take issue with my right hon. Friend the Member for West Dunbartonshire (John McFall). I do not think that it would be sensible to insist on the continuation of the penalty arrangements imposed on the bank in September. I do not think it would be sensible for the target of repayment of outstanding obligations to the Treasury and the Bank of England to be sought to be achieved in one to three years, as was the apparent position of the Government only a fortnight ago. Those matters must be reconsidered.

I agree that the business plan is the next step, which the House must consider, but it is extremely important that the work force, who have proved to be so steady and stable in what have been very difficult circumstances, are actively involved in its preparation. I look to my right hon. Friends on the Front Bench to give me clear assurances about that issue before the end of this debate.

The House must understand that mortgages are now not long-term products. The life of a mortgage is less than five years. If a mortgage business does not grow, it dies. Saying that Northern Rock in its present form cannot take on new business will kill it off, and again I look for further reassurances from my right hon. Friends on the Front Bench that none of the proposals in the Bill is predicated on the assumption that Northern Rock will be unable to take on new business. As Northern Rock's fixed-term mortgages become due, borrowers are already being directed back to the markets rather than to the bank's own mortgage review provisions. That policy has been pursued for the past two months, but if it continues for any length of time, it will mean certain death for the bank. I look to my right hon. Friends on the Front Bench, and to Mr. Sandler, for very clear assurances that it will be discontinued, so that Northern Rock has the option to construct new business.

[Jim Cousins]

Another important thing to understand is that there has been a significant change in the Liberal Democrats' thinking about nationalisation. They began by saying that nationalisation would be an almost momentary interlude, merely a phase in the transition to private ownership. Over the past few days, however, it has become clearly recognised in all parts of the House that the problems at Northern Rock will not be solved in a moment or two, and perhaps not even in a year or two. The sensible framework for the House's thinking is that we will have to deal with the situation at Northern Rock over a number of years. Moreover, in due course—I do not think that it would be reasonable for us to insist on their doing so this afternoon—the Government will have to consider how they discharge their obligations to Parliament in reporting on the management of a publicly owned bank that is likely to remain in public ownership for quite a significant period.

Another welcome aspect of the Bill is that it not limited to one line that deals with the specific problems posed by Northern Rock. Instead, it provides means of dealing with other problems that may exist and with which the House will have to deal. Northern Rock is not an isolated piece of rock in an otherwise quiet and calm sea. We are talking about a very turbulent market, and other unexpected things could happen. The Government have been right to use the Bill to provide a context for dealing with other matters if the need arises. In particular, I welcome the additional provisions that deal with problems that might affect building societies. They are especially helpful, as they will calm the markets and reassure borrowers and depositors until the Government can put longer-term legislation in place.

The Government have various other matters on their agenda at the moment. Affordable housing is one problem, and another is how higher levels of home ownership can be achieved among people whose incomes are neither great nor especially stable. Some of what Opposition Members have said about Northern Rock this afternoon leads us precisely to the debate about how the Government should deal with such matters, because the fact that there is a bank in public ownership means that they will be in the front line of providing housing finance.

Some of my other doubts centre around whether the Government, at this stage in their life, can take on such problems—

Mr. Deputy Speaker: Order. I call Mr. Stephen Dorrell.

6.6 pm

Mr. Stephen Dorrell (Charnwood) (Con): The matters that I want to cover in my remarks follow very directly from the comments made by the hon. Members for Twickenham (Dr. Cable) and for Newcastle upon Tyne, Central (Jim Cousins). However, I draw a conclusion that is almost precisely the opposite of the one drawn by the latter: my central concern about the Bill, and the reason why I believe that Opposition Front-Bench Members are right to say that it must be resisted, is that after virtually six months of indecision about Northern Rock's future we are being offered a mechanism but no clarity about the objectives that it is being put in place to achieve.

We are told that nationalisation will be merely a short-term phase, but we are given no clarity at all as to the objectives that management should follow in that supposedly brief phase, nor about the shape of a business that the Government hope ultimately to be able to move back into the private sector. The hon. Member for Twickenham touched on the fact that Northern Rock's new management have two alternative ways to discharge their responsibilities as a nationalised enterprise. In crude terms, he said that they had a build-up option or a realise-the-assets option.

The hon. Gentleman said that he could see arguments for both, but I find it rather more difficult than he appears to do to understand the arguments in favour of continuing to develop the business model that clearly failed very dramatically in the events of last September. Let us examine the two options that he rightly identified, starting with the build-up option, if I may use that shorthand.

In effect, the build-up option would involve using state support to back a business model that caused the bank to land up in the situation that it found itself in in September. The state would be used as a sort of turn-around venture capitalist, with Ron Sandler taking a business in trouble and making a success of the problem that he inherited. I am not a banker, and I would not try to second-guess bankers' views about the realism of that option, but neither would I seek to second-guess the results of what actually happened. Moreover, I do not think that the addition of the state in the role of venture capitalist does anything to make it more likely that the option would be more successful the second time around than it was the first.

John Hemming: The right hon. Gentleman is right that there is no certainty about the situation, but does he accept that the biggest uncertainty has to do with the quality of the loan book, the organisation's key asset? Markets sell uncertainty, so the faster one tries to solve the problem, the bigger are the losses that may arise, with the taxpayer picking up the ticket.

Mr. Dorrell: The hon. Gentleman makes a different point, if I may say so. I agree that there is a benefit, if we are going for the run-down option, in an orderly run-down. I understand that, and I think that he is right. However, it is a different argument from saying, as the hon. Member for Newcastle upon Tyne, Central apparently believes, that the way to deal with the situation is to put more money behind the business idea that landed us in the circumstances that we found last September.

In the circumstances that Northern Rock is in now, the Government should be clear that they are not proposing support for another attempt to make the failed model work. But that is what the hon. Member for Newcastle upon Tyne, Central apparently wants the Government to do. It is on exactly that question that the Government are being studiedly vague.

May I pick up a specific term used earlier in interventions on the Chancellor? He took some comfort from the proposition that Northern Rock in public ownership, as

he calls it—a nationalised industry—would be run on a normal commercial basis, as if that was a term of art capable of independent analysis. The whole point about a commercial market is that commercial players look for new ways of exploiting markets. They look for competitive advantage. Northern Rock thought until last summer that it had found a new model from which it could derive commercial advantage. It was therefore being run on a normal commercial basis. It is just that that normal basis of seeking to exploit a new business model did not work. To attempt to confine the scope of the new corporation by saying simply that it will be run on a normal commercial basis begs all the difficult questions and gives absolutely no comfort to me on behalf of my constituents as taxpayers.

So I oppose the Bill not because I deny the benefit of providing a period for orderly management of the company's affairs, but because the Bill fails to take advantage of the opportunity to clarify a series of objectives for new management, which in my view should clearly be the orderly realisation of the assets of Northern Rock. I believe that that is right from the point of view of taxpayers and of avoiding state-subsidised competition in the marketplace. I acknowledge that it will be difficult for those who have been employed in the building of a business model that ultimately did not work in the marketplace, but I believe that those people's futures will be far better secured by re-employing them in a business model that works than by trying to offer them a second round in a business model that did not work.

John Hemming: Does the right hon. Gentleman accept that the business model that did not work was not covering the loan book by deposits and that, whatever happens tomorrow, the loan book is not going to be covered by deposits, so the same business model is being maintained?

Mr. Dorrell: It is a question of what the objectives are during an avowedly transitional stage. I do not want to repeat that point. If we are rejecting the option of building up the bank on the previous model, we also need to be clear what is the alternative set of objectives that we are holding out. I think that a period of orderly realisation of assets is required. The thing that gives me real concern in the statements that the Chancellor has been making is the apparent implication that the only form of orderly realisation that he envisages is the sale of a business called Northern Rock. It could very easily be—I hope that Mr. Sandler's business plan will include this as one of the options that he will explore—that the best way of realising the assets of Northern Rock is to do so in parcels: to sell parts of Northern Rock to different purchasers.

The idea that success in this set of circumstances is creating a new, profitable enterprise does not seem to be self-evident from the facts. What is important is that there should be, as the hon. Member for Birmingham, Yardley (John Hemming) says, an orderly realisation of assets to secure the interests of taxpayers, to avoid subsidised competition in an already competitive market going through its own difficulties, as we all know, and to secure permanent, stable employment for the people who undoubtedly face uncertainty as a result of having secured employment in a business that ultimately, sadly, did not work.

6.15 pm

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): There really is only one issue before the House this evening, and that is the question whether nationalisation of Northern Rock is appropriate at this time. There is a secondary issue if a decision is taken to nationalise—although it would have arisen whether the bank was nationalised or not—of what happens to Northern Rock in business terms in the future.

If the Government had announced in September in response to the difficulties of which they were notified by Northern Rock that nationalisation had to take place immediately, there would have been an outcry from the Opposition. They would have said that the Government had not given time to think about what the issues were, that the Government's action was ideologically driven and that it was a return not to the 1970s but to the 1940s. The Government were right to ask what were the issues before us.

The Government were clear, and they had the support of the British people—people in Newcastle, shareholders, workers and even the Conservative party—when they said that the issue was not only about Northern Rock. Northern Rock is an important issue—believe me, it is in my constituency—but it is also important for Britain's financial markets. From the Government's point of view—I say this coming from Newcastle—the key issue is the future of the financial markets in Britain. They are a massive employer, they make a massive contribution to our economic growth, and they are important to our reputation as a trading nation. The Government made the right decision, which was to say that if the problems of Northern Rock spilled over into other sections of the financial community there would be serious problems for everyone, including even worse problems for Northern Rock.

What the Government did then of course helped to bolster Northern Rock, and that was welcomed more by depositors than anyone else, as was shown by their response. I supported what the Government said then, which was that Northern Rock would not stay as it was. There were three ways forward: to close the business as quickly as possible and sell off any assets; to find a private sector solution that could lead the business forward; or to nationalise the bank, which is the third option that we are dealing with today. It was right to try to find a private sector solution, and that was supported by the trade unions in Newcastle because they know, as I know, that people who have experience of retail banking and the mortgage business realise the pitfalls and know what is necessary to make the business tick.

If we could have found as a nation a private bidder to take over Northern Rock in a sensible way, that would have been by far the most desirable outcome. I am pleased that we have the support of the Liberal Democrats today on nationalisation. They were somewhat premature in jumping to the conclusion that nationalisation was inevitable, but that in a sense is history; it is behind us now. I believe that today the House will be overwhelmingly in support of the nationalisation of Northern Rock because there is no alternative. If we do not nationalise, there will be immediate damaging consequences for Northern Rock and for the rest of the financial industry, even today. That is how we must go forward.

[Mr. Doug Henderson]

I must say that I am still not clear what the Conservative position is. I do not want to wind this debate up into a big rhetorical battle between us and the Conservatives, but I have listened to what has been said on the radio and in some media outlets, and the message being sent clearly to the British people is that the Conservative party is against nationalisation, full stop, and that whatever happens to Northern Rock, its shareholders and its workers as a result of no nationalisation just happens. According to the Conservatives, if the consequence is that the business goes bust, people are laid off and the shareholders get nothing because Northern Rock is a business without value—the Conservative Front-Bench team has confirmed it today—we as a nation generally, and those of us in Newcastle, who have a special interest, must all live with that. If that is not the Conservative position, I would be extremely grateful if someone could tell me what it is.

Mr. George Osborne: I am not sure whether the hon. Gentleman is aware that what he will vote for tonight could lead to very substantial job losses at Northern Rock. What the Chancellor of the Exchequer said at the beginning of his speech implied that the bank would not be able to operate in an aggressively commercial way, as Ron Sandler suggested it should. The Chancellor's view, by the way, is that the shareholders should get nothing. That is what the hon. Gentleman will be voting for tonight.

Mr. Henderson: I know what I am voting for tonight, and I think that my constituents will know, but even after the hon. Gentleman's intervention I am not sure that my constituents or even his will know what he is voting for. If he is not voting for nationalisation, what is he voting for? We cannot just leave Northern Rock in abeyance, floating through some land where no one knows the terrain. People want to know the terrain. The people who work in the business want to know what the different political parties are saying and what Parliament will do about their jobs.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Will my hon. Friend give way?

Mr. Henderson: I am taking up other people's time if I give way, but I will do so.

Mr. Love: My hon. Friend asked what the Conservatives propose. They propose the direct loss of 5,000 jobs in Newcastle, and probably 6,000 other associated jobs. I read in my newspapers that the Conservatives have set up a committee to try to make inroads in the midlands and the north of this country. As long as they have that cavalier attitude towards jobs, it is unlikely that they will make any progress.

Mr. Henderson: I am grateful to my hon. Friend. It is not just in the north that they will make no progress; they will make no progress elsewhere, because people throughout the country will see what is going on. There is plenty of spin and the suggestion that the Conservatives are now a new party and all the rest of it, but when it comes to policy positions on things that affect people's lives, they do not make the tough decisions. We do not get much advice from the Conservative party these days.

I move to the second question: the future of the business. The Chancellor said in his statement yesterday that a framework agreement would be published shortly, and that we would then know the parameters for the relationship between the Government and the new board of Northern Rock. That is very welcome, but of course it is not a business plan. It is a framework between the Government and the board. The business plan concerns what employs people, creates wealth and gives the business a future.

Stewart Hosie: Will the hon. Gentleman give way?

Mr. Henderson: I am sorry; I cannot give way any more.

The business plan is the key issue. We as politicians have offered the country some advice in this debate, but I do not think that we are the best ones to judge what the business plan should be for Northern Rock. Others who are more qualified and know the details of running a business—the risks, the responsibilities and the rewards—are far better placed to make recommendations about the future business plan for Northern Rock. I hope that when the board does so, it will hold close consultations with the workers and their trade unions. The workers have been remarkably loyal over the past five or six months, during a period of great uncertainty. The workers still have huge anxiety about their future, so I hope that there will be no great delay, and that we will move forward quickly on that issue.

I have said that I do not think that politicians should outline the business plan, so I will not do so, but one of the key questions that has to be taken up by the board is: what is the marketplace? There is no easy answer to that, because the board has to judge not the marketplace of the past—which it could look back on—or that of today, next month or even next year. It has to take decisions on a much longer term. Mortgages last a long time, and they have to be financed. That is a key issue for the board, and there is no clear-cut plan.

The right hon. Member for Charnwood (Mr. Dorrell) said that there was not enough clarity, but I do not think that we can have that clarity. In some senses, we have to take it on trust that the board will come up with commercial thinking, balanced against the principles of accountability—for which, of course, the Government are responsible, as there are vast amounts of public money at stake. The board cannot even say, "If we take out this mortgage book, this is how it will be financed." It cannot say whether such a book will be financed entirely from deposits, or from a mixture of deposits and other loan finance, because it does not know what the international wholesale money markets will be like in future. It will therefore have to plan conservatively, using an option that allows it to develop the business if the markets change. It will have to face up to that key issue. There is no certainty for the board in the decisions that it will have to reach.

The board will have to decide on the shape of the business, based on the long-term future. It will have to consider how many retail units it needs, whether high street retail banking will be the way forward or whether internet banking will take off to a greater extent, and

whether it wants to be in the internet banking sector. It will have to consider what sort of back room it needs. For example, will it need large numbers of people working in call centres, or are there other ways in which the business can be developed? Those are crucial decisions for the future of the business, and there are no clear-cut or certain answers at the moment.

The board will have to decide on the number of people whom it needs to employ. Again, that will be a difficult issue for it to face up to. Northern Rock has grown at a remarkable pace in employment terms; it has gone from 4,000-odd members of staff in 2003 to more than 6,000 today. That was during a period of growth. I discussed the issue with the trade unions at lunch time, and they are aware of all those considerations. The board will have to decide on its staffing requirements for the longer term.

Earlier in the debate, I raised with the Chancellor the issue of the repayment terms that the Government can expect, and the period over which repayments will be made. It is almost impossible to answer that question with great precision. One could make a political statement and say that the repayments would be made over a certain period, but if that was not in line with the commercial operation of the business, there would be severe consequences, so there has to be some flexibility. That is why the business is in the public sector at this stage—so that the repayments that must be made, and made with interest, can be made over a period. That is vital, not only for the taxpayer, but for maintaining the business as a going concern. Hopefully, the business will go forward in a positive way, as was said by my hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins), who represents a constituency that neighbours mine.

6.28 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): The Government spent five months or more in prevarication before putting a Bill before the House. In so doing, they were primarily driven by political considerations. They were determined to avoid the current outcome if possible—and not simply because they thought that it would be bad as far as managing Northern Rock was concerned. Above all, they thought that it would be bad for the Labour party's image to be associated with nationalisation, hence the fact that even now they try not to use the word. That is a bad reason for long delay, but the Government are making a virtue of the delay, saying that it was good to consider all options, and that essentially there was no hurry.

There was no hurry until Sunday. Suddenly, on Sunday, it was essential to do everything in a day. Why? Again, I suspect, it was not because of any need on the part of the company. No detailed indications have been given by Ministers as to why the rush is necessary. The real reason is political. Because of the huge embarrassment of a Labour Government—a supposedly new Labour Government—reverting to the mechanism of nationalisation, they have decided to ram the Bill through in a day and minimise any discussion that we can have and the ensuing publicity in the press.

Was that necessary? No, as we know from the experience of Rolls-Royce. The Rolls-Royce Bill was more specific, and although it did not take a hugely long time to complete its passage through Parliament, it took longer than the Banking (Special Provisions) Bill will take. It was not necessary for the then Government to dress it up as a Bill to take over the whole of the aerospace industry; they made it a two-clause Bill to take over Rolls-Royce. There has been no explanation from Ministers about why a similar procedure has not been followed today.

Those were five wasted months because all that time Ministers could and should have been planning the tentative business model that would be adopted under nationalisation, administration or a Bank of England-led reconstruction. We are not told what the business model will be, not even in the broadest outline—whether it is one of growth or contraction, consolidation or business as normal. Nor have the Government spelled out how they will deal with the problems of competition and competition law. So we have had five wasted months, then suddenly one shameful undemocratic day of ramming the Bill through Parliament.

I shall say a little about the lessons in prevention and regulation that emerge from the issue. The problem arose because of the marketing of sub-prime mortgages through special investment vehicles. That triggered the closing of the market on which Northern Rock relied, and raised fears about Northern Rock itself because it was thought to be involved to some degree in that business. When such problems arise, we ought always to look elsewhere and see where they have not arisen and why.

Spain is a notable exception. No Spanish banks have any of the problems that I described. No Spanish banks have reported losses from sub-prime loans. Despite the fact that the Spanish property market is overheated and will probably cause problems of its own, Spanish banks did not suffer from the problem. Why? It is because Spanish banking law, as a consequence of past problems of failure to consolidate off-balance sheet debt, insists that all such debts and obligations are consolidated and revealed. There is a lesson for us there, but nothing in the Bill learns from that and makes sure that we do not suffer from those problems in the future.

The regulatory approach adopted by the FSA appears to need to change. There are two possible approaches for a regulatory body. One is to be essentially routine—to consider every case in the same way and adopt a box-ticking approach to regulation. That is what regulators will do if they are left to their own devices. What they ought to be doing, however, is focusing the bulk of their effort on areas where there is some reason for concern.

There was some reason for concern in Northern Rock. It was pursuing a very unusual policy. It increased its loan book by 50 per cent. in a year at the peak of the market. It offered the lowest mortgage rates and some of the highest interest rates. It offered 125 per cent. mortgages. It has, I believe, £1 billion of unsecured debt on its balance sheet. We are assured none the less, on the say-so of the FSA, but with the endorsement of the Chancellor, that it has a fine, high-quality loan book. I wonder whether he stands by that. In response to my question yesterday about why, if Northern Rock has a high-quality loan book, it is the

[Mr. Peter Lilley]

most active in the field of repossessions, he failed to restate his assurance that Northern Rock has a high-quality loan book.

We ought to be examining the regulatory procedures and learning from abroad. One of the lessons from the Continental Illinois problem was the diagnosis that the regulator had relied on the information and procedures supplied by the bank for auditing its loans. I rather suspect that the FSA did much the same and the Chancellor no better, but we ought to establish procedures that look for a problem, rather than ask for reassurance from the management.

Mr. Redwood: Was it not an international and global problem and was not the regulatory failure the failure of the Basel agreement, which said to every bank, "Go for growth off-balance sheet. Go to growth by securitisation", in order to ensure less regulatory capital for that route?

Mr. Lilley: I am sure that my right hon. Friend is right, but it was possible to stand out against that, as the Spanish authorities did, and all credit to them.

We need to know more from the Government about the quality of the loan book and about the reason for the relatively high level of repossessions by Northern Rock compared with any other high street bank before we go ahead and authorise the public sector to take on huge obligations permanently through nationalisation.

The Conservative party is clearly opposed to nationalisation as the normal way of running large businesses. We are not absolutist about that. I revealed to the House the other day in another debate that I was probably the last Minister to nationalise anything. I had to do so after Saddam Hussein invaded Kuwait. I nationalised all the Iraqi Government-owned assets in this country. It took me five minutes to make the decision, not five months, and I was dealing with the problems created by the leader of an enemy Government rather than the leader of my own, which I appreciate is the problem that the Chancellor has had to put up with.

There is not a strong case for the nationalisation to which the Government have finally resorted, because it gives rise to inevitable conflicts. With ownership come responsibilities, and the Government as owner will not be able to escape those responsibilities. *[Interruption.]* My hon. Friend the Member for Tatton (Mr. Osborne) in an admirably clear and forensic speech spelled out what we would do and why we would not do what the Government are doing, and I support him.

I would be extremely reluctant to put myself in the position that the Chancellor will be in when it comes to the issue, for example, of repossessions. When he was in opposition and there was a serious level of repossessions in the 1990s, he urged institutions to exercise social responsibility. As owner of a bank that is most active in the field of repossessions, will he require his managers to exercise social responsibility? Yesterday he said no—he was going to take on the role of Pontius Pilate and tell the management to carry on.

Severe conflicts of interest are created. The Chancellor is paying Mr. Sandler £1.2 million a year—the two top people between them £2 million a year—and asking them none the less to get rid of that profitable way of life rapidly. Will they really have an incentive to bring the bank back to private ownership speedily? Unless they think that they will continue in their role when it is privatised, perhaps not. Many conflicts will arise from the decision, which the Government have not thought through, which they are not giving the House the opportunity to consider, and which will mean that in the long run Northern Rock moves from being Northern Rock to a national millstone.

6.39 pm

Frank Dobson (Holborn and St. Pancras) (Lab): I support the Bill because there is clearly no sensible alternative. I shall address the principal Tory objection to it, which is their objection to the concept of nationalisation, and their assertions that it will damage Britain's reputation for financial services, and that the fault for all that lies with the Government. Nothing is further from the truth.

The original mess at Northern Rock was caused by the irresponsible and stupid policies of its private sector bosses. When they got into that mess, they turned to other private sector banks and asked them for additional loans. Those banks refused to give Northern Rock those loans because it was such a bad risk. In other words, there was a market failure.

Northern Rock turned to the state and taxpayer to bail it out; to say that that was ironic would be an understatement. It was hypocritical as well. The bank was chaired by Matt Ridley—an old Etonian, like the leader of the Tory party. He is on record as saying

"it is vital we reduce the power and scope of the state."

When his bank needed bailing out, the first thing he did was turn to the state. He had to, because his enterprise-culture, old Etonian friends in the City had turned him down in the marketplace.

Mr. Kevan Jones: Does my right hon. Friend agree that the chairman's only qualification for his job and salary of some £300,000 was that his name was Ridley?

Frank Dobson: That may be the case. It brings to mind the time of the Oxford martyrs, when Cranmer, Latimer and Ridley were facing the Catholic experts. It was said at the time that in the arguments, Master Cranmer leant on Master Latimer, who leant on Master Ridley; Master Ridley leant on the singularity of his own wit. It is a pity that the Oxford fire snuffed out the wit in the Ridley family.

We need to come to the wider question of why the other banks turned down the request for help. The answer is that irresponsible banks in the United States, Britain, Switzerland, France and Germany had all lost fortunes on what they call "sub-prime mortgages" in the United States. Other people call that lending money to people who could not pay it back.

It was not just that the banks gambled and lost billions of dollars. None of them could trust what any other bank said about its potential losses. Some were making false statements and others refused to reveal what their losses were, so the banks cut down on their lending to each other, and none was in a position to bail out Northern Rock. The situation was not just the

result of a failure of a single bank—it was due to the failure of the whole market. Those losses and that distrust have also stymied the Government's efforts in the past five months to get a private sector solution to the Northern Rock crisis. If the sub-prime mortgages crisis had not occurred, the chances are that there would have been a private sector solution to the problem, and everybody would have welcomed that.

On top of all that, the Tories and their friends in the news media go on and on about how nationalisation has damaged Britain's financial reputation in the eyes of the world. However, it cannot do such damage in a substantial part of western Europe, where there are publicly owned commercial banks.

In whose eyes do the Tories and their friends believe that Britain's reputation has been damaged? Is it in the eyes of Citigroup in the United States? It lost $24 billion in the sub-prime crisis. Merrill Lynch lost $22 billion, the Bank of America lost $5 billion and JPMorgan lost $3 billion. Has our reputation been damaged in the eyes of France, where Crédit Agricole lost $5 billion, Société Générale lost $3 billion and BNP Paribas lost $1 billion? Has it been damaged in the eyes of Germany, where Bayern LB lost $3 billion, Commerzbank lost $1 billion and Deutsche Bank lost $3 billion? Perhaps the Tories and their friends think that Britain's reputation has been damaged in the eyes of the Swiss, but UBS lost $18 billion, Swiss Re lost $1 billion and it has been revealed today that Crédit Suisse lost $3 billion.

Mr. Maples: Will the right hon. Gentleman give way?

Frank Dobson: No, I have given way already.

Goldman Sachs, which has been advising the Government, says that it is concerned about Britain's reputation as well. Apparently, its representatives are patting themselves on the back because they lost only $1.5 billion in the sub-prime scandal—they were stupid, greedy and short-sighted. The right hon. Member for Hitchin and Harpenden (Mr. Lilley) would agree that the institution was not properly supervised by the regulatory authorities in its country.

This morning, I had the pleasure of listening to Howard Davies of the London School of Economics, formerly of the Financial Services Authority—one would have thought that he would have been on the ball as far as making sure that things are properly regulated. He is a director of Morgan Stanley, which lost $18 billion as a result of its stupidity over the sub-prime scandal. Such people say that there is something wrong with the Government—it is an understatement to say that that is the pot calling the kettle black.

Mr. Maples: Will the right hon. Gentleman give way?

Frank Dobson: No, I shall not.

Who else's concern should we fear, according to the Tories? Should we fear the concern of the bond credit rating companies—including Standard and Poor's, which gave triple-A ratings to sub-prime borrowing? The agency has been quoted with approbation by Tory Front Benchers this very day. Perhaps we should fear the concern of monoline insurers in the United States. Their normal business is, apparently, bordering on collapse because they have been insuring speculators who got their speculations wrong.

I have been talking about all the people who were apparently very concerned and bothered about the state of the British financial services industry—entirely as a result of the Government's action. I should like to ask the hon. Member for Tatton (Mr. Osborne), who clearly does not like the truth, a question. When he and his mates were in Davos, were they sticking up for Britain on this issue, or were they talking Britain down? That is what they do most of the time on radio and television these days.

Rob Marris: Will my right hon. Friend give way?

Frank Dobson: No, I really need to get on.

The Government have had to act to preserve the integrity of the financial system and public trust in banks, and to protect the depositors and staff involved at Northern Rock. They have bailed out a bank that failed because of the greed and stupidity of its top management. That bailing out by the public sector was necessary because the private sector was in such a state of distrust that it would not or could not help. That was a consequence of the greed and stupidity of the lending policies of international banks on sub-prime mortgages.

Instead of criticising the British Government, the Tory party and the ill-informed alleged financial experts who come on radio and television—and get a creepy response from the interviewers that no politican, not even a Tory, would get—should accept that the Government are the only ones in the whole affair who acted responsibly when the market failed. This is a market failure, not a Government one, and that is why we have had to introduce the Bill today.

6.48 pm

Mr. John Maples (Stratford-on-Avon) (Con): The right hon. Member for Holborn and St. Pancras (Frank Dobson) should applaud all the losses, because they have been a gift of billions of dollars from big international banks to poor people who could not otherwise have got mortgages; I would have thought that he would be in favour of such Robin Hood-ery.

I want to make a couple of points. If a bank were not involved, we would not be talking about a rescue operation at all. Such an operation was put in place to save not Northern Rock, but the banking system—it was to stop there being system failure. We should not be concentrating on that particular company and why it is good for Newcastle, for the north-east, for jobs, or whatever. That is not why the Government stepped in to save it—they did so because of the threat of system failure. In any other circumstances, that would not be the case at all. If some of the Labour Members who have spoken substituted any other industry for the word "banking" in their speeches, they would find that they sounded pretty old-fashioned.

By any standards, £100 billion is a huge amount of money—about 22 per cent. of annual Government spending, or four times the defence budget—and the Government's strategy should be to recover that money for the taxpayer as soon as possible and with as little risk as possible. If that involves some redundancies and the north-east's favourite building society not turning into a big international bank, then I am sorry, but that

[Mr. John Maples]

is what happens in business. The Government dithered around unnecessarily for six months. When they found that Lloyds bank—one of the biggest banks in the country—could not take on Northern Rock without a Government guarantee or loan of £25 billion, they must surely have realised that the chances of any of the other people who paraded their interest doing so were negligible. They gave credence to a possible bid by Richard Branson, whose company, which had never run anything of such size or scale before, planned to put in a bit of new management and £200 million of new equity—a lot of money, but negligible in the context of a £100 billion balance sheet—and fiddled around with bidders who never had the equity to do the deal. The Government either did not recognise the realities of the situation or did not have the courage to make the decision then that they have found themselves forced to make now.

I ask the Chief Secretary to deal with the question of nationalisation versus administration. Nationalisation will give the Government a huge amount of headaches. They will become a debt collector on a massive scale; if they have never been in the debt collection business before, they have some nasty shocks in store. On Northern Rock's 2006 balance sheet, there were £8 billion of unsecured loans, which I suspect will be difficult to collect. There are 125 per cent. mortgages, which must inevitably involve a bit of unsecured lending as well. Repossessions are running at 50 a week and will probably step up as the economy slows down, as looks likely. The Government have taken on all the bank's liabilities, and they have almost inevitably taken on the necessity to make thousands of redundancies—not all 6,000, I guess, but certainly many of them—as well as an unknown and unquantified pension fund deficit. If the bank had gone into administration, that would have provided far greater flexibility to deal those matters without taking on those responsibilities. That alternative would also have had the great advantage—I hope that the Chief Secretary will deal with this point—of avoiding the need to deal with shareholders' compensation, because they would merely have got what was left at the end, probably nothing. Nationalisation means having to deal with compensation, and, given that there are some pretty tigerish hedge funds out there, I suspect that there will be some lengthy and expensive litigation.

A casual glance at Northern Rock's balance sheet makes one wonder how good is the security for taxpayers' money. I mentioned the unsecured loans; there are also some derivatives and intangibles, and a lot of the good mortgages are already securitised at a loan-to-value in excess of 100 per cent. The ability to recover all its assets to satisfy the taxpayer seems to be limited, which is why I worry about the idea of continuing to run it as a business.

I checked Northern Rock's website today. Even with a Government guarantee, it offers a better savings rate, by nearly 1 per cent., than Cheltenham and Gloucester. I use that comparator because it happens to be where my own mortgage is, but it is owned by Lloyds bank and is a long-standing and very reputable lender and savings institution. One of my richest friends in the City told me the other day that he and all his friends had put all their money into Northern Rock, because where else could one get 6.5 per cent. with a Government guarantee? It is ridiculous that it is being allowed to do that. That arrangement is not only uncompetitive—it encourages the company to make more unsecured and 125 per cent. loans in what looks like a dodgy and difficult housing market. If it is allowed to carry on doing that, we will find that it is harder to recover our money than it is now, and it will take longer. If it goes on making new loans, the recovery from cash flow of the Government's money and guarantee will inevitably take longer. The first thing that the Government should tell Ron Sandler to do is to stop making risky loans. We want the credit criteria under which Northern Rock lends to be tightened up considerably so that they are the same as those of other lenders. If that results in a run down in the size of the business, that is probably a good thing.

Moreover, the bank cannot be allowed to distort the market by offering above-market interest rates with the backing of a Government guarantee. The Government guarantee ought to mean that people are willing to save at National Savings and Investments or gilt rates, not that they need a premium. Whether it is in administration, liquidation or a nationalised state, we must instruct that the company be run for the benefit of the taxpayer and instruct it to recover the loan and the guarantees that are outstanding, which now, in aggregate, must amount to more than £100 billion. That must be its objective in any of those formats; the one that the Government have chosen is nationalisation. If one puts other political objectives into the mix, the Government will risk huge sums of money. In the context of jobs alone, we are talking about £15 million per job.

John Hemming: Given the expensive loans from the Bank of England and the high rates of interest that are being paid, if Northern Rock were in administration, where would it get the money to pay the phone bills and wages?

Mr. Maples: It has a cash flow from mortgage repayments and interest payments. Serious consideration should have been given as to whether the bank should just sit back, make no new loans, collect the interest and repayments on debts as they flow in, and, if and when the market recovers, perhaps securitise and sell off some of the other mortgages. That would be the fastest and probably the most secure way for the taxpayer to get their money back.

If the Government had taken the administration route they would not have needed to deal with compensation. The shares were worth nothing without the Government's guarantee. I hope that they are going to hang tough and not pay compensation, despite feeling sorry for the small shareholders. Having said that, most of the shareholders seem to be people who were given their shares on demutualisation or big City operators who bought the shares in the distressed circumstances thinking that they might be able to railroad the Government into some kind of rescue. They are not little old ladies in tennis shoes with their life savings in the bank.

Jim Cousins: Does the hon. Gentleman acknowledge that almost half the assets of Northern Rock are in a securitised vehicle that has several more years to run? If we attempt to realise those assets in the short term, we

will dump them at far less than they are worth—or we have to live with this until that securitised vehicle comes to the end of its life.

Mr. Maples: Yes, of course I understand that. It may be possible, if market circumstances change, to refinance those vehicles and the other mortgages that are not within them. However, I still think that the securest way of the taxpayer getting their money back is for the company to stop doing new business, stop making new loans and just collect the cash flow as it comes in. That would pay off the securitised creditors and the taxpayer.

I have not been a Member of this House for as long as some of the people sitting in here—actually, that does not apply to many; I think that the right hon. Member for Holborn and St. Pancras (Frank Dobson) is one. There has been a banking crisis every 10 years since I came here, and there was one in the 10 years before that. They come along at fairly regular intervals. They take different forms, but they are usually the result of over-exuberance on the part of the management, and the Government end up having to do something to bail those companies out. In the case of this crisis, we have found that the Bank of England cannot organise a rescue for a modest-sized mortgage bank. In the past, that has not been the case. With Johnson Matthey and with County bank, the Bank of England was able to organise a rescue.

We must face the fact that in future even such modest-sized institutions will have an implicit Government guarantee. That encourages irresponsible behaviour. If someone can get 6.6 per cent. from an institution that is taking greater risks than one that will pay 5.5 per cent. but also has a Government guarantee, why should they worry? That is bad business for the Government, because it will encourage people to save with the marginal and more risky operators. That is not only unfair on the people who operate in a safer environment but stores up trouble for the Government in future, because banking crises may come along more frequently than once every 10 years. That is one of the aspects of moral hazard, which gets discussed every so often. If we are, in effect, standing behind the liabilities of the British banking system, then we as the taxpayer need to know that the Financial Services Authority is regulating banks much more closely, and particularly watching those that are paying high rates of interest and making risky loans.

I end by referring to a point that I made in a previous speech on this subject. When the Bank of England was given independence to set interest rates, the Government made a mistake with regard to the regulatory system. I understand why they did it, but taking bank regulation away from the Bank and giving it to the Financial Services Authority was a mistake. First, as lender of last resort, the Bank needed to know, and did know, a huge amount about different banks. I experienced that myself when I was a Treasury Minister in a very junior capacity when the Bank of Credit and Commerce International was in trouble. The Bank of England's intimate knowledge of the banking system was extraordinarily valuable in that situation. At that point, we also had two people talking to each other: the Governor of the Bank of England and the Chancellor of the Exchequer. We now have three, and I think that having three makes things twice as complicated as they used to be. I urge the Government to look again at how the system is regulated because giving bank regulation back to the Bank of England would be a better way of doing things.

In future, once we have given an implicit guarantee on the liabilities of all the banks, we will be in a different ball game from the one we were in before—one where we cannot organise rescues. We will have to take banks into public ownership, make loans and give guarantees. In the past, we were able to organise rescues, but if that is not possible, we will be in a different ball game. There will be a different attitude to regulation, which demands a greater level of risk-averseness on the part of the Government.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): The time remaining for this debate is somewhat limited, and I can see a number of Members hoping to catch my eye. May I please ask Members to reduce their contributions voluntarily so that more Members will be successful?

7.1 pm

Phil Wilson (Sedgefield) (Lab): Speaking as a north-eastern MP, I believe that, on Northern Rock, the Government have taken the hardest and most difficult of decisions, but none the less, the right one. I support the Bill. The Government did not rush to take this decision, and they have found themselves dealing with a problem that is not of their making. It would have been a mistake to act in haste. If the Government had opted for temporary public ownership five months ago, the Opposition would no doubt have said that they should have looked for a private buyer first.

The Government's approach has been consistent in its aim of achieving the best possible outcome for the country. The Government were guided by the need to maintain financial stability, to safeguard depositors and to protect the interests of the taxpayer. The decision to take Northern Rock into temporary public ownership was not ideologically driven, but unlike the Conservatives, my party knows that from time to time it is right for the Government to intervene to protect the best interests of the country, to save jobs and, on this occasion, to promote the economic well-being of a region that suffered so much under the Opposition.

Rob Marris: Would my hon. Friend agree that just one measure of the acceptance of the nationalisation of Northern Rock is that the FTSE yesterday—the day after the announcement was made—was up 2.8 per cent.? I believe that it has gone through 6,000 today.

Phil Wilson: My hon. Friend makes a good point. Yesterday, a lot of the editorials in the newspapers in the northern region, as well as the one in the *Financial Times*, were very much in favour of the Government's decision.

The dividing factor between the Government and the Opposition is that my party has a policy on this issue. The Opposition started with at least four—from nationalisation to administration, from private sale to restructuring by the Bank of England, which seems to me to be a kind of nationalisation in itself. They started

[Phil Wilson]

with four, dithered from one to the other, and have ended up with none. To lose one policy can perhaps be excused, but to lose four is rather careless.

On this issue, it is the Opposition's claim to economic competence that has dithered into oblivion, not the Government's. Northern Rock and the Northern Rock Foundation are institutions that employ thousands in the north-east and in supporting communities throughout almost every constituency in the northern region. As an MP in the north-east, my concerns are the local economy, the effect of any job losses at Northern Rock and the future of the foundation. I am pleased that the foundation is being funded to the tune of £15 million per year for the next three years, and that the board is being asked to look into the long-term future of the foundation as well.

Northern Rock employs about 6,000 people, and I know that Ron Sandler is drawing up a plan that will better define the future of Northern Rock. I urge him and the Government to work closely with the trade unions, such as Unite, which represents Northern Rock staff, to ensure that jobs can be protected and employment terms promoted.

Any crises faced by Northern Rock that were left to the Government to sort out were not of the Government's making. Under these circumstances, temporary public ownership of the bank was the best way of securing the future of Northern Rock, its employees and the regional economy. Instead of carping from the sidelines, the Opposition should join us in the Lobby tonight to help to secure a future for Northern Rock, and to help to build the economic base of the north-east, which has thrived under this Government during the past 10 or 11 years. But they will not do that. If they had their way, there would be no bank—

Mr. Kevan Jones: Will my hon. Friend give way?

Phil Wilson: I am just coming to the end.

If the Opposition had their way, there would be no bank and no jobs. We know about the Tories and the north-east of England. They have a long history of having no empathy with the people of my region, and unlike their policy on Northern Rock, that approach has remained consistent.

7.5 pm

Mr. John Redwood (Wokingham) (Con): I have declared my interests in the register.

I want to see this business survive, recover and flourish. I quite understand its importance to the north-east. I do not think that the nationalisation model on offer is the way to do that. Indeed, as those on my party's Front Bench have made clear, it could well be that given the constraints on competition policy and the uncertainty of the Government over the business plan, nationalisation will mean substantial redundancies and a winding down and a scaling back of the business—the very opposite of what Members in the north-east want.

I propose, as I have consistently advised the Government, that the Government and the Bank of England should act as an intelligent and tough bank manager to this business. They are the bank manager, because they are the lender of last resort, and they gave a large loan to the bank when it was in difficulties. What they should have done was taken enough asset protection for the taxpayer so that there was no argument about getting our money back. They should now secure what assets they can, which they need to give us protection, and then agree a timetable for the repayment of the money. They should agree a timetable that makes sense for both parties. Of course, if the parties cannot agree it, they can dictate it because the Bank of England is the only bank that will lend to this business, but it is better to agree it. It should be tough; there should be exacting targets to get the money back.

Under such a course of action, Northern Rock has all sorts of options. It has the opportunity to get money back if the markets get freer and it can refinance. It has the opportunity to get money back through cash flow, profits and the success of its business. If it cannot do either of those things, it can always pay the money back—assuming that enough asset cover has been secured, as we were told originally—because it can sell assets. The pace of the sale and the cash generation should be agreed between the bank manager and the business. The bank manager should lean on the bank to go further and faster, should watch inappropriate spending and should ensure that the bank is not spending unnecessarily on capital expenditure, high wages or elaborate bonuses. People should not be earning bonuses in a business that is under this much pressure. I submit that that is a far better model than the nationalisation model, with all its uncertainties.

As someone who has spent time in business and has, from time to time, bought a company, what I find breathtaking about the business before the House is the lack of the information that a buyer of any size of business would wish to have, let alone the purchaser of the biggest business, in cash terms, ever bought on behalf of the taxpayer. But we do not know the price. We are told that the Government have decided to buy the business without negotiating the price with the sellers—or without deciding what price they are going to impose on the sellers. We are told that we have to rush the legislation through in a week, but the Chancellor cannot even tell us how long it will take the Government to work out the price to complete the deal. It is obvious that they cannot complete the deal until they know the terms of transfer for the shares. Why the rush? Why can we not do some due diligence on the business first, as they will have to, when trying to work out a price for the compensation, so that the House knows what it is buying?

As the shadow Chancellor said, we do not know about the quality of the assets we are buying. There is no analysis of the repossession rate, past and future, or evidence about the quality of the lending made. There is no evidence about how many of the loans are at the 125 per cent. rate and no analysis of the unsecured loans. Such things are the first things someone would ask about if they were thinking of buying such a business. We have no analysis of the properties and the branch network. We have no idea whether there is surplus property, or whether the business needs to carry on with its big capital programme to build new property. There is no environmental report on the state

of the properties and no report on the leases, or on the commitments to those property leases. Are they long leases? What would be the cost of paying some of them off if they are on inappropriate property?

There is no duty of due diligence on the people whom we will employ on behalf of the taxpayer. There is no human resource report, or report on the contracts of senior executives. We have no idea of the cancellation costs for senior executives if some proved not to be wanted in future by the new executive team. We have no idea of the number of write-offs and losses that the new executive team will want to record in the first set of accounts to clean everything up and make the task a bit easier. Somebody coming in on a salary of more than £1 million would be unlikely to want to accept everything as a given and to make no adjustments to the accounts.

We do not know from the Treasury what the impact on public borrowing will be. We do not know what the capital expenditure programme is and how much will have to go into public accounts because it cannot be funded out of the cash flows of the business. We know nothing about virtually anything that we are buying or about the risks that we are taking on.

There is no pensions report. We do not know the impact of the pension regulator's latest idea that pension funds have been understating the longevity of the people in their funds and that the allowance made for that must be increased. The pensions liability, like contracts with the staff and any redundancy payments, will now rest with the taxpayer.

It is a disgrace that no normal financial and due diligence information is available on the business before we commit that huge sum of money. My hon. Friends have been generous in saying that the commitment is £110 billion. It could be more than that sum, which is the stated liability on the balance sheet, but does not include the pension, redundancy, property and environmental liabilities and all the other things that might come out of the woodwork. When one buys a business, one normally agrees a price in principle, fulfils due diligence requirements and either decides that the price is right or agrees a revised price in the light of what one has discovered.

Will Ministers please think again? Will they perform some due diligence duties for the taxpayer? If not, they will rue the day because they will lose us a huge sum of money and end up making unpleasant decisions, which will not suit the north-east.

7.11 pm

Mr. Mark Todd (South Derbyshire) (Lab): I support the Bill, but with considerable concerns. For me, the measure is emphatically the least bad option. I have listened carefully to the option that Conservative Members presented and it held some appeal for me. However, the Bill offers greater control over the process of realising the assets that we require to get back the loans that we have made to the business. Control makes the difference, enabling us to manage matters to achieve the outcome that we seek. I shall consider that outcome shortly.

First, I want to list some of the reasons for my considerable hesitation. Many have already been covered, so I shall deal with them in shorthand. We do not know whether we will survive a shareholder court challenge. As has been said, the companies involved are well resourced and had thought their way into the outcome when they bought into the business. I am optimistic that we will survive, but there is nevertheless a risk.

Competition is a predictable concern in the marketplace and I have some sympathy with it. I expect dealing with challenges from competitors to occupy a significant amount of the business's resources, if it is run in a particular way.

Staffing has been mentioned. The state will now be responsible for retaining staff and maintaining the morale of those employed in the business, as well as for some of the redundancies that are likely to befall under any business model.

We do not know the company's asset base. The right hon. Member for Wokingham (Mr. Redwood) was accurate about that. We know neither the assets thoroughly enough to decide whether we are buying what we are told is as good as any mortgage-lending business in the land nor the liabilities that we are taking on. I doubt whether I have bought businesses on the scale that the right hon. Gentleman has handled but I have dealt with business acquisitions and I would expect to know a great deal more about a business that I was acquiring than the information that we have been offered to date.

We will have to take on running a bank at a time—though I have not followed the shares in the past couple of days—when banks' values have been hit hard in the past month or so and I would expect competition to be vigorous. I cannot say with certainty that the business will thrive in that environment. We do not know.

We also have the task of clearly communicating our limited purpose. Nationalisation can suggest greater state engagement in the financial services sector than is perhaps intended by the move.

Accommodating the governance of a retail bank into a state system will be uncomfortable and provoke difficulties, such as dealing with repossessions and other matters that colleagues have mentioned. I have plenty of anxieties about what may lie ahead.

We desperately need clarity of purpose. My purpose is risk limitation. From a business perspective, we are taking on many unknowns. I therefore look to holding our risk to the absolute minimum. I am worried about how easy that will prove. The most obvious strategy for achieving that is, as several Opposition Members said, to put in an ordered—or, I suspect in some instances, less ordered—run-down of the business and basically farm money from the existing loan book as far as possible and look for buyers at appropriate times. The debate has shown the difficulty of doing that—I put it gently—when the bank is in political hands.

My hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins) spoke powerfully for his community and I suspect that many would have done the same. There will be challenges from those who perceive other perspectives and purposes in the state owning the bank. It will be difficult in a political context to maintain a focus on the narrow objective of returning to the state the assets that the bank has temporarily held. I am worried about that.

[Mr. Mark Todd]

Some of the remarks made in the first few days conveyed inappropriate signals. Suggestions were made of the possibility of aggressive strategies by the bank as well as understandable assertions of support for the Northern Rock Foundation. Again, that is an indication of a wider purpose beyond the narrow issue of recovering our resources, and it should concern us. I am worried about the mixed messages and I want reassurance that we have a firm purpose of recovering the assets loaned to date as rapidly as is reasonably possible. The advantage of state ownership is that it at least allows us to dictate the timetable in a more ordered way, and more sensitively to the communities that are involved. I firmly believe that a clear statement of that purpose is required as early as possible.

I support the Bill, but the critical questions are why we are taking such action and how we intend to achieve the outcomes. Let us clearly express the answers as early as possible. That would be easier for the communities involved than maintaining perhaps an illusion that we will build some great financial institution in the north-east. I do not perceive that as a reasonable purpose for Government or a reasonable use of the risks that we have deployed today.

7.19 pm

Mr. Michael Fallon (Sevenoaks) (Con): That was easily the most realistic speech that we have heard from the Government Benches in this debate.

I have learned two things about temporary legislation introduced over the years. The first is that it is rarely temporary. In the end, it is usually extended or converted into a more permanent form, which is why we need to consider the Bill carefully. The second thing is that temporary legislation is usually bad legislation, drafted too quickly, scrutinised too little and with implications that are not easily understood. We already know that the Bill has a life beyond 12 months. We have been told by the Chancellor, quite openly, that some of its provisions may be translated into the major banking reform Bill, which will be presented to us after Easter. We know, too, just how loosely drafted the Bill is, thanks to the excellent speech by the shadow Chancellor. We see the wide-ranging powers that are being taken, not simply over banks, but over building societies.

The key to the Bill is clause 2(2), under which the Chancellor is taking formidable powers to nationalise any bank and prop up any building society, which can be exercised for two purposes. The first is for

"maintaining the stability of the UK financial system"

where there is

"a serious threat to its stability",

while the second is for

"protecting the public interest in circumstances where financial assistance has been provided".

We have spent too little time in the Chamber talking about this, because we have had so little time, but nowhere in the Bill are those terms defined. What do we mean by "financial stability"? How do we define a "serious threat to financial stability"?

That takes us back to the untested premise of the Government's original authorisation of an operation of lending of last resort. The Chancellor concluded that there was systemic risk. He did not show us what that risk was, he did not define it and he did not have it externally validated. Indeed, he did not do anything to allay the suspicion that some of the systemic risk was to the Government's political stability in the run-up to a general election.

We have had endless discussion about systemic risk without any of us being clear about how we should measure the threat. We need that clarity; otherwise any bank with a significant number of UK customers or any building society will come hammering on the door, saying that there is a threat to the UK financial system. We need to be clear about what that threat is. Is it a series of bank failures—a domino effect through a range of building societies—or a threat to the integrity of the clearing system? We need to be much clearer.

We also need to be clear about who decides whether there is a systemic threat. Under the Bill, it is simply for the Chancellor to decide, all on his own. That is wrong. As the Treasury Committee concluded, the Bank of England should advise the Chancellor. Of course he has to authorise public money to support a particular operation, but he should have to do so on the advice of the Bank of England.

The other thing that I want to concentrate on is the extraordinary provisions in clause 11, which I asked the Chancellor about yesterday. I asked him what a clause enabling him to give any amount of money to any building society that might need financial assistance was doing in the Bill. He said that he thought it "prudent" to include such a clause. That was the only explanation that we had. He said that he would speak about clause 11 today, but he skipped it altogether. Clause 11 is the most extraordinary clause. It empowers the Chancellor to alter any enactment, without any restraint or definition of terms and conditions, and simply to supply public money to any building society that he deems ready to receive it. There is no explanation for that.

This is a bad Bill, for three reasons. First, it says that it is temporary, but it is not going to be temporary—on that, at least, I can agree with the hon. Member for Newcastle upon Tyne, Central (Jim Cousins). The Swedish had their banking crisis in 1991, when they nationalised the biggest bank in Sweden, which is still partly publicly owned today, 16 years later. British Leyland was publicly owned for 13 years. We are going to be stuck with Northern Rock for a great number of years, but we have seen no timetable either for the repayment of the money that we have lent or for managing the exit. Indeed, shareholders have seen no timetable for paying them the compensation that they look forward to.

Secondly, the Bill is not a specific measure—a fact that my hon. Friend the Member for Tatton (Mr. Osborne) brought out so clearly. It takes general powers, but I am not at all persuaded that hurrying to do that is a good thing. If there is a specific problem that has to be dealt with in an emergency, let us deal with it, rather than taking such sweeping general powers in such a rush.

The third reason I oppose the Bill is that it sends out the most appalling message from the British financial system, which is that any bank or building system, however incompetent its directors or however great the regulatory failure of its supervisors, will now come to the door of the Chancellor and ask to be bailed out. This is bad legislation.

7.25 pm

Stewart Hosie (Dundee, East) (SNP): I would like to make a couple of preliminary remarks. The first is that the Bill is intended to allow for the nationalisation of Northern Rock, which will then operate at arm's length from the Government, with commercial autonomy for its decisions. However, that will be predicated on a framework agreement covering the relationship between Northern Rock and the Government that is yet to be published. My second remark is that the nationalisation expected to flow from the Bill has apparently been tested against the two private sector bids and deemed to represent the best value for taxpayers' money. I would like briefly to test that assertion.

On 23 September last year, only a week or so after the Northern Rock crisis broke publicly, the BBC reported that at least 12 of the UK and Europe's biggest banks had declined to buy the bank. It quoted *The Sunday Times* as saying that the

"banks have estimated that it would require...capital"

of

"as much as £20 billion...to successfully refinance Northern Rock."

Given that that figure was likely to have been the maximum taxpayer liability, should everything have been sought from a private sector concern, and given that it may well have been lower, in loans and guarantees facilitating a private bid, I am curious to know how the Chancellor and those on the Treasury Bench can argue, five months down the line, that a £110 billion liability for the taxpayer represents better value for money than a rather more modest contribution in loans and guarantees last autumn.

I said that the framework agreement between Northern Rock and the Government has not been published. In addition, the new framework to regulate banking in the UK and protect depositors is out for consultation. The Chancellor said that that would take some months and require primary legislation. There are a number of questions about the Bill and the sweeping powers that it contains. Given that the bank will operate at arm's length from the Government, why should we pass the Bill in the absence of the framework document?

There are other questions to do with why we should support the Bill, given that we are to have a nationalised bank, with £110 billion of taxpayers' money, operating within a tripartite arrangement that many believe is not fit for purpose and which the Government intend to replace anyway. That tripartite arrangement not only is not fit for purpose, but may have been at least partly responsible for stopping or not facilitating a quick and early private sector takeover of Northern Rock last year, because of the confusion among the FSA, the Treasury and the Bank.

Clause 3(1), entitled "Transfer of securities", says that the Treasury may by order transfer securities to

"(a) the Bank of England;

(b) a nominee of the Treasury;

(c) a company wholly owned by the Bank of England or the Treasury;

(d) any body corporate not within paragraph (c)."

However, clause 8 says that if securities have been transferred to a specific named person under clause 3(1)(a) to (c) following nationalisation, provision can be made for further transfers—that is, transfers back—to the private sector. However, clause 8 seems to exclude any reference—I will stand corrected if I have missed it—to a body corporate that is not a company owned by the Bank of England or the Treasury. If that is the case, primary transfers of assets can be made to that body, but on my reading of the Bill there is no ability to transfer them back to the private sector later.

Clause 4, on the "Extinguishment of subscription rights", allows the Treasury, where it has made an order providing for the transfer of securities from a deposit-taker, to acquire the securities not only of the deposit-taker, but of any of its subsidiaries,

"whether the rights have been granted by the deposit-taker or otherwise."

That provision seems extraordinarily wide, and I am concerned that it might preclude the breaking up of a group that is in trouble, where subsidiaries could be sold as going concerns to raise cash. It does not seem to place any restriction on securities from a subsidiary being acquired, even if they are worth more than the indebtedness of the principal deposit-taker, which could be the reason for the necessity for assistance in the first place. If that is the case, I suggest that this is a gaping hole in the Bill.

The Bill is also riddled with terms such as

"where the Treasury make...an order"

and the Treasury

"may by order make provision for".

In the absence of detailed orders or a framework agreement between the bank and the Government, however, it is difficult to know precisely what the Government intend the Bill to do.

The Bill is doubly confusing because clause 13(2)(a) states that orders and regulations

"may make different provision for different cases or circumstances".

The Government are expecting us to vote for a pig in a poke, because the provisions are so wide and utterly undefined, and the secondary information that we need is simply not available.

We are certain that everything that should be done to preserve the integrity of the banking sector must be done, not least because of the 127,000 jobs in Scotland that depend on banking and finance. However, the Bill before us tonight should have been a Northern Rock emergency nationalisation Bill, containing only a few clauses. We have yet to determine whether we will support the provisions at the end of the day, and we will look at the amendments that have been tabled, but we are dreadfully disappointed by the generality of the Bill, by its extremely wide scope, and by the ability of the Government to do almost anything by order, when we should have had a much tighter and more focused emergency nationalisation Bill.

7.31 pm

Mr. Richard Spring (West Suffolk) (Con): This is called the Banking (Special Provisions) Bill, but it should really be called the Banking (Pig in a Poke) Bill. We do not know the price, or the cost, of the whole exercise. We do not know what we are buying into, or for how long.

[Mr. Richard Spring]

The demise of Northern Rock arose out of the sub-prime mortgage crisis in the United States. However, it happened specifically in this country because of the national situation here. Of course there was managerial excess, but it was the asset-based, overspend economic policies pursued by this Government, and the regulatory system instituted by the Government, which failed. We did not see queues of people in Paris, New York, Sydney or Beijing concerned about their deposits. We were in a unique situation.

We have before us no clear business plan, either for our benefit or for that of the European Commission—it will have to wait another month—so we are being asked to sign a blank cheque. What on earth have Ministers been doing? Why did they not develop some sort of plan B over the past five months in case they had to go down the route of nationalisation, when such a huge sum of taxpayers' money is clearly at risk? Now we understand that the very details of how the bank will be faring are to be denied to us through an exemption from the Freedom of Information Act 2000. That is an absolute disgrace.

The Chancellor has been tilting at City bonuses recently, yet a whole series of bankers and lawyers will be rejoicing at the opportunity that has now been presented to them. When will we know exactly when fees are being dispensed, and how much they will be?

My hon. Friend the Member for Tatton (Mr. Osborne) has dealt with the crucial element in the Bill, which is the right being given to the Government to nationalise other financial institutions. The excuse for this has been hybridity. On a moment's reflection, however, does it not become clear that to keep the power to nationalise in reserve, even if for supposedly technical reasons, sends out a truly incredible message to the outside world? It is no wonder that the Chancellor finds it impossible to say the word "nationalisation". Now that depositors are fully protected by the state, will Northern Rock draw savings away from other financial institutions? How will the Financial Services Authority monitor this? The consequences for other financial institutions could be dire. What will they be able to do about it?

We have come full circle because of the failure of the regulatory system. We have heard much about the arm's length relationship between the Government and the new management of Northern Rock, but that has come from a Prime Minister whose micro-management is famous. We leave the debate today with myriad questions about how Northern Rock will be run, and about what information will be made available to Parliament, when the situation is at present beyond opacity. Despite the dithering and delay, the fiscal excesses, the regulatory failure and the massive risk to the taxpayer, we can only hope that Ron Sandler and his team will salvage something of the impaired reputation of this country, which has been so brutally and incompetently tarnished by this Government.

7.35 pm

Mr. Philip Dunne (Ludlow) (Con): The reason we are here today is that, uniquely among any of the 192 countries in the world affected by the credit crisis, we have suffered a run on a bank. The banking supervisory regime failed to spot the risks posed by the reckless business model of Northern Rock, and when the risks were finally spotted, the tripartite authorities failed to act decisively—mainly because no one was clearly in charge.

The reason for that is the failure of the present Prime Minister and Chancellor—when, as Chancellor and Chief Secretary, they introduced the new banking supervisory regime—to anticipate what might happen in a significant financial crisis. No stress testing was carried out for the possibility of a major bank getting into serious difficulty. That barely seems credible now, but that is what we established through the Treasury Select Committee.

We are now presented with a Bill that, according to the Chancellor, will give the Treasury the power to determine threats to the financial stability of individual institutions. As many Members have pointed out, this will apply not only to Northern Rock but across the banking and building society sectors. The Chancellor's arguments for the Bill, and his recent actions, show that he is obviously confused. He says that the Bill is needed to provide for clear management accountability at Northern Rock, but he also says that he wants to consult in the coming months on the regime to improve the management of financial stability in the UK economy. Why, then, is he pre-empting his own review by using the Bill to give the Government wide-ranging powers that go way beyond the problems of Northern Rock and will extend to all deposit-takers?

The Chancellor is ignoring the recommendations of the Treasury Committee's report—and pre-empting his own response to the report, which has not yet been published—by giving powers not to the Bank of England, as the Committee recommended, or to the Financial Services Authority, as he had flagged up in speeches last month, but to himself and the Treasury. What confidence can we have in the ability of Treasury Ministers to take the necessary decisions provided for in the Bill? One of the Ministers now sitting on the Treasury Bench appeared before the Treasury Committee the other day, and when she was asked what experience she had in financial matters, gave the extraordinary response that she had a big overdraft. It is barely conceivable that we should place responsibility in the hands of Ministers who have little, if any, experience of handling banking matters, rather than in those of the professionals whom they pay—through the Bank of England or the FSA—to take such responsibilities.

This nationalisation raises a host of questions about the role of banking supervision and the relationship between the FSA, the Bank of England and the Treasury. Given the way in which the Chancellor is taking such peremptory powers for himself, he owes it to us during the course of this debate to answer certain key questions. Is there any longer any credence in the independence of the Bank of England? What should the Bank of England be responsible for, operationally, if not for the provisions in the Bill? Can the UK regulatory structures cope with the complexities and rates of change in the modern financial world? What is the role for the Bank of England? And where is the experience among those in the Treasury to exercise the powers that they are giving themselves in the Bill?

7.39 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): At the end of this debate, perhaps we could take a few moments to remind ourselves why we are here. We are here because of a failure of the banking regulation system that the Prime Minister introduced in 1997 to notice a bank with what the Chancellor has subsequently described as a "fundamentally unsound" business model expanding its market share to become the provider of one in five of Britain's new mortgages; because of a dithering by the Government when they were presented with an opportunity to explore a private sector solution before the crisis broke in September; because of incompetence in handling the crisis between Thursday 13 September and Monday 17 September 2007, when the Government finally put guarantees in place, which stopped the run on the bank; and because of the rejection of what we now know was very expensive advice, telling the Government to act quickly and decisively in the days and weeks after 17 September.

At the end of that catalogue of mishandling, we have finally arrived at a Government decision—nationalisation, the solution that they have sought to avoid for five months, and with good reason. Nationalisation does not achieve anything that could not be achieved outside public ownership. It does not in itself provide a solution to the problems of Northern Rock's flawed business model, as my right hon. Friend the Member for Charnwood (Mr. Dorrell) pointed out in his contribution. Nationalisation also comes with clear downside risks—risk to the reputation of the UK's already battered reputation as an international financial centre; risk in extending the taxpayer's liability to include instantly full responsibility for every penny of Northern Rock's balance sheet; and the risk of political interference.

We have heard plenty of warm words from the Chancellor about the arm's length management that Northern Rock will have. Forgive me for being a little cynical, Madam Deputy Speaker, but Conservative Members have seen nothing in our Prime Minister to lead us to believe he does "arm's length". I would have said that he was more a "fingertip" man, myself, and we have already seen the evidence with the appointment of his former chief of staff to the board of Northern Rock. I think that the hon. Member for Newcastle upon Tyne, Central (Jim Cousins) tonight unwittingly provided in the starkest possible terms a perspective on the kind of political pressure that the Chancellor will be under with regard to Northern Rock; he has conceded that the period of public ownership will not be temporary at all, but may last for many, many years.

As my hon. Friend the shadow Chancellor has pointed out, we are being asked to buy a pig in a poke. That was a new phrase when I wrote it down, but two people have used it in the last 10 minutes. We do not know the price that we, the taxpayers, will pay for this business. We do not know exactly what the assets and liabilities of the business are and we do not know how long the commitment will be made for, although we note the discrepancy between the Chancellor's "temporary" period and Ron Sandler's "some years". We do not know what they plan to do with the business—not even whether the plan is to double or halve it in size. We are being asked to buy an unqualified liability for an unspecified price over an as yet undefined time period and for a completely undetermined purpose—and we will not find answers by looking in the Bill, because none of those issues is addressed by it and none of the Chancellor's warm reassurances is enshrined in it.

The meat is in the order, and the order is unamendable, so let me try one more time to tempt the Chief Secretary to give us a commitment when she replies to provide at least one full day's debate on the Floor of the House to debate those orders when they are laid. None of the assurances on arm's length control or on competition are meaningful when even today 125 per cent. mortgages and best-in-class deposit rates are still available from Northern Rock.

What little we do know is not very promising. We know that we are buying a bank that wrote more mortgages at the top of the market than any other and that it is now repossessing more homes than any other. We know that the Prime Minister appointed his former chief of staff to the board and we know that the Government have spent nearly £100 million on advice, most of which they have clearly ignored. We know that the Government have appointed an executive chairman and a chief financial officer, both of whom, according to the BBC's website this afternoon, are non-domiciled for tax purposes and will between them be paid £160,000 a month. I wonder how the champions of the people's bank below the Gangway feel about that. This afternoon, Downing street could not even confirm that those payments would be made onshore in the UK—and that, Madam Deputy Speaker, is just week one of the Northern Rock in public ownership saga.

We will now have to try to amend this flawed Bill to give legislative muscle to the commitments that we heard the Chancellor give yesterday and today, but the situation is worse than that. Looking at the draft order, it is clear that the Government want to exempt Northern Rock from the freedom of information obligations of a publicly owned company. They want to allow Ministers and civil servants to act as shadow directors, but not to be liable to the risks and penalties that shadow directors face. Indeed, they want to exempt all directors of Northern Rock from any legal action whatsoever, putting them in a unique position. So we will have to seek not only to enshrine the shadow Chancellor's warm words in primary legislation, but to amend the primary legislation to prevent these extraordinary measures from being slipped through in unamendable orders.

Rob Marris: Will the hon. Gentleman give way?

Mr. Hammond: No, I will not; I must complete my remarks.

So is it inevitable? No, it is not. There is a better way. Indeed, the Government have hinted at it in their own consultation document on the future of the banking regulatory system. They call it a special resolution regime. However, Conservative Members, contrary to the Chancellor's repeated assertions, have been entirely consistent in our opposition to nationalisation and in our support for a private sector solution, if it were possible to find one—although it is increasingly obvious that the Government should have concluded

[Mr. Philip Hammond]

some time ago that it would not be. Before the Chancellor came out with his consultation document, we had proposed a regime of Bank of England-led protective administration—this was not dissimilar to the proposals in his consultation paper—to allow the resolution of a major business failure in a single banking institution.

I ask the Chief Secretary this question: if the Chancellor's plans and proposals are good enough for a future failed bank, why are they not good enough for Northern Rock today? We could have used this legislative opportunity to pass an emergency amendment to the Enterprise Act 2002 to create a special protective administration regime for banks in difficulty—a regime that would allow the Bank of England to oversee a reconstruction of a bank first and foremost in the interests of maintaining the stability of the UK financial system, and then in accordance with the priorities laid down in the Insolvency Act 1986.

The Chancellor and the Prime Minister have been fond of repeating that any kind of administration or bank-led reconstruction would amount to a fire sale of assets, but the website of the Government Insolvency Service makes it absolutely clear that the first duty of an administrator is to try to salvage the business as a going concern and rescue it so that it can emerge from administration. If that is not possible, getting the best possible deal for creditors is important. In the case of Northern Rock, although the Chancellor, with his facile "business as usual" slogan, cannot bear to bring himself to say it, that almost certainly means a reduction in the size and scale of the business and an orderly realisation of some of the mortgage book in order to deliver a business based on a different and sounder business model—a financeable business model which may be capable of being made viable for the future and, ultimately, saleable back to the private sector.

Despite the five months that the Government have had to prepare for this moment, they have no answers to any of the important questions. Nationalisation is a mechanism—the wrong one, in our view—not a solution. This kind of non-specific and enduring nationalisation power is the worst of all outcomes, tarnishing Britain's reputation as a financial centre for the year of its lifetime.

Perhaps this debate is best ended with the words of the hon. Member for Newcastle upon Tyne, Central, who may well be vindicated by history in his prediction a few days ago that nationalisation would deliver

"a slow lingering death for the jobs of the Northern Rock workers, its assets and Britain's reputation as a major financial services centre".—[*Official Report*, 19 November 2007; Vol. 467, c. 968.]

I urge my right hon. and hon. Friends to deny the Bill a Second Reading.

7.50 pm

The Chief Secretary to the Treasury (Yvette Cooper): In general this has been a thoughtful debate, to which wide-ranging contributions have been made.

My right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) pointed out that the Government had to step in because of market failure, because of the problems created by a global credit crunch and United States sub-prime lending, and because of Northern Rock's particular business model, which put a United Kingdom bank at risk and posed a potential risk to the rest of the banking system. The Government acted in the autumn to keep Northern Rock running, in order to save the bank and also to prevent the risk from spreading.

I agree with the hon. Member for Stratford-on-Avon (Mr. Maples)—if it is possible to agree with him and with my right hon. Friend the Member for Holborn and St. Pancras at the same time—that the most important aspect is the wider stability of the banking system. That is why we were right to intervene, but it is also why we are right to decide to continue the guarantees and ongoing support for Northern Rock in a way that will secure the best possible deal for the taxpayer, safeguarding both the taxpayer's interests and the wider interests of the financial system.

Mr. Hands: Will the Chief Secretary give way?

Yvette Cooper: I want to make some progress, as I have only a short time in which to speak. I shall be happy to take interventions later if there is enough time.

I pay tribute to my right hon. Friend the Member for West Dunbartonshire (John McFall) for his thoughtful speech, and for the work that he and his Committee have done in examining not just the position of Northern Rock but the possibility of wider reforms in the banking system. That has fed into our broader programme and our consultation on future reforms. My hon. Friends the Members for Sedgefield (Phil Wilson), for Newcastle upon Tyne, North (Mr. Henderson) and for Newcastle upon Tyne, Central (Jim Cousins) drew attention to the importance of Northern Rock in their constituencies, and also to the fact that Northern Rock would not be running now had it not been for the Government's decisions.

Several Members raised concerns about the scope of the Bill, which extends beyond Northern Rock. It was suggested that we could have simply followed the model for Rolls-Royce. The Rolls-Royce (Purchase) Act 1971 is, obviously, several decades old and precedes my memory, but its purpose was to vote money to purchase a company from a liquidator. The present circumstances are completely different. Northern Rock is not in liquidation, and we do not want it to go into liquidation. That is the point of the kind of intervention that we have already put in place and will continue to put in place for the future.

Some Members seemed to be calling for a hybrid Bill. I do not consider that to be the right way to deal with the time pressures that we face, and the need to secure certainty for Northern Rock. The right hon. Member for Hitchin and Harpenden (Mr. Lilley), on the other hand, seemed to criticise the Bill for not covering all the wider issues connected with banking reform. We are deliberately not doing that in this Bill. We will do it as part of a consultation, and in a Bill that will deal much more broadly with the lessons we must learn and the action we must take in order to deal better in future with the kind of problems experienced by Northern Rock, which may include wider reforms.

Hon. Members raised important questions about unfair competition. My right hon. Friend the Chancellor has already addressed many of them. In particular, the right hon. Member for Charnwood (Mr. Dorrell) expressed such concerns. It is important to ensure that there is no inappropriate unfair competition as a result of the arrangements that are introduced. The bank must and will be subject to European Union state aid restrictions and also to United Kingdom competition law, and Ron Sandler has already made it clear that he has no intention of running the bank in a way that would abuse its temporary public ownership position.

I do not think that Ministers should be taking decisions on individual products—something for which some Members seemed to be calling. I do not think that that approach would be appropriate, but Northern Rock's business plan will need to be agreed with the Government. The overarching plan will need to be published and agreed in terms of the strategic aims that we have set for the management. They include removing all forms of public support for the bank, including Government guarantees, as soon as possible. A business plan built on abusing temporary public support would clearly not meet that strategic aim, as it would not be sustainable.

Several hon. Members *rose—*

Yvette Cooper: I must make progress if I am to deal with all the points that have been made.

No one expects Northern Rock to operate the aggressive strategy that it operated before the summer, which was clearly unsustainable. Its market share has already dropped. However, the right hon. Member for Charnwood and the hon. Member for Stratford-on-Avon were concerned about the very principle of Government guarantees, or of allowing a Government-supported business to operate in the market at all. The logical conclusion of their argument is that there should be no Government guarantees, and the logical consequence of having no Government guarantees, given the current state of the market, in which banks are not lending to each other in normal circumstances, the global credit crunch, and the history of difficulties at Northern Rock, would be for the bank to go under. That is why we do not support that course of action, and that is why Opposition Members are in fact calling for the bank to go under. They are calling for it to be wound down, with all the problems that that would create for the wider stability of the financial system. It is clear that unfair competition is not in the interests of the consumer or of other banks, but nor is it in the interests of consumers throughout the country and of other banks for Northern Rock to go under, and for us to risk wider instability in the banking system.

Taxpayer exposure was mentioned by a number of Members, including the hon. Member for Twickenham (Dr. Cable). He raised some important issues and I welcome his support for the Bill, but I should make it clear that our action has not been at a cost to the taxpayer. The Bank of England has lent money to Northern Rock which is secured against its assets, and we expect that money to be repaid in full and with interest. We have provided further guarantees that have not been called: the taxpayer has not paid any money. The guarantee arrangements have not been changed as a result of the Bill, and transferring ownership of Northern Rock's shares does not mean taking on legal responsibility for the full liabilities. The Government are simply becoming the shareholder. Granite remains a separate legal entity. It is not owned by Northern Rock, it is not being taken into public ownership, and it has not been guaranteed by the Government. The exposure for the taxpayer remains unchanged.

The hon. Member for Tatton (Mr. Osborne) has said that he and his party oppose the Bill because they have set out an alternative. The rest of us are struggling to understand quite what that alternative is, not least because it seems to change from day to day. Indeed, the director general of the CBI has said that

"the Conservatives have been banging on about Northern Rock and what a disaster it is, but they haven't told us what they would have done."

Exactly so. The Conservatives have said that they want administration by the Bank of England. They variously claim that it would keep Northern Rock running, and that it would run it down. They call it administration, but they say that it is not a sell-off or a fire sale of the assets. They say that it would mean taking over shareholders' rights, but that it would not be nationalisation. They are all over the place.

The Conservatives say that they want a special form of administration. Let me tell the hon. Member for Stratford-on-Avon that administration would trigger a series of claims from creditors with claims on the collateral of the bank. Putting Northern Rock into administration and triggering insolvency would make it impossible to reconstruct the bank. It would mean selling off assets at the bottom of the market—and we all know the present condition of the market—leaving the Bank of England and the taxpayer with potentially hefty bills. It would be a really bad deal for the taxpayer.

Today Opposition Members offered us a new idea. They said that they wanted to adopt our proposals for longer-term reforms in the banking system. I welcome their support, but what they have produced is a set of principles for consultation. Where is the detailed set of powers that the hon. Member for Tatton wishes to use to perform this magic? How would he introduce the necessary safeguards? What provisions would the Conservatives introduce to ensure that property rights were dealt with properly? They have mentioned none of the serious measures that would be necessary to bring about Bank of England administration in the way that they propose. In the absence of such powers, what are they really calling for? They are calling for the Bank of England to take over the decision-making and ownership rights of shareholders, and that sounds a lot like nationalisation to me.

What the Opposition are saying is incoherent nonsense. They oppose public ownership, and then propose a policy that requires it; they say that they want to protect the taxpayer, then propose a policy that would rip the taxpayer off. It is shameless opportunism, shameless stupidity, or both. They should drop their opportunism and back the Bill.

It being Eight o'clock, MADAM DEPUTY SPEAKER *put the Question already proposed from the Chair, pursuant to Order [this day].*

The House divided: Ayes 367, Noes 164.

Division No. 081] **[3 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Byrne, Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Etherington, Bill
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon

Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Alison Seabeck and Mr. Sadiq Khan

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Young, rh Sir George

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.

Bill read a Second time, and committed to a Committee of the whole House, pursuant to Order [this day].

Further proceedings stood postponed, pursuant to Order [this day].

BANKING (SPECIAL PROVISIONS) BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Banking (Special Provisions) Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenditure incurred by the Treasury in connection with any guarantee arrangements put in place to protect some or all of the depositors or other creditors of any deposit-taker,

(b) any expenditure incurred by the Treasury in connection with the provision of financial assistance, or the giving of any indemnity, for any purpose connected with the Act, and

(c) any other expenditure incurred by the Treasury by virtue of the Act.—*[Liz Blackman.]*

Question agreed to.

BANKING (SPECIAL PROVISIONS) BILL *[WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Banking (Special Provisions) Bill, it is expedient to authorise—

(1) the conferring of power on the Treasury to make provision for or in connection with varying the effect of any tax (including stamp duty) in relation to or in connection with—

(a) anything done for the purpose of, in relation to, or by or under or in consequence of, an order made by the Treasury under the Act which transfers, extinguishes or otherwise affects certain securities or property, rights or liabilities,

(b) any securities, or property, rights or liabilities, which are transferred, extinguished or otherwise affected by provision made by or under such an order, and

(c) certain securities issued by, or certain property, rights or liabilities of, any transferee or any body in relation to whom such an order is made, and

(2) the payment of sums into the Consolidated Fund.—*[Liz Blackman.]*

Question agreed to.

Banking (Special Provisions) Bill

Postponed proceedings resumed.

Bill immediately considered in Committee, pursuant to Order [this day].

[SIR MICHAEL LORD *in the Chair*]

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): I must inform the Committee that an informal list of proposed amendments is available from the Vote Office and a provisional revised selection has been circulated. The amendments are technically manuscript amendments. I will refer to them by the numbers given on the informal paper.

Clause 1 ordered to stand part of the Bill.

Clause 2

CASES WHERE TREASURY'S POWERS ARE EXERCISABLE

8.15 pm

Mr. Mark Hoban (Fareham) (Con): I beg to move amendment No. 13, page 1, line 14, after 'if (and only if)'—insert '(i)'.

The Second Deputy Chairman: With this it will be convenient to discuss amendment No. 14, line 16, at end insert 'and

(ii) the Treasury has laid before both Houses of Parliament a Minute setting out a scheme for the management of the authorised UK deposit-taker following the exercise of this power, including provisions setting out the strategic objectives for the business as determined by the Treasury and further provisions to ensure the independent day-to-day management of the business of the authorised UK deposit-taker to achieve these objectives.'.

Mr. Hoban: The hon. Member for South Derbyshire (Mr. Todd) highlighted in his Second Reading speech the problem that the Government face. He was concerned that the clarity of the objectives of nationalisation would be clouded by political pressures brought to bear on the Chancellor by others. The amendments, particularly amendment No. 14, try to create a proper framework in which Northern Rock and any other bank or building society nationalised under the Bill would be able to operate at arm's length from the Treasury.

The past five months have been characterised by the Government's focusing on the politics of Northern Rock and not on its resolution. During that time, not only has the taxpayers' exposure risen from £25 billion to £55 billion and now to £110 billion, but the Chancellor and Prime Minister have cast around for a solution to avoid the political embarrassment of nationalising Northern Rock. A lack of clarity has been displayed about who was to make decisions about Northern Rock's future. Was it the shareholders? Was it the Government, as the largest creditor? Was it the tripartite authorities acting collectively? That lack of clarity has made it very difficult for people to understand the extent of the Government's involvement in the day-to-day running of Northern Rock.

Unless there is clarity in the division of responsibilities between Treasury and the management, I fear that we will see a continuation of micro-management. Such micro-management is a habit ingrained deep in the heart of this Government, and each difficult decision

that is made may be taken with an eye on the politics of the situation, rather than on the taxpayers' interest. The hon. Member for South Derbyshire made that very point in his speech. If he had had a chance to read the amendments, perhaps he would have added his name to them, because they encapsulate his concern.

Today we have seen pressure put on the Government by their own Back Benchers about the future direction of Northern Rock; we have seen a sense of relief that nationalisation creates certainty about the future job prospects of its employees; and we have seen Unite, the biggest donor to the Labour party, ask for a Government guarantee that there will be no compulsory redundancies. Those are signs of the pressure that the Government will come under unless there is a clear distinction between a proper role of the Treasury in managing the relationship with Northern Rock and what Northern Rock has to offer.

We heard more words from the Chancellor of the Exchequer in his statement yesterday and during his Second Reading speech, but we have yet to see a framework agreement to set out the division of responsibilities between the Treasury and the management. Such an agreement is fundamental to ensuring a proper division of labour. It should not be an afterthought or something that is left until the politically difficult decisions have been taken. It should be on the table now for this Committee to see, so that this Committee can understand what the Government have set as priorities for the new management of Northern Rock and so that we can ensure that it is clearly left up to that management to take the day-to-day decisions that it needs to take.

We believe, as amendment No. 14 in particular sets out, that the scheme of management and the division of responsibilities between the strategic direction that the Treasury as guarantor of the taxpayers' interests should take and the decisions that management should make should be set out at the same time that the order is made. Such matters should not be left. It is right that the Treasury is able to set the strategic objectives; it is responsible for securing the full recovery of the money that has been lent to Northern Rock, so that there is no liability to the taxpayer. Once the Treasury has set the framework, it is right that management will be free to manage the business to deliver the outcomes.

Mr. John Gummer (Suffolk, Coastal) (Con): Does my hon. Friend agree that before the framework is laid out the Government should give an absolute and direct answer to the pressures placed on them and say to Unite that there is no question of special arrangements for jobs in the bank? Unless the Government say that, it must be assumed that there is such special protection.

Mr. Hoban: My right hon. Friend makes an important point. There is a lack of clarity in the way in which the Government have chosen to manage their relationship with Northern Rock. As long as that clarity is lacking, the Government will be seen by some as potentially offering a special relationship or a special deal, or being open to pressure from and influence by sectional interests. It is in the interests of taxpayers that such an agreement is in place and we have that clarity. It may also be an insurance policy for the Chancellor, who is under some political pressure. He may want to feel insulated from those pressures by an agreement that means that he cannot bow to those demands. That is an important part of the provision.

Ms Dari Taylor (Stockton, South) (Lab): Does the hon. Gentleman think that the Chancellor was not telling the House the truth yesterday? He said:

"The new board and the bank will operate at arm's length from the Government with commercial autonomy for their decisions."—[*Official Report*, 18 February 2008; Vol. 472, c. 21.]

Does that not satisfy the hon. Gentleman?

Mr. Hoban: The hon. Lady should remember that not long after the Chancellor made that statement to the House he appointed Tom Scholar to the board of Northern Rock—someone who was chief of staff to the Prime Minister. We need some clear and robust arrangements for the arm's length agreement. We cannot rely on warm words. Businesses do not rely on warm words when it comes to agreements: they need legally watertight agreements, such as a memorandum of understanding or a shareholder agreement to set out the relationships clearly and precisely. The amendment would provide that clarity by requiring in law that the relationship be clearly set out.

Ms Dari Taylor *rose*—

Mr. Hoban: The hon. Lady looks desperate to intervene again, so I shall give way to her.

Ms Taylor: I am grateful, as I was disappointed not to be able to speak on Second Reading. I was in and out of the Chamber because of the demands of my diary.

The hon. Gentleman is right to say that we want clarity, but the Chancellor's words yesterday provide it. The memorandum of understanding says that all operational decisions will be made by the board with no interference from the Government. The commitment that the hon. Gentleman seeks is already there.

Mr. Hoban: We want on paper, in black and white, a clear division of responsibility, not just warm words spoken in the Chamber. I would have thought that, given that the Government have apparently been working on nationalisation for some time, they would have had the memorandum of understanding in place, with a scheme of management. It should not have to be cobbled together in the hours after the Government made the announcement. I expected far better of the Government. They should have had those arrangements in place and been prepared to publish them. That is important in order to give confidence to the House and the business community, which is concerned about how Northern Rock will operate in future. The agreements should be public, not take the form of cosy side deals or warm words between the Chancellor and Ron Sandler. We need clarity, instead of leaving it to the interpretation of words in a statement to the House.

The hon. Lady and I perhaps agree that we need some clarity on this issue and to go further than the Chancellor went in his statement yesterday, to demonstrate to the wider world that there is a clear division of labour between the Treasury's role of setting the strategic objectives for Northern Rock and the day-to-day responsibilities of management, so that taxpayers and the wider community know that

[Mr. Hoban]

decisions will be taken in the interests of recovering the money that has been lent to Northern Rock and not for other purposes, such as shielding the bank from the pressures that may be placed on it by politicians, trade unionists and others. This is a simple amendment, but it would provide much more certainty and clarity. It would reassure us that decisions will be made for the right reasons, not for political reasons. The longer it takes the Government to produce such a framework, the more people will question whether decisions are being made in the long-term interests of the taxpayer or in a narrow, short-term, political interest.

It is an important amendment because it would set out clearly the respective responsibilities of the Treasury and management. It is also important that if other circumstances arise to which the Bill applies—and its powers continue for a year—such arrangements could be put in place sooner rather than later. If the Government decide to act under the powers in part 2, the agreement could be put on the table so that people could see exactly the terms under which the Government would work with the authorised deposit-taker.

Rob Marris (Wolverhampton, South-West) (Lab): Amendment No. 14 has two limbs. The first is in the fourth line, where it mentions

"provisions setting out the strategic objectives for the business".

The second limb is in the sixth line, which mentions

"the independent day-to-day management of the business".

On the first limb, the amendment is based on a misunderstanding of what the Bill will do, especially in clause 2(2)(a) and (b), which are the shorthand financial stability tests. That is the threshold beyond which Government action would be prompted. As the Chancellor said on Second Reading, that is a high threshold. There has to be a "serious threat" to the UK financial system and it is clear that any nationalisation under the Bill would be against that background. The strategic objective would be implicit, if not perhaps explicit—to avert any further instability.

That is precisely what the Government intervention in Northern Rock in September 2007 did: it stopped the spread of instability, and banks are carrying on business much as usual in the UK, although there are some liquidity problems. Record profits for banks were announced today and yesterday the FTSE was up, following the announcement about nationalisation. The strategic objective of stability has been met thus far by the Government's prompt action on Northern Rock. The strategic objective called for in amendment No. 14 is at least implicit—to my mind, it is pretty explicit—in paragraphs (a) and (b) of clause 2(2), which are the thresholds for prompting Government action.

I quite understand the second limb of amendment No. 14, which concerns the independent day-to-day management of the business, but it does not match my understanding of how business very often works. Others in this Chamber have more experience of business than I do, but I have some. My experience is that any major shareholder will, in most cases, wish to have a say in the running of the business. Whether that is a say in the day-to-day management of the business, to use the words of the amendment, is to some extent in the eye of the beholder.

8.30 pm

I am sure that some major shareholders in private business in this country and other capitalist countries simply put in the money and have no views and no take on how the business is run. I suspect—although I cannot produce evidence to prove it—that such shareholders, who might almost be described as altruistic, are the minority. Amendment No. 14 suggests that the Government, as a major shareholder in a nationalised financial institution, whether Northern Rock or anything else, would not be involved in the running of that business. I understand the motivation for that, and have some sympathy with it. Realistically, however, I do not want the Government—on behalf of the taxpayer and our electors—to have no say whatever in the running of Northern Rock, whether on a day-to-day basis or otherwise. The Government, as a major shareholder, ought to have an eye on that. The Chancellor said in his statement yesterday:

"The new board and the bank will operate at arm's length from the Government with commercial autonomy for their decisions."—[*Official Report*, 18 February 2008; Vol. 472, c. 21.]

I stress the word "commercial" because in an era of corporate social responsibility a shareholder—whether they are the Government or any other shareholder—ought to be aware of what that business is doing in his, her or their name.

The first limb of the amendment, which concerns the strategic objective, is not needed because of a misunderstanding of the Bill. I would not support the second limb, overall, and particularly not in the way that it is worded.

Dr. Vincent Cable (Twickenham) (LD): I am normally sympathetic to the interventions of the hon. Member for Wolverhampton, South-West (Rob Marris), but I do not think that he has understood the purpose of the amendments. Simply, they are a rather modest means of strengthening parliamentary accountability and oversight. I was happy to support them. They are not suggesting anything very radical, such as that the Minister should come forward with statements and debates. We are just asking for a reporting mechanism, not on exactly how the Government intervene in the company but describing the process.

As the hon. Gentleman correctly pointed out, there are two distinct thoughts. The first relates to the business plan—the strategy that will drive the company. As emerged from our debate on Second Reading, that is the issue that most concerns hon. Members: whether the business is run down, built up or dealt with by any of the permutations between those two options. For quite proper political reasons, it is important that it is reported to us what course of action is pursued by this nationalised company, whatever it happens to be. There is no requirement, as I understand it, for the Chancellor to tell us anything that is going on, and experience while the Government have effectively been acting as a shadow director shows that they prefer to say nothing. The requirement that they simply tell us what the strategic business plan is

seems to be a modest but necessary improvement on what would happen otherwise.

All we know at the moment is that Ron Sandler is going to have a look at the company. He has to prepare a business plan, before, I think, the European Union competition policy determination. After that, the Government will adopt it. However, there is no obligation at the moment to tell us anything about it. The amendment would require the Government to report to Parliament on what the plan is.

A similar situation applies to the arm's length relationship between Ministers and the company. I rather sympathise, because of course the Government cannot simply ignore what is happening entirely. We have had a problem over the past six months as the Government have stepped back from decisions that ought to have been made, the first of which was the decision to sack the old management. The Chancellor quite properly stood up and said, "There is nothing I can do about it." Under the new arrangements, however, he will have that power of intervention. How it will be exercised is important.

It is not in the Chancellor's interest to be involved in micro-management, regardless of whether he would want to be, because he would be blamed for all the repossessions, redundancies and so on. There is clearly a balance to be struck between the need to intervene on important issues and the need to avoid micro-management. I do not know how the Government will strike that balance, but we should know about the basic outlines and parameters. The amendment would merely establish a report-back mechanism that would explain how the arm's length relationship will work.

For all those reasons, the amendment is very reasonable. It does not ask a great deal of the Government, and it is reasonably precise. I would have hoped that, in the spirit of reasonableness, the Government could have accepted it.

Mr. Kenneth Clarke (Rushcliffe) (Con): I strongly support amendment No. 14, and the arguments put forward by my hon. Friend the Member for Fareham (Mr. Hoban) and the hon. Member for Twickenham (Dr. Cable).

As has just been noted, it is very important that we have parliamentary accountability for the strategic objectives that the Government propose to give to the bank, which they now wholly own. However, I need to be persuaded that the Government know what those strategic objectives are. I took part in the exchanges with the Chancellor yesterday, and it seemed to me that he was not capable of answering the question in any but the most general terms.

I regret that I was not able to attend this afternoon's Second Reading debate but, as sometimes happens, I was giving evidence before a Select Committee. I did hear the wind-up, however, and I was left none the wiser, even though it was obvious that the Minister was addressing the point that several hon. Members had raised about what objectives the Government are setting the new management of the bank that they have acquired.

It seems to me that the bank is potentially in a very powerful position. The question is not how it is controlled day by day—we all accept that there must be a considerable amount of independence in its day-to-day management—but what objectives the Government are expecting it to pursue. We are virtually in the situation that, once again, every citizen could bank with the Bank of England, at least indirectly—something that has not been possible for many years.

I said yesterday that if the nationalised bank was going to be competitive and aggressive, the fact that it will be totally secured by the Bank of England means that it would be a very attractive option for any sensible saver with cash in savings deposits. At the moment, it is able to offer very attractive rates of interest, but much will depend on the strategic objectives that the Chancellor and his colleagues set for the people whom they have appointed to manage a bank that is in crisis but of which the Government are the 100 per cent. owners.

The owner of a business does not appoint a management team and say, "Now run it in a commercial way, as seems best to you." That would be an almost meaningless instruction. While I was doing other things this afternoon, I gather that the following question was pursued: "Is the Chancellor meant to be building up the business, so that it can be sold to the private sector, or running it down to prepare for the disposal of its assets?" There is a great deal of variation between those options.

If the idea is to build the bank up and prepare it for sale on the best possible terms, it is in a very powerful position. It probably has a greater ability to access the money markets than any other banking institution in the country, because it has behind it the full security of the Government and the Bank of England. It is able to underwrite its business in every conceivable way, so is it the strategic intention that it should go out into the market—at a time when its competitors are in difficulty—and offer the most attractive terms for mortgages that it can so as to increase its market share? Should it make sure that it finances itself as much as possible by enticing depositors in these nervous times with extremely attractive rates of interest?

The bank could be a glorious success. If we were investors from Kuwait or Qatar—if we were a sovereign fund—we would probably encourage the new management to use what amounts to guaranteed funding and head for a 70 per cent. share of this country's mortgage market.

Of course, the Chancellor realises that the prospect that the bank could do that is causing considerable concern, so I did not ignore his answers yesterday. He said that the European competition laws offer the best protection, but that was all that he said in that regard, and it is something about which I should like to press the Minister. Will she give the House some idea of how she thinks that the European competition laws will affect the bank's objectives? The current Competition Commissioner, Neelie Kroes, is very powerful and a formidable person, and she is quite rightly trying to strengthen European competition policy, but the policy takes a long time to enforce.

My suspicion is that the Government do not have the first idea how far European competition law will bear down on what the bank will do. I suspect that it will require quite a long process, with propositions going to the European Commission to determine the basis on which it will accept that the bank is not guilty of unfair competition. However, I do not think that the Government have thought through the constraints that they would

[Mr. Kenneth Clarke]

expect the new management to place on itself to avoid the charge that it is competing very unfairly with other banks and savings institutions. That is a very great danger, as those other organisations are going through very difficult times in the current market.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): Has it occurred to the right hon. and learned Gentleman that the pressures from the European Commission and the Commissioner might be considerably greater if amendment No. 14 was carried, with its wording:

"setting out the strategic objectives for the business as determined by the Treasury"?

Does he not think that those words in themselves would bring the European Commission down on the Government?

Mr. Clarke: I doubt it. It is the Treasury's duty to all of us to have some strategic objectives and to tell Parliament what they are. The Treasury is effectively now acting on behalf of the owners, who are the citizens of this country, and we need to know what its strategy is. Then, presumably, the Minister can explain how the Government intend to sort out the European competition angle. Presumably, they will try out the strategic objectives on the Commission to see whether they are acceptable as a fair base for competition. I do not know, and yesterday I got the impression that the Chancellor did not know quite what the impact was going to be.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Will my right hon. and learned Friend give way?

Mr. Clarke: I will in a second, but I do not want to go on too long. Let me just put the other side of the equation. Is the objective to run the bank down? I make it clear that I support nationalisation of whatever form the Government or Opposition put forward. It is defensible if one is going for an orderly run-down of the business. That means no fire sale now, in awful market conditions. It means holding the assets, particularly the loan book, for as long as is necessary to get the best reasonable return when market conditions return to normal.

If one is sailing on, trading, is the objective to run the bank down? I gather that the new management were giving guidance to the press that the bank would be smaller, preparing people for the fact that there might be redundancies and the bank might be scaled down. How is it supposed to do that? I do not understand how a publicly owned business sets out to run itself down. Does it decide to offer rather less attractive terms for mortgages? Does it tell its customers when they come back to renew their mortgages that it will refinance them only at a higher rate than the competition in order to drive them away? Does it reduce its savings rate after looking at what other people are advertising to make sure that it does not get too many people coming along to save?

If the idea is to slim the business down a bit, what is the Treasury guidance? How much should it be slimmed down? Will the Treasury tell the management, "Slim it down a lot. We are really trying to get rid of it, just like the Tories, but we don't want to admit to all those north-east MPs that that is what we are doing?" Or will the Treasury say, "Just slim it down a little bit. Make it look respectable. Just reduce the size of the business; get it trimmed down a little"? Of course the strategic plan will have to be on more formal terms than that, but there must be guidance from the Government. Anyone running the bank now must ask the Government, "Do you want us to build the business up as aggressively as possible or to run it down? If so, could you give a bit of an indication of how much either way?" My feeling—I trust that the Minister will correct it—is that neither the Chancellor nor the Minister has the faintest idea at the moment which of those directions they are going to give.

Mr. Hands: Did my right hon. Friend hear Professor Alan Riley, one of Britain's foremost experts on state aid, express the opinion that the European Union would certainly require the downsizing of the business as a precondition for clearing the state aid approval in this case? Does he think that Ministers are being just a little disingenuous, as we expect that they have access to equally clear and expert opinion and information?

Mr. Clarke: I am sure that they have, but they are not sharing it with us at the moment. I need to be reminded what the European process is and of how far a process of negotiation can be opened with Miss Kroes. Can the Government try out on her a strategic plan involving a bit of running down and see what she says? Will she expect the strategic plan to be published and some indication to be given of how the bank will operate in the market and then rule on it? Yesterday, I did not think that the Chancellor knew, which was why he kept giving answers that were all about the Conservative party and not about what he proposed to do.

Mr. Hands: My right hon. and learned Friend is making a strong point about the need for the strategic objectives. Does he agree that one of the essential functions of the bank in public sector ownership would be properly to sort out the risk management of the bank? It is difficult to have proper risk management without the strategic objectives. Some of the worst banking scandals of the past 15 years have involved public sector banks. Credit Lyonnais ended up financing a large part of Hollywood in the early 1990s and most recently Bankgesellschaft Berlin in Germany was essentially making politically motivated loans.

8.45 pm

Mr. Clarke: I heard the speeches on that on Second Reading. I quite agree; risk management seems to me to be what banking is all about. That is the commodity in which banks trade, and throughout the history of banking, the most appalling errors have been made in risk management, as they were in the case of Northern Rock. If one looks back far enough, one begins to feel that there will always be extraordinary examples of risk management being suspended or not operating properly in banks' pursuit of higher than average returns. That is how banks get into such trouble. Presumably, the business plan presented and agreed by the Government will include details of how the nationalised bank proposes to have its risk management under control.

The day-to-day running of the business is also quite important. The Government have been saying all the

right things, such as that they will not be involved in the day-to-day management but will use commercial management, to which they have given guidance. Can we rely on that? I am afraid that the history of nationalised industries reveals that the moment an industry is nationalised, most people think that it has been politicised, and one rapidly finds that it is under great pressure. How many employees should there be? How will redundancies be handled? How will the business operate?

The amendment would require Ministers not only to say now that the business will be free of political pressures but to maintain that position. Yesterday I saw delight among Members below the Gangway on the Labour Benches that the people's bank was being set up. It will not be too long before those who expressed that delight indicate clearly how they expect the bank's business to be conducted, in the interests of their constituents and their region, so we will have to hold to what the Government have said. I would prefer to see that objective set out in the Bill, as the amendment recommends, and I hope that the Chief Secretary to the Treasury will be able to accept it. If she does not, she must give us more clarity about what she expects the bank to do now that it is in public hands.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): It is not unreasonable that more information should be available about the Government's strategic objectives in relation to Northern Rock. I say that particularly in the light of the debate earlier today. I sat through most of it, and two things are not clear to me. First, people are accustomed to talk about Northern Rock as though it were the hapless victim of international credit crunch storms. Actually, it was the victim of a flawed business model, and I have yet to hear Ministers from my own Front Bench take a view on that business model.

Secondly, colleagues representing seats from Newcastle and the north-east strongly stated the point of view that, in public ownership, the bank should both stick to the same business model and get bigger and better—to paraphrase a colleague, it should be a northern bank to vie with other great international financial institutions—yet many newspapers and commentators talk of an orderly run-down over time. Until we have some clarity about where the bank is going, the kind of robust accountability that we need from a nationalised bank will not be possible.

The Chief Secretary to the Treasury (Yvette Cooper): I understand the spirit of the amendment. I shall first address what it would do and why I think that it would be a problem, and then address some of the wider points raised that underlie it.

The amendment would require the Treasury to lay a minute setting out the company's strategic objectives and, effectively, a business plan for delivering those objectives before a transfer could be executed. That would cause problems given the Bill's purposes and overall aims, which are to deal with potential risks to financial stability and the kind of circumstances in which it might be appropriate for Government to act swiftly—perhaps in a matter of days. The different powers in clauses 3 and 6 will allow the Government to respond quickly to a difficult situation. Setting out the strategic objectives of the company and the business plan may take longer. The new board is coming into place and Ron Sandler is taking up his post. It is right that they should have at least a few weeks to consider their options, develop a business plan, look in some detail at the bank's overall position and set out the appropriate arrangements.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): We know that for the past five months the Government's preference has been to sell the business as a going concern to a private sector buyer, but is the right hon. Lady telling the House that during those five months the Government have not done any preparatory work on establishing a business plan for the eventuality of a nationalisation, which the Chancellor noted was on the table as long ago as October?

Yvette Cooper: As we have said many times, the Government carried out appropriate contingency planning, and it was right that we should do so. That goes to the heart of the concern about the amendment. First, there is the question of timing. Secondly, there is the question of who should do the work. The wording of the amendment would be counterproductive. Opposition Members have said that they want to reduce the level of intervention by Government Departments and Treasury officials. If they are asking for a plan that was drawn up in advance of any transfer order being put in place, they should recognise that such a plan could only have been drawn up by the civil servants and the Department.

It is right that a great deal of work should be done by the board—by Ron Sandler and his team in the case of Northern Rock, but bearing in mind that the Bill applies more widely, the provision should be applicable in other circumstances as well. We need to provide for the circumstances in which a new team might need to come in and look at the books in some detail before making more specific proposals.

Mr. Kenneth Clarke: I entirely agree that the new management should be given time to look at the books and that they must draw up the business plan, but does the right hon. Lady agree that they will need some strategic direction from the Government before they do so, including—to reduce the question to its most elementary, as several of us have been asking for the past two days—whether the team are supposed to grow the business, to make it as powerful a business as they can in the marketplace, or whether they are supposed to shrink it, a bit or a lot? I am sure the Minister accepts that as the new management are effectively being sat on the Consolidated Fund when they are put in their new position, they are in an extremely powerful position.

Yvette Cooper: I appreciate the point that the right hon. and learned Gentleman is making, but he is asking questions that will depend in part on the business plan. The Government have already set out some key objectives about securing the ongoing stability of the financial system—which is why we have said that at this stage we believe that the Government guarantees need to continue—and about securing value for money and the best possible return for the taxpayer. As part of that we have already said in the Chancellor's remarks and in my earlier remarks that that includes

[Yvette Cooper]

being able to return the business to the private sector at the earliest opportunity, getting the loans paid back with interest to the Bank of England, and moving the business at the earliest opportunity to a point where the Government guarantees are no longer needed. Those objectives must all be kept in place, but we also have to make sure that we comply with the EU state aid rules and that we do not create unfair competition.

My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) asked what views Ministers had taken of Northern Rock's business model. The Chancellor has made it clear that part of the problem that we have is due to the Northern Rock business model. When the global credit crunch occurred, which was triggered for all sorts of reasons including events in the US sub-prime market, because of Northern Rock's business model, which was unsustainable, it got into particular trouble. That is why action was needed and the Government had to step in. Earlier in the debate, it was said that no one would expect Northern Rock to operate the kind of strategy that it was operating last summer; that was clearly unsustainable. The new strategy should be drawn up by Ron Sandler, and it will then need to be approved by the Government.

In the arm's length arrangements that we are trying to establish, it is important that the detailed work should be done by Ron Sandler and his team. They have the expertise to do it and will put forward proposals that will need to be agreed by the Government and to comply with EU state aid requirements and other provisions to ensure that there is no unfair competition.

David Howarth (Cambridge) (LD): The problem with the Chief Secretary's argument is that the two objectives—financial stability on the one hand, and securing the Government's position on the other—might conflict. A profit-maximising strategy on the part of the bank, of the sort described by the right hon. and learned Member for Rushcliffe (Mr. Clarke), might further destabilise the market by undermining competition. On the other hand, that exact strategy might well secure the Government's position in the short term. Surely the strategic direction needed is the balance between the two objectives.

Yvette Cooper: The action that we have taken so far has made clear the priority that we give to the financial stability of the banking system as a whole; that has been evidenced. Any suggestion that as part of the process the Government will put maximising their income above the financial stability of the banking system would clearly be nonsense.

We have made it clear throughout that our key objectives are financial stability and returns for the taxpayer. We will publish two documents. The first is the business plan for Northern Rock, based on the work being done by Ron Sandler. The other is a framework document, which will set out the operating relationship between Northern Rock and the Government. The framework document will be published shortly.

Those two documents will provide hon. Members with the information that they understandably and rightly ask for. However, in respect of the amendment, it is inappropriate in principle to ask for those documents to be published before any transfer can be taken. In practice, the kind of financial stability issues with which we might have to deal may involve issues of timing and of who should take the decisions, who should do the work and who should put forward the proposals. The amendment would not allow those to be dealt with.

Mr. Hoban: May I probe the Chief Secretary a bit more on the framework document and the timing of its publication? Will it be published before we debate the order to nationalise Northern Rock?

Yvette Cooper: I cannot confirm the precise timing; I also do not know the precise timing of the debate on the order. However, I certainly assure the hon. Gentleman that we intend to publish the framework document shortly. A lot of work has been done on it, and we intend to publish it as soon as we can.

Ms Abbott: Earlier, my right hon. Friend said that until Ministers had a business plan, they would be unable to say whether their strategic intention was to grow Northern Rock or run it down. Is not the contrary the truth? Until we know whether the intention is to grow Northern Rock or run it down, we cannot draw up a proper business plan.

Yvette Cooper: With respect, Ron Sandler and his team are considering the nature of the assets and liabilities and the detailed provisions that support Northern Rock at the moment. They will have questions about what a sustainable future for the bank will be. As I have made clear, no one expects Northern Rock to be able to operate the kind of strategy that it operated last summer. Equally, the bank's market share has already contracted significantly. However, rather than Ministers making precise judgments about strategy on individual products and other such things, it is right that we should have the further assessment on the strategic plan from Ron Sandler and his team before we confirm it and take the decisions on the right way forward.

Mr. Kenneth Clarke: The Minister keeps saying that of course there can be no question of going back to the business model that there was last summer, when Northern Rock failed because it could not access the money markets any more. However, the new management may say, "But we can access the money markets—we are about the only bank that can at the moment. Our spreads are considerably lower than the competition. Look at the state of the others given what we can offer with our access to markets. We can slay the Halifax, get rid of Alliance and Leicester, do a hell of a lot of harm to Bradford and Bingley, and give you a lot of market share." That would be a very attractive financial business plan. If the Kuwaitis had bought it, they would probably find it attractive. What will the Minister do if she gives the management no strategic guidance and leaves them to go away and do their best, and they come back with an aggressive plan showing that in the current market conditions, with the Bank of England behind them, they can move in and make this a very healthy business?

9 pm

Yvette Cooper: Once again, I point out that the approach in the business plan will need to be compliant with the new state aid rules. The European

Commission is likely to propose particular conditions on the operating of the bank to ensure that it complies with state aid rules. We will need to have further discussions with it about what those conditions should be and what the appropriate arrangements will be. It would not be in the interests of the Government, the consumer or long-term financial stability to have a bank that abused its position in the public sector. That would not allow it to withdraw from the kind of public support that is currently there for it, and we would like to withdraw as rapidly as possible. A series of frameworks is in place.

Hon. Members are asking perfectly legitimate questions that will need to be answered. The difference between us is that I am setting out very clearly the fact that it is important for Ron Sandler and his team to do a programme of work before we fully answer all these questions. The amendment asks for them to be answered even before any transfer can be executed. Given the risks to financial stability that the Bill is designed to address, it would be irresponsible to tie Government's hands in terms of dealing with financial stability and potential risks to the banking system as a whole by requiring a programme of work to be done that cannot properly and effectively be done until after the transfer has taken place. On that basis, I ask the hon. Member for Fareham (Mr. Hoban) to withdraw the amendment.

Mr. Hoban: It almost beggars belief that the Minister made those comments about what is going to happen to Northern Rock. In most businesses that I know—I have been involved with businesses throughout my professional career—the starting point for a business plan is the business's objectives. What plans do the Government have for how Northern Rock should behave in future? Are they expecting it to get bigger or smaller? Those are important issues for the Treasury, as a guardian of taxpayers' money, in giving guidance to Northern Rock's new management. The Minister says that the business should be transferred back to the private sector at the earliest point. It would be easier for Ron Sandler to come up with his plans if the Minister were able to say that the Government would prefer it to happen in one year, three years or five years. That will affect how he runs the business—whether he shrinks it or grows it. That lack of strategic direction comes across in yesterday's statement, today's Second Reading debate and the Minister's response to the amendment.

As taxpayers, we need some clarity about the Government's objectives for Northern Rock—when they think that it should emerge from nationalisation and what shape of business they are expecting. It is ludicrous for them to have turned down two private sector offers and not to know what the outcome will be. The Minister should get a grip and demonstrate that the Government know what they expect Northern Rock to be like when it emerges from nationalisation, whether in one year, three years or five years. It is time for them to give much greater clarity about how they expect Northern Rock to develop over the next few years. That is why we tabled the amendment and, given that the Minister has not given a satisfactory response to the issues that affect not only this House but the business community and taxpayers, why we will press it to the vote.

Question put, That the amendment be made:—

The Committee divided: Ayes 222, Noes 299.

Division No. 082] **[9.5 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne

Malins, Mr. Humfrey
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Etherington, Bill
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John

McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Ms Diana R. Johnson and Alison Seabeck

Question accordingly negatived.

Mr. Michael Fallon (Sevenoaks): I beg to move amendment No. 1, in page 2, line 2, leave out "Treasury consider" and insert "Bank of England considers".

This amendment is simple and does not require a lengthy explanation, but it is important and I alluded to it on Second Reading. The amendment proposes that the Bank of England rather than the Treasury should advise on whether there is a serious threat to the stability of the UK financial system. The Bank has a detailed knowledge of that system and can better judge it from inside than some civil servants at one end of Whitehall.

By replacing the Treasury with the Bank of England in that key role, we would also remove the Chancellor and his Ministers from any perception that they were making a political judgment when they decided to intervene. There have been scurrilous accusations that Ministers' intervention last September was perhaps designed to assist their friends in the north, or, indeed, to prepare the ground for a general election, which appeared imminent. It is essential to remove, as far as possible, any perception that the decision on whether systemic risk is present and how it is defined is being taken by Ministers.

The Treasury Committee gave this matter a lot of thought while looking into a special resolution procedure, and we recommended that the Bank's deputy governor for financial stability should become the Chancellor's principal adviser. Of course, the Chancellor has to take the final decision. He is the guardian of the taxpayer's interests, and the amendment is not attempting to evade that fact, but we need to put that position at one remove from any suspicion of political judgment. The best people to advise on whether there is a serious, systemic threat to the stability of the UK financial system are those in the Bank of England.

Yvette Cooper: The powers in the Bill to transfer the shares or business of a deposit-taker are exercisable only for the purposes set out in the clause. The first of these purposes is to maintain the stability of the UK financial system in circumstances in which the Treasury considers that there would be a serious threat to its stability if the order were not made. It is right that the decision should be taken by Treasury Ministers, just as the decision to authorise exceptional financial support is a decision for the Chancellor, under the memorandum of understanding. Ministers are accountable for the exercise of these powers, so it is right that such a decision should be based on their assessment of the threat. They are accountable to the House for that decision. It would, of course, be based on the advice of the Bank of England and the FSA, as required by the memorandum of understanding. The memorandum of understanding is clear about that. That is what has happened for Northern Rock and it is what would happen in the future, should the powers in the Bill ever need to be exercised again. Given that, the amendment is unnecessary and inappropriate.

The Government are consulting on providing the Bank of England with a statutory basis for its role in financial stability under the banking reform Bill, which will be introduced later in the Session. That would be the appropriate vehicle for formalising the Bank of England's role. We have made it clear that we think that there is a stronger role for the Bank of England to play, but it would be more appropriate to provide for that in the banking reform Bill, rather than in the Banking (Special Provisions) Bill, as the hon. Member for Sevenoaks (Mr. Fallon) has suggested. His amendment would result in our not being clear about the accountability for decision making and assessment, or about accountability to the House. On that basis, I ask the hon. Gentleman to withdraw his amendment.

Mr. Fallon: I am grateful to the Minister for the consideration that she has given to the amendment. I accept her point about accountability. Of course it is the Chancellor who is in charge and he must account to the House for his decisions to put taxpayers' money at risk—or not, as the case may be. I am not quite clear about the Minister's answer. First, she said that the amendment was unnecessary, then she said that under the new banking reform Bill she proposes to put the Bank of England's role as the Chancellor's principal adviser on a more statutory basis, so there might not be as much between us as I originally thought. I will certainly reflect on what she has said and, in the meantime, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Philip Hammond (Runnymede and Weybridge): I beg to move amendment No. 10, in page 2, line 40, leave out 'year' and insert 'month'.

The amendment seeks to replace the provision in clause 2(8), which gives a limited period of one year for making an order under sections 3 and 6 of the legislation, with a provision for a limit of one month. I should say at the outset that this is not intended to be a wrecking amendment—far from it. We have already debated the overall principle of the Bill and we are now looking at its working realities.

The Bill was presented to the House as emergency legislation, designed specifically to deal with the problems of Northern Rock, and on that basis we are asked to expedite its passage. Whatever else we do, Sir Michael, I suggest that we cannot concede to this Government or to any Government—the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) made this point earlier—a standing power to nationalise banks and building societies. There are huge issues pertaining to our international reputation and about the propriety of a Bill going through the House according to a time scale that might be appropriate for dealing with an immediate—or what the Americans would call a "clear and present"—danger that needs to be addressed, but is certainly not appropriate for Bills with a longer period of application that might be used to deal with circumstances unforeseen and, perhaps at the present time, even unforeseeable.

Conservative Members feel strongly that if the Government find they have a need for such a Bill, as they have for Northern Rock, to deal with a specific problem in the immediate future, they should justify their need for further expedited legislation. In the fullness of time, we will have a properly debated, properly scrutinised and properly considered series of measures to reform the banking regulatory regime that the Prime Minister introduced in 1997, the failure of which is at the root of current problems that have given rise to the Bill that we are debating today.

The purpose of the amendment, however, is to focus on the fact that this measure is intended to deal with Northern Rock and Northern Rock alone. The Chancellor has said in terms that he has no plans to use the Bill for any other nationalisation and he has explained that it was drafted widely and with enduring application in order to avoid issues of hybridity and thus to facilitate the Bill's passage under an expedited procedure. The amendment is designed to narrow the scope of the Bill without creating any risk of hybridity. We believe that one month is long enough for the Government to lay and pass the required orders—or at least the transfer order under clause 3. Having laid that order, and assuming that it is approved, it will endure. It is designed to be enduring and to outlive the primary legislation powers. In any case, the order for compensation provisions is intended to be and can be introduced later.

In tandem with subsequent amendments designed to limit the Bill's scope to banks only—Northern Rock is not a building society, so an emergency measure targeted on Northern Rock does not need to deal with building societies—the amendment is designed to emphasise the focus on the specific problem of Northern Rock, sending out a signal that whatever the parliamentary manoeuvring necessary to avoid hybridity, this Bill has a narrow, specific focus on nationalising the Northern Rock bank.

As the Chief Secretary will know, there is considerable concern in the City about the potential damage to Britain's reputation that might result from a standing power to nationalise being on the statute book. Reputations are fragile things: they are easily destroyed, and much more difficult to rebuild. The Chief Secretary can give all the assurances she likes at the Dispatch Box that she has no intention of using the power, but—although she may consider this irrational—I assure her that narrowing the time scale one month to make clear the specific nature of the Government's intention will send the appropriate signal to those in the City and the international financial community who are concerned about the latest development.

9.30 pm

We made plain our opposition to the principles of the Bill on Second Reading. What we are trying to do now is improve its workability. The Government do not need a year in which to carry out a Northern Rock nationalisation. They should not have a standing power without proper scrutiny for other nationalisations. I therefore hope that, in an attempt to make what is by definition a rather poorly scrutinised piece of legislation a little narrower and more focused, the Chief Secretary will either accept the amendment or give us an assurance that a similar period—perhaps two months, or three months—would be acceptable to the Government, and that they will introduce an amendment to that effect in the other place.

Dr. Cable: I did not subscribe to the amendment originally, as its objective was not clear. I suspected initially that it might be a wrecking amendment, which I would not have supported. Having heard the arguments, however, I feel that some perfectly sensible points have been made. For practical reasons, the Government are not able to limit the scope of the Bill, but at least they can limit the time scale for its implementation to an appropriate period. I understand that Royal Assent will have been sought and hopefully given by the end of the week, and that there is then a relatively short period in which statutory instruments can be implemented. There is no particular reason for the power to continue beyond that point, and it seems rather indulgent to let it go on for a year.

The hon. Member for Runnymede and Weybridge (Mr. Hammond) is right: we shall have to return with

more extensive and far-reaching legislation covering the conditions in which Governments should intervene. Such issues should be properly considered, and not under emergency legislation of this kind.

I did not, however, agree with everything the hon. Gentleman said. I have not yet heard all the arguments, but I am not entirely persuaded in regard to the concern about building societies. I think there is a genuine issue—I am not sure why banks should have a lender of last resort and building societies should not—but it is an issue to be dealt with separately when we reach the intervention powers. I also think we should be a little sceptical about the rather precious sensitivities of the City. After all, the problems in the financial markets were caused by a breakdown of trust between financial institutions themselves, rather than by a fear of nationalisation. That apart, I think the hon. Gentleman made a sensible, practical case for limiting the Government's action to a one-off emergency intervention.

Yvette Cooper: The Bill was deliberately designed to impose constraints. Clause 2(2) specifies some high-level tests in relation to the purposes of the power:

"maintaining the stability of the UK financial system in circumstances where... there would be a serious threat to its stability if the order were not made",

and

"protecting the public interest in circumstances where financial assistance has been provided by the Treasury... for the purpose of maintaining the stability of the UK financial system."

As a later part of the clause makes clear, that does not apply to circumstances in which the Bank of England is simply providing financial assistance or playing its ordinary lender of last resort role. We have also made it clear that Northern Rock is the only institution that currently meets those high-level tests, and that we need to be able to deal with the specific problems that it has created. As Members have recognised, however, the Bill is drawn more widely. Therefore, it could in theory be used for other organisations in similar unusual circumstances to those of Northern Rock, but, as I have said, we have set the test high and put in place a sunset clause of one year. We intend to introduce a full Bill—which would, of course, go through the normal procedures—following on from the detailed consultation that we have conducted. It would look more widely at what further reforms are needed to the way in which problems in the financial system, particularly to do with banking, are dealt with. Those reforms would be made in a considered fashion, and in the normal way through this House, after full consultation and debate in this House. However, we need in the interim to be able to deal with the position of Northern Rock.

Under the Bill, there are other powers that can be used in the interim in the sunset period, until the full measures are put in place.

Mr. Hands: I am not sure that the right hon. Lady gives us a lot of confidence when she says that the Bill could be used for other organisations in similar circumstances. That is potentially market-sensitive information. Will she outline to the Committee why, if she does not believe that one month is appropriate, she believes that one year is?

Yvette Cooper: It is hardly market sensitive: we have said this repeatedly, and I am merely describing what the scope of the Bill is and how it could apply. Under clause 6, as well as clause 3, it could be applied to circumstances that some people called for back in the autumn. People called for powers to be in place that would have enabled Northern Rock to be transferred directly to another bank or institution prepared to take it on. In fact, that opportunity was not available for Northern Rock at that time, but people did call for that power. That is contained in this Bill, again as a temporary measure for one year.

Jim Cousins: Will my right hon. Friend deal with the point of the hon. Member for Twickenham (Dr. Cable)? To turn his point against the argument he was making, there is some value in the provisions in clause 11; for the first time, a lender of last resort facility will be created for building societies, and a building society that gets into difficulties will not be imprisoned and made captive by the restrictive terms of the existing building societies legislation. I accept that that is only a temporary situation until matters can be looked at in more detail, but does she not think that it is an attractive feature?

Yvette Cooper: My hon. Friend is right that clause 11 allows for the Bank of England to be able to provide greater assistance to building societies, should they need it given the circumstances of the current global credit crunch. The Bill provides for interim arrangements in advance of the full debate on banking reforms that we need to introduce.

Mr. Philip Hammond: For the sake of clarity, the hon. Member for Newcastle upon Tyne, Central (Jim Cousins) said he recognised that that was only a temporary provision ahead of new arrangements coming in, but the sunset clause applies to clauses 3 and 6, and our concern about clause 11 is that it introduces wide and far-reaching new powers but is not subject to the sunset clause. Will the right hon. Lady confirm that?

Yvette Cooper: I think that that is right as things stand, but we would expect this issue to be dealt with more widely as part of the banking reform provisions that we are consulting on. The current measures are about having interim arrangements in place in circumstances of unprecedented turbulence in world financial markets and a global credit crunch as a result of—or triggered by—events in the US sub-prime market, as a result of which banks are not lending to each other in the normal way. These are highly unusual circumstances, and they lie behind the introduction of the Bill. We have repeatedly made it clear that Northern Rock is the only institution that currently meets these high tests, and we are introducing this Bill at this time so that we can deal with the problems that Northern Rock has created.

The amendment would greatly shorten the period for completing the orders transferring the securities or business of an authorised UK deposit-taker. On that basis, we think that the tests and safeguards being introduced are significant, and having a sunset clause in place for a year should provide the House and the wider community with the reassurance that they need.

Mr. Hammond: The Chief Secretary has just made the extraordinary assertion that reducing the period to a month would place the Government under an unreasonable constraint in terms of laying these orders. We were led to believe that this was a matter of great emergency that had to be dealt with today and that legislation had to be completed by the end of the week. If I have misunderstood, perhaps she will correct me. I was expecting that the order, a draft of which we have seen, would be laid within a matter of days, at the most, of the Bill completing its parliamentary passage. If that is wrong, hon. Members ought to be made aware of the fact. She has not made any case for providing for a period of longer than one month. She has certainly not made a case for providing for a year. Had she made a convincing case for providing for a three-month or two-month period, Conservative Members would have been prepared to listen to that and to any assurances that she wanted to offer us about introducing such proposals at a later stage.

Yvette Cooper: Simply to clarify, may I say that we expect to introduce the order—we have done so in draft—dealing with Northern Rock? The hon. Gentleman will recognise the unusual circumstances that we face in dealing with Northern Rock. Further work will obviously need to be done after we have put in place the main transfer to ensure that any subsequent issues that might require powers to be provided under clauses 3 or 6 are dealt with to ensure that the business of Northern Rock is taken properly into temporary public ownership on the appropriate basis.

Mr. Hammond: I am grateful to the Chief Secretary, but I think she will find—I am sure that she will receive a note telling her this in a minute—that once the initial order is made, the Government will be safe. They will be able to make subsequent orders without complying with the various conditions—that is how the legislation is drafted. She is now telling us that she does not need more than a month to get the order made. Once the first order is made, the Government will be safely home. I have not heard a convincing argument about why we should not agree this amendment, which would provide the Bill with much greater clarity and focus. Therefore, I must ask my right hon. and hon. Friends to vote in favour of the amendment, and I seek to press it to a Division.

Question put, That the amendment be made:—

The Committee divided: Ayes 222, Noes 302.

Division No. 083] **[9.42 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew

Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Etherington, Bill
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Sandra

Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Ms Diana R. Johnson and Tony Cunningham

Question accordingly negatived.

Clause 2 ordered to stand part of the Bill.

Clauses 3 to 5 ordered to stand part of the Bill.

Clause 6

TRANSFER OF PROPERTY, RIGHTS AND LIABILITIES

Mr. Philip Hammond: I beg to move amendment No. 12A, in page 5, line 36, at end insert—

'(1A) No order under subsection (1) shall be made in respect of the property, rights and liabilities of a building society.'.

The amendment continues the theme of the previous amendment to which I spoke. The Bill has been presented to the House as an emergency measure to deal with a special situation—the nationalisation of the Northern Rock bank. For clarity, Mrs. Heal, I advise the House that later we will also vote against the proposition that clause 11 should stand part of the Bill, but with amendment No. 12A our aim is to remove references to building societies from the legislation.

10 pm

It may be that there is a very good case for making some changes to the regime governing building societies. We have already had a discussion about that this evening. There may be a case for applying a regime along the lines of clause 6 in future to building societies, but there is no case to be made for including provisions relating to building societies in a Bill whose purpose is to nationalise a bank, which, by definition, is not a building society. Therefore, we seek in the amendment to leave intact all the provisions of clause 6 as they relate to banks, such as the possibility of transferring assets, liabilities, properties and rights from a bank to a company owned or controlled by the Bank of England or the Treasury in order to facilitate the partial nationalisation of a bank, which is a power that the Government say that they need. We seek to introduce into subsection (1)(a) the additional words in amendment 12A to ensure that the powers in clause 6 cannot be applied to a building society.

If the Bill is emergency legislation, it does not need to apply to a building society. There is no immediate and pressing need to have such a provision applying to a building society. We cannot allow the Government to include in a sort of omnibus, portfolio approach any power that they think they might need in a supposedly emergency Bill to deal with a specific situation.

We have reached clause 6 in the space of an hour. It is already apparent to the House that no proper scrutiny of the provisions in the Bill is possible. The timetable means that it has not been possible for Ministers properly to consider the amendments tabled by the Opposition—to sleep on them, to consult widely on them and perhaps to decide that some of them have merit. So we get a blanket, defensive blocking mechanism, quite understandably, to amendments that Ministers have seen only a couple of hours ago. This is not the way we can agree to proceed to deal with provisions that are not explicitly needed for the immediate purpose in hand—the nationalisation of Northern Rock.

If the Minister wants the provisions relating to building societies, she should put them in a Bill that will go through the House in the normal way, with proper scrutiny, so that we can debate with her their purpose and she can explain what she needs them for, and so that we can bring to bear the views and opinions of experts and interested parties outside the House and consider them properly. The provisions are not needed in this Bill tonight, so I urge her to agree that building societies should be excluded from the scope of clause 6.

Dr. Cable: I have agreed with all the amendments tabled so far by the Conservatives as ways of strengthening the legislation, but I disagree with this amendment. There are perfectly good reasons why building societies should be put in a position comparable to that of banks. I was not aware until this Bill came along that building societies were not in the same position as banks and could not access lender of last resort facilities in the same way as banks. That has just come to light, but if it is the situation, it seems entirely reasonable to address it.

The argument that the hon. Member for Runnymede and Weybridge (Mr. Hammond) made was, "Why don't we think about all this in the bigger scheme of things with the intervention powers?" However, we are

not talking about omnibus powers of nationalisation. We are talking about situations that could well arise in the next few weeks or months in which a building society, as one understood that Barclays did in the autumn, could go to the Bank of England for liquidity support. We are in difficult circumstances, and it seems right that those powers should be available now both to protect the interests of the building society sector and to maintain a level playing field between banks and building societies, which surely we want to do.

Mr. Hammond: I may have confused the hon. Gentleman by speaking about clause 11, which introduces lender of last resort powers for building societies. Clause 6 deals with the nationalisation of the assets and rights, but not shares, of banks and building societies. Amendment No. 12A was tabled to avoid the possibility of the nationalisation of building societies' assets, property rights and liabilities.

Dr. Cable: I thank the hon. Gentleman for that correction. That is not the point that I wish to address; I am anticipating what I will say on clause 11.

The Exchequer Secretary to the Treasury (Angela Eagle): Clause 6 gives the Treasury power to transfer property rights and liabilities of deposit takers when one of the conditions in clause 2 is satisfied. Amendment No. 12A would remove building societies from the ambit of the clause. There are two issues to re-emphasise. First, as Opposition Members will know, clauses 3 and 6 are subject to a sunset clause. Secondly, on the proportionality of the powers, I had hoped that Opposition Members would bear in mind the high hurdles that will have to be jumped before there can be any kind of intervention under clause 2. The issue should be considered in that context.

Clause 6 is the only power in the Bill that would allow the Treasury to take a building society into public ownership or transfer it to another private body. The power in clause 3 to transfer shares and securities would not work for building societies, because building society shares are essentially deposits held by their saving members. Acquiring them would therefore not transfer ownership of the society in the same way that the transfer of a bank's shares would. However, the Government believe that the power in clause 6 should be exercisable in respect of building societies.

The Bill provides the powers on an interim basis, so that we can deal with any further problems that may emerge in the next 12 months. In the current climate, it is not inconceivable that a building society may run into difficulties, although I should make it clear that none has; it is important to emphasise that we do not have a particular building society in mind. That is partly why we are introducing the powers in clause 11, to which hon. Members have already referred, to allow the Bank of England to give certain financial assistance to building societies if they get into trouble. Extending clause 6 to building societies ensures that all interim measures available for banks are available for building societies. We think that that is prudent in the interim period. I emphasise that it is a precautionary step, but as hon. Members have suggested, we are consulting on longer-term proposals for banking reform. We will come back to the issue in the fullness of time, as part of that consultation.

Mr. Peter Bone (Wellingborough) (Con): Does the Minister think that there is a danger that including building societies will send markets the signal that there might be risks for building societies? If there is no risk, why include building societies in the first place?

Angela Eagle: I did not say that there is no risk; there is risk all around at the moment, given what is happening in the global credit crunch. There are risks that that could affect institutions other than banks. What I did say is that we do not have in mind any particular building society that is in difficulty at the moment. I wanted to emphasise that point, so as not to set alarm bells ringing. However, in the interim period, while we are considering banking reform more generally, we think that it is prudent to introduce the precautionary powers in clause 6 and clause 11, which we shall come to later.

Mr. Mark Field (Cities of London and Westminster) (Con): Will the Minister tell us what the lender of last resort arrangements are for building societies, and what it is about those arrangements that makes it so essential that building societies be included in clause 6?

Angela Eagle: That is a debate that would be more accurately held under clause 11 when we come to those specific powers. I am happy to deal with the issues then. I expect that I would be called to order if I extended the debate to clause 11.

With those clarifications of the Government's position, I hope the hon. Member for Runnymede and Weybridge (Mr. Hammond) will withdraw his amendment.

Mr. Hammond: No, I am afraid I shall have to disappoint the hon. Lady. Her explanation is not good enough. The legislation was billed as emergency legislation to deal with a specific and pressing problem—pressing enough that the Chancellor had to make an announcement about it on a Sunday afternoon. It is a huge relief to hon. Members that the Minister does not have any particular building society in mind. I expect that it is a huge relief to the Clerks as well, as we may have had to decide that this was a hybrid Bill after all if she had a particular building society in mind.

The point that the hon. Lady has failed to address is this: the House is being asked to set aside its normal procedures for scrutiny of legislation. The Opposition parties and outside experts and interests are being asked to forgo the usual opportunity to make their representations and present their case during a proper Committee stage of a Bill. It is not good enough for the Government to sweep up all sorts of powers that they think they might possibly need one day, although they do not have in mind a specific example of that need, and put them into a Bill which they then ask the House to pass in a single day without the opportunity for proper scrutiny.

We would be very happy to look at the case for introducing the kind of powers that the Minister describes in relation to building societies in general, but what the House, the media and the great British public expected when they heard the announcement on Sunday of emergency legislation to nationalise Northern Rock was a narrowly focused Bill for the announced purpose

[Mr. Philip Hammond]

of nationalising Northern Rock. Patently, such a Bill does not need a provision that deals with building societies.

Angela Eagle: I do not want the hon. Gentleman to caricature my position too much. This is not a wide-ranging provision that will remain on the statute book for ever. He will admit that clause 6 is one of the sunset clauses and that these are focused powers in very specific and unusual circumstances, so it does not go quite as wide as he is trying to make out. I hope he will recognise that. I tried to put my remarks in that context when I spoke about including building societies.

At least the hon. Gentleman ought to recognise that the circumstances are unusual, that there are high hurdles to get over in clause 2, and the provisions are quite focused. I made a point of saying that this was an interim solution while we were examining the longer-term issues of banking reform, which he and the House know we will return to later in the Session, after due consideration and consultation with all the outside forces that he mentioned.

Mr. Hammond: The hon. Lady is right that the powers are time-limited, with a year's life. They are quite specific powers, but they are not specific to dealing with the Northern Rock situation, which is what all of us thought we were coming to the House today to do. We have been surprised and the commentators will be surprised by the breadth of the Bill, which was widely expected to be a specific, tailored measure to deal with Northern Rock. We do not think it reasonable to ask the House to approve anything that is not absolutely necessary today in this compressed one-day consideration of the Bill, which clearly will not allow full scrutiny line by line.

As I said in my initial remarks earlier this afternoon, that is bound to lead to a situation where the other place or, as is perhaps more likely in the end, the courts will have to resolve many issues that we have been unable to pick up and deal with during this afternoon's deliberations. Goodness knows, even in a Bill that receives proper scrutiny in Committee, we invariably find—this is particularly the case with complicated Finance Bills—that the Government have to come back the following year in order to deal with problems, omissions and technical drafting failures that have occurred, or with loopholes that have been uncovered in the courts. What we are discussing tonight is not the type of measure that we should address under this emergency procedure, unless it were explicitly needed for the purpose of the principal business in hand today—the nationalisation of Northern Rock. That nationalisation does not require any powers in relation to building societies. I will therefore press the matter to a Division. I ask my right hon. and hon. Friends to support the amendment.

Question put, That the amendment be made:—

The Committee proceeded to a Division.

The First Deputy Chairman of Ways and Means (Sylvia Heal): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The Committee having divided: Ayes 169, Noes 351.

Division No. 084] **[10.15 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee

Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Burden, Richard
Burgon, Colin
Burt, Lorely
Byrne, Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Etherington, Bill
Farron, Tim
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg

Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Ms Diana R. Johnson and Tony Cunningham

Question accordingly negatived.

It being after half-past Ten o'clock, THE FIRST DEPUTY CHAIRMAN OF WAYS AND MEANS *proceeded to put the Question necessary to dispose of proceedings in Committee, pursuant to Order [this day].*

Clauses 6 to 17 ordered to stand part of the Bill.

Schedules 1 and 2 agreed to.

Not amended in the Committee, considered.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Madam Deputy Speaker. We have just heard the formal words of the Government Whip. Would it be possible for the Modernisation Committee to consider the matter? The Committee of the whole House has not gone through the Bill—the guillotine has come down and the House has been prevented from debating it. The Committee has not gone through the whole Bill, so should not the matter go to the Modernisation Committee so that we get a more accurate record of what has actually happened?

Madam Deputy Speaker (Sylvia Heal): I thank the hon. Gentleman for his point of order. It is not a matter for the Chair, but it will be brought to the notice of the Chairman of the Modernisation Committee.

I ask hon. Members who are not staying for Third Reading to leave the Chamber as quickly and quietly as possible.

Order for Third Reading read.

10.34 pm

Yvette Cooper: I beg to move, That the Bill be now read the Third time.

I thank hon. Members for the speedy consideration of the Bill, which was introduced under unusual circumstances.

Last summer, triggered by events in the US sub-prime mortgage market, a global credit crunch began. Banks stopped lending to each other in the normal way and Northern Rock, owing to its business model, could not get the money that it needed to keep going. The action that we took last autumn was widely supported at the time. The Government stepped in and effectively saved Northern Rock. As a result of the decisions that the Chancellor took at that time, not only is Northern Rock still operating, but its customers' deposits are secure and we have prevented the problems affecting it from spreading elsewhere in the banking system. That has been one of our main concerns from the beginning—to safeguard the stability of the banking system.

Mr. Colin Breed (South-East Cornwall) (LD): Will the Chief Secretary confirm that throughout the period since Northern Rock fell into problems there have been no branch closures, that it has been receiving deposits and repayments on its mortgages, and that it has operated perfectly satisfactorily every day, including today? Can she explain why there has been such a rush to introduce the Bill when Northern Rock has been operating perfectly satisfactorily over those months?

Yvette Cooper: If the hon. Gentleman had been here earlier, he would know that we have discussed the reasons for bringing the Bill through rapidly. We took action in the autumn to ensure that Northern Rock could continue. As well as the Bank of England loans, we provided Government guarantees. Those have proved necessary in order for Northern Rock to continue and to support financial stability at the time.

We took the decision on Sunday after detailed consideration of the two bids—two serious bids, I should point out—which we could have gone with. We took the decision, however, that temporary public ownership was in the interests of the taxpayer. We took the decision and announced it very soon after on Sunday, and shares of Northern Rock were suspended on Monday morning. Those shares are still suspended. They have not yet been transferred to the public sector and the Treasury solicitor.

It is important for Northern Rock that it should have some certainty about its future operations, and that it should know who its shareholders are and who is in charge. It is important for Ron Sandler to be able to get on with his work in an environment of stability and security. Therefore, it is not in the interests of Northern Rock, the wider stability of the banking system or the House to extend unnecessarily our consideration of the Bill, when we can get it in place rapidly, in order to be able to effect the order and provide certainty for Northern Rock for the future.

Mr. Philip Hammond: The Chief Secretary has said that it is important for Northern Rock and its employees and shareholders to have certainty. Does she accept the recurrent theme of our debates today: in order for them to have that certainty, they need to know whether the Government's strategic objective is to grow the business or shrink it? That is the key issue.

Yvette Cooper: We have made clear our objectives throughout the process: to ensure the financial stability of the banking system. We have also been keen to secure the interests of depositors and, in particular, to ensure that the taxpayers' interests are protected. That is why we have taken the decision, and we have made detailed assessments of all the options for that purpose. We have said that we will shortly publish a framework document, which will deal with the arrangements that need to operate between Northern Rock and the Treasury and the Government. Ron Sandler will publish a business plan in due course which will need to be agreed with the Government and compliant with EU state aid rules.

It is important also that we should operate within a framework that is fair, and in which there is no inappropriate unfair competition. It is right that that should happen, but it is equally right that the new board of Northern Rock should have a chance to go through the books, assess the business in detail and draw up its proposals on how the interests that the Government have set out can best be secured. Those will then need to be approved and considered by the Government, and obviously they will be published at that time.

Mr. Hugo Swire (East Devon) (Con): Have the Government made any calculation of what would happen if the business plan were to shrink the business, and of how many job losses that would lead to in the north-east?

Yvette Cooper: Ron Sandler is assessing what the options and future course of the business should be. Hon. Members want us to answer all their detailed questions about what the business plan should be, yet they also want Ministers not to take those decisions. They want this to be an arm's length operation—which is what we think it ought to be—that is properly run on a commercial basis and in which the decisions are taken by the board and by the people with the expertise to do so, but they want us simultaneously to prescribe to the board the exact details of its business plan. We are clear that Ron Sandler and his team should have time properly to draw up a business plan. It will need to be agreed with the Government and to be compliant with EU state aid rules. That is a sensible way for us to go forward.

Mr. William Cash (Stone) (Con): The Minister has just said that it will be necessary to comply with a range of provisions, including European legislation with respect to competition policy. Will she explain why clause 12 specifically states that an order may

"disapply...any specified statutory provision or rule of law"?

In that context, is she saying that we will disapply any Westminster-based legislation, but that we will not be able to disapply any European-based legislation?

Yvette Cooper: The hon. Gentleman must be quite mortified that we are saying that the clear safeguards that will be in place to ensure that we do not have unfair competition lie with the European Commission. I realise how difficult that is for him. I also realise that he had been hoping to have a debate on Europe today, and he has obviously come in specially for that. It must have been quite frustrating for him to have to discuss the details of a bank instead. As a result, he is now desperately trying to find some way of getting in a question on Europe—

Mr. Cash: Will the Minister answer my question?

Madam Deputy Speaker (Sylvia Heal): Order.

Rob Marris: Will the Minister give way?

Yvette Cooper: I will give way to my hon. Friend.

Rob Marris: Northern Rock got into difficulty because it had a rubbish business model. Sticking with clause 12, subsection (3)(d) will enable powers to deal with

"exempting directors of any relevant deposit-taker, or of any group undertaking of any relevant deposit-taker, from liability in connection with acts or omissions in relation to the deposit-taker or undertaking".

Will my right hon. Friend assure me that those powers will not be invoked to let the directors of Northern Rock who got it into difficulty off the hook should there be any legal liability for the incompetence of those directors?

Yvette Cooper: I have now had questions from both my hon. Friend and the hon. Member for Stone (Mr. Cash) about that. Let us be clear that the purpose of clause 12 is to ensure that the Treasury has the power to make consequential and supplementary provisions, given the complexities of the financial system and of the way in which the banking system works. We need to be able to ensure, if particular consequences follow through later when more detailed considerations are looked into, that they can be dealt with. It is clearly not the intention that people who should rightly take responsibility for their decisions should be exempt from doing so. Nor is it the intention to disapply any appropriate laws—be they European or UK laws—that should apply in these circumstances. This is simply about ensuring that we have the consequential powers that we need to implement the intention of the Bill, which is exactly what we have been discussing throughout the debate today.

As hon. Members will know, the global credit crunch is continuing. That means that banks are still not lending to each other in the normal way, and that is

[Yvette Cooper]

why the Government guarantees are still in place. Given that they are in place, it is right that we should expect an appropriate return for them, and that is why we have done the detailed assessment and chosen temporary public sector ownership as the appropriate way forward.

Interestingly, one thing that has come out of today's debate is the fact that hon. Members who at the time of the intervention in the autumn supported both the introduction of Government guarantees and the intervention to prevent Northern Rock from going under are now arguing that those guarantees should be removed and that the bank should be put into administration. Throughout the different stages of today's debate, a number of Conservative Members have said that they cannot accept the very principle of a bank continuing to have Government support, yet operating in the marketplace, despite the particular, unusual and difficult conditions that apply and despite the fact that the Financial Services Authority has emphasised the good loan book and the solvency of the bank.

Mr. Bone: Does the Minister have a plan B if the current arm's length business plan—though she does not know what it is—is rejected by the European Union? Is there a plan B if the EU will not allow us to proceed?

Yvette Cooper: Detailed discussions with the European Commissioner will need to take place and they are likely to consider, for example, the conditions that need to be in place for the business plan to proceed. That would be the usual approach of the Commission in these circumstances. Clearly, that sort of discussion will need to happen and it will consider the detail of the business plan and the particular conditions with which it needs to comply.

Several hon. Members *rose—*

Yvette Cooper: Conservative Members need to understand that they are effectively arguing for Northern Rock to go under—either very rapidly because of the withdrawal of Government guarantees or because it was put into administration. On the Government side, we have made very clear the consequences of putting Northern Rock into administration at this stage. It would mean that creditors would have claims on collateral and they would be exercised. In practice, it would mean a significant risk both to the Bank of England's contributions and loans and to the taxpayer as a result of the guarantees that are being put in place. Given the current market conditions, it is important that we do not promote a fire sale of assets or effectively a sell-off at the bottom of the market. That is not in the interests of the taxpayer. It is important to promote the interests of taxpayers rather than the ideological approach of Conservative Members.

Keith Vaz (Leicester, East) (Lab): My right hon. Friend is absolutely right and I would like to remind her of what happened to BCCI 17 years ago when the then Conservative Government refused to support its creditors and depositors. It has been in liquidation for 17 years, but all the money has been found all of a sudden.

Yvette Cooper: My right hon. Friend, who has greater expertise in this area than me—details of the BCCI case are beyond my memory—makes an important point.

Mr. Gerald Howarth (Aldershot) (Con) *rose—*

Mr. Hands *rose—*

John McDonnell (Hayes and Harlington) (Lab) *rose—*

Yvette Cooper: I give way to my hon. Friend.

John McDonnell: I want to follow on from a point raised by my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) about the liabilities and responsibilities for Northern Rock's actions. If I recall correctly, when my right hon. Friend the Chief Secretary summed up on Second Reading, she said that the Granite exercise was excluded from the legislation. I understand that the Granite exercise was an offshoring of securitisation that offered 50 per cent. of the funding for Northern Rock—as far as I can see, it was used as a tax-avoidance measure—yet it is to be excluded from the scope of the Bill. If there are responsibilities and liabilities, surely those who participated in that exercise for their own advantage should be brought into the scope of the legislation. Should not responsibility and liability fall on them as well?

Yvette Cooper: Perhaps I should clarify that there are two different points. Granite is part of the funding mechanism for Northern Rock and it is on the bank's balance sheet; however, it is a separate trust and has never been covered by the Government guarantees. It is not being taken into public ownership and it is not, in fact, owned by Northern Rock, so it is not part of the taxpayer's exposure and has never been so. On the matter of how clause 12 relates to the directors, it does not apply to old or former directors; it is about the potential to make provision for directors who are in place while Northern Rock is temporarily in the public sector. It is an enabling provision—*[Interruption.]*

Several hon. Members *rose—*

Yvette Cooper: We had this discussion earlier, on Second Reading. This is a Third Reading debate. *[Interruption.]*

Madam Deputy Speaker: Order.

Yvette Cooper: I am conscious of the time, and of the fact that other Members wish to speak in the debate. I will give way to Members, but they may need to be patient.

Mr. Philip Hammond: The Chief Secretary just said something about the ownership of Granite. Will she make clear to us who owns the shares in the Granite incorporated vehicles? Are they owned by Northern Rock, or by a third party?

Yvette Cooper: I understand that Granite was set up on a trust basis. I shall be happy to give the hon. Gentleman further details, because I think they are in the public domain. Granite is not owned by Northern Rock; nor will it pass into the hands of the public sector.

Mr. Philip Hammond: I am sorry to press the Chief Secretary on this point, but it is important. The Granite entities are consolidated on the Northern Rock balance sheet. When Members look at the totality of Northern Rock's assets and liabilities, they see Northern Rock plus Granite. Is the Chief Secretary now telling the House that the public sector will acquire ownership of Northern Rock, but not of the Granite entities?

Yvette Cooper: That is what I said earlier.

John McDonnell: Can it be made clear for the record that although Granite is a creature of Northern Rock, was established by Northern Rock and was undertaken as an exercise for profit and tax avoidance, liabilities resulting from the overall exercise of Northern Rock will fall on the taxpayer, while those who participated in Granite to make profits will have no liabilities whatever? Is that statement accurate?

Yvette Cooper: Granite is and has always been a separate legal entity. What we are taking into temporary public ownership is Northern Rock, the bank, not Granite. I clarified that on Second Reading.

Mr. Hands: May I return the Chief Secretary to something else that she said earlier? She said that she opposed a fire sale—as, I think, does everyone—but that her reason for opposing it was that that would take place at the bottom of the market. Will she tell us why she is so sure that this is the bottom of the market?

Yvette Cooper: Opposition Members may say that they are not in favour of a fire sale of the assets, but that would be exactly the consequence of putting Northern Rock into administration. Creditors would have claims on collateral that would be triggered by insolvency; assets would need to be sold, and the bank would be rapidly wound down. That would not be in the interest of taxpayers. Members in all parts of the House should recognise that the purpose of the Bill is to protect the interests of taxpayers. I think that that is responsible, and it is something that the Government consider important.

Madam Deputy Speaker: Order. I remind all Members that this is a Third Reading debate, and we are discussing the content of the Bill.

Yvette Cooper: Members in all parts of the House should recognise the importance of protecting the taxpayers' interests. That is why we have made detailed assessments of the different options throughout this process. We must continue to safeguard financial stability, but we must also secure the interests of the taxpayer.

Let me tell Opposition Members that presenting different options which do not stack up and which unravel in the end, resulting either in administration and a sell-off that is against the interests of the taxpayer or in nationalisation by another name, is simply disingenuous. We have had a serious debate about Northern Rock's difficulties, but we have also debated the need to secure the financial stability of the wider banking system. I wish Opposition Members would acknowledge that that is the overall purpose of the Bill.

The financial stability of the banking system is not something that we should ever take for granted: it is something about which we should always be vigilant. The consequences of losing it would be devastating for people throughout the country. That is why it is important to protect it, and important for us to present the Bill now. I hope that Members will stop playing politics with the banking system and its stability, and will recognise the advantage to us all of achieving a secure deal and a secure future for Northern Rock.

10.55 pm

Mr. Philip Hammond: The Chief Secretary has given her version of the events leading up to the introduction of the Bill, so let me remind the House of mine. In the summer of 2007, the credit crunch arrived—from the United States, as she said—and placed Northern Rock in difficulties. The Government had an opportunity then to pursue an expression of private sector interest in acquiring Northern Rock, but they were not interested; they dithered and passed up the opportunity. On 13 September, when it became clear that Northern Rock was in serious trouble, they dithered, delayed and prevaricated over the weekend, leading to the events of Monday 17 September, when eventually they stopped the run on the bank by introducing a general guarantee on deposits. They then ignored—very expensively, as it has turned out—the advice they received that they needed to act quickly and decisively in order to protect the taxpayers' position and resolve the issue of Northern Rock. We have had more dither and delay since 17 September, leading on Sunday to the announcement that the Government were going to go down the route that they had desperately sought to avoid for the past five months and nationalise Northern Rock.

One thing that we have clearly understood from today's debate is that the nationalisation of Northern Rock is but a mechanism. The Opposition submit that there is nothing substantive that the Government will now be able to do with Northern Rock in nationalisation that could not have been done without taking the bank into public ownership and with only slight modifications to powers that already exist in the Enterprise Act 2002 and insolvency legislation. However, proposed legislation was rushed out yesterday and rushed through this House today under an emergency procedure, and we and the public were clearly told that it was legislation for the purpose of nationalising Northern Rock. What we have before us today is a Bill—now on Third Reading—that includes many provisions that are not relevant to the nationalisation of Northern Rock, but which deal with other situations that we are not facing today. They might be sensible provisions with which we could agree, but we will never know because we have not had the opportunity to scrutinise the Bill properly and to consider those measures. It is our submission that when a Government come to the House and ask it to set aside its procedures and its standard practices for scrutiny

[Mr. Philip Hammond]

and to rush through legislation in a day, that legislation must be for an immediate and pressing purpose; it must not be a portfolio of powers that the Government would quite like to have in case they come in handy at some point in the future.

We have seen the weakness of this compressed procedure this afternoon and this evening. Our amendments were tabled without the benefit of consultation with outside bodies; they were our amendments and they did not reflect, as is the usual practice in this House, the real and detailed concerns of experts in the relevant field and from across the relevant industry. Ministers saw the amendments just a couple of hours at most before having to respond to them. In those circumstances, I do not blame them for adopting a defensive strategy and approach; what else could they do? They have not had a chance to consider, or consult on, the amendments; they have not even had a chance to sit with their officials and think about them. *[Interruption.]* Yes, they might have another chance when the other place gives them an opportunity to consider some of them again. All of this is a genuine shame, because it means that the legislation that is leaving this House today is weaker for lack of scrutiny, and that we, as the superior House, are once again in the humiliating position of relying on the other place to look in detail at the provisions that have been put before us. As it, too, has been prevailed upon to limit its consideration of the Bill, it is likely that unelected judges in the courts will have the final say on a matter that we know will be the subject of substantial litigation.

Mr. Cash: Does my hon. Friend agree that in respect of the other House a number of important provisions are privileged? I am thinking of tax consequences, which are dealt with under clause 10, and a number of other matters relating to guarantees and indemnities, which are at the heart of the financial liabilities that arise. The other House will be unable to consider such provisions, and that compounds the disgraceful way in which the Government have truncated consideration of the Bill.

Mr. Hammond: My hon. Friend makes a good point, because at least one clause will be privileged and thus will not be considered by the other place. I must say that he slightly surprised me, because I thought that he was again going to raise the issue of the exclusion of the courts. I am somewhat disappointed that he did not do so.

The debate has made it clear that whatever their view about the principle of nationalisation—the hon. Member for Newcastle upon Tyne, Central (Jim Cousins) understandably has his constituents' interests at heart, while other hon. Members have given greater primacy to the taxpayer's interest—hon. Members on both sides are deeply uncomfortable about the lack of clarity about the Government's intentions. Perhaps it is a lack of honesty about their intentions.

I do not know whether I am alone in this House in finding it slightly extraordinary to be presented with the proposition that over the past five months, when one of the most politically explosive situations has been sitting on his desk, the Chancellor of the Exchequer has not established a plan B and he has not considered what he would want to do in the event that his preferred private sector sale of Northern Rock failed. He also does not have a strategic business plan setting out the objectives for its new management team and he has not given Ron Sandler a brief that sets out those strategic objectives. That is all extraordinary. Perhaps that is why the Government have included a provision in their draft order that the publicly owned Northern Rock will be exempt from freedom of information requests—so that we may never know.

The risks of nationalisation are clear. The first is the politicisation of the decisions. I do not blame the hon. Member for Newcastle upon Tyne, Central for one moment for putting the interests of his constituents first, as we would all have done in his position, but this evening we have seen the kind of pressure that the Government will come under from hon. Members and from outside interests. Other risks include the transfer to the taxpayer of a huge additional tranche of liabilities at a stroke and the risk to Britain's reputation as a financial centre.

We know that the risks are clear, but we do not know much about the business that the Government are acquiring on our behalf. We do not know how much we will pay for it, how much it is worth, what its assets and liabilities are, how long we are acquiring it for and what the purpose of our acquisition is. The truth is that nationalisation is not a solution; it is simply a mechanism.

The solution has to be based on a plan, and the strategic direction of that plan must come from the top down. The Minister chose not to recognise a clear distinction a few moments ago. Nobody in this House, except perhaps for a few people below the Gangway on the Government side, wants the Government to micro-manage a state-owned Northern Rock, but we all recognise that the Government, as shareholder, must set out the strategic objectives that they want the management of Northern Rock to follow. The Government must give a clear picture of where they want Northern Rock to be in six months or a year or two years' time, of how quickly they want to shrink the business and of what priority and level of importance they place on returning it to the private sector with all taxpayer loans repaid. That is how the Conservatives would like the NHS or the education system to be managed—with a clear, strategic direction from Government and a hands-off approach that lets the professionals get on with delivering those strategic objectives.

What we have is a wide-ranging Bill that has received little scrutiny. Many issues are unresolved and will have to be dealt with in the other place. I set out earlier our alternative proposals, not for a fire sale—as Ministers like to characterise them—but for an orderly resolution of Northern Rock in a Bank of England-led reconstruction. The Government have a consultation paper out on future legislation to reform the banking sector, and I predict that when we finally get round to putting in place a regime to deal with—God forbid—any future Northern Rocks, it will reflect much more of our proposal and much less of the Bill that we are being asked to pass today.

At the end of this debate, we are no clearer about many of the key questions. The Government have

rejected all of our amendments. They will brook no criticism. The Chief Secretary has probably taken her cue from the Prime Minister, who said yesterday in his press conference on Northern Rock, with typical modesty, that

"we have made at all times the right decisions".

The taxpayer is now much deeper in. There is no sense of the direction in which the Government intend to take us and no business plan is on the table. I must therefore ask my right hon. and hon. Friends to vote against Third Reading.

11.7 pm

John McDonnell (Hayes and Harlington) (Lab): I first wish to make it clear that I welcome the Bill. In fact, with the greatest respect to the hon. Member for Twickenham (Dr. Cable), I think that I was the first MP to call for nationalisation, although that is hardly surprising because I have been calling for the nationalisation of the financial sector for 30 years or more. However, I was astounded when my right hon. Friend the Chancellor said on Second Reading that the Granite operation was not included in the legislation.

From my reading of the Treasury Committee's brief reference to Granite and the advice received from accountants in the tax justice campaign, my understanding of the scheme—even its name suggests that it was a great wheeze—is that several of the directors at Northern Rock established an offshore vehicle to avoid tax. It was still on the balance sheet of Northern Rock and they securitised a large percentage of their assets in it and received about 50 per cent. of their funding from it. As a result and as far as I am concerned, Granite is a creature of Northern Rock and therefore is part of the asset base of the bank and its operations.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): It should not go without mention that one feature of the arrangement was a purported benefit to a charity for handicapped children in the north-east, which has so far received no money from it whatever.

John McDonnell: I understand the issue that the right hon. Gentleman raises, and I have seen reports about it. It is an issue that needs to be exposed and examined, but my concern is the greater issue. Those who took that decision will be exempted from their responsibilities as a result of this legislation. They deliberately undertook an exercise of tax avoidance and tried to maximise the profits for their company. As a result, they enhanced their own benefits in salaries and bonuses through a scheme that is completely exempt from the Bill. The taxpayer and the community will pick up some of the liabilities from that exercise and those who have profiteered through Granite will be completely exempt of liabilities. They will walk away with their profits secure, while others suffer. Some of the constituents of my hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins) may lose their jobs and some people may have their homes repossessed. Yet the Granite scheme has enabled those people to walk away scot-free.

I tell my right hon. Friend the Chief Secretary that when there are discussions in the future about further legislation and regulation, we will need to take into account what happened with regard to Granite. We will need to consider how to prevent tax exemption and tax avoidance regimes being used in such a way at the cost of the long-term interest of the workers involved and of those people who are dependent on mortgages from a company such as Northern Rock. If there is any way in which Granite can be brought within the ambit of future legislation, the Government should examine that matter.

Ms Abbott: Does my hon. Friend agree that when the Government are considering future legislation they should also consider the long-standing and vexed issue of conflict of interest when it comes to audit? A firm such as PricewaterhouseCoopers will make a lot more money out of its consultancy on securitisation than out of the audit. In banking collapse after banking collapse, we see auditors who see no problem in continuing to trouser their consultancy fees.

John McDonnell: I hope that that is one issue that the Treasury Committee will come back to at some future stage when it further examines transparency within the financial arrangements of such companies and the City itself.

I support the legislation, but I believe that we have missed an opportunity to nail down one of the devices that has been used by Northern Rock and its directors to avoid their long-term responsibilities to its work force, to those who have borrowed from the company and to this country and its taxpayers. I regret that such a measure was not contained actively in the Bill.

11.11 pm

Dr. Cable: I had not intended to speak at length at all, having made my points, but I am prompted to by the important speech that we have just heard from the hon. Member for Hayes and Harlington (John McDonnell). Alarm bells rang slightly for me when I heard the mention of Granite on Second Reading, but its full significance did not dawn on me at the time. I do not think that the problem is quite that identified in the hon. Gentleman's point about tax status. The problem is that Granite is a separate institution that, as I understand it, securitises the best assets of the bank. The best mortgages of the bank are wrapped up in the Granite vehicle. We are being told that in some way that is being hived off to the benefit of person or persons unknown, apparently, to the Minister.

What is going on here appears to be not the public ownership of Northern Rock but an asset-stripping operation designed to benefit someone—we do not know who. That is a serious development, and unless we get a proper explanation by tomorrow morning of what exactly is going on—

Mr. Philip Dunne (Ludlow) (Con): If I may, I want to see if I can help the hon. Gentleman to understand the true implications of Granite's not being included in the nationalisation. My understanding is that Northern Rock retains a seller's share in the packages of mortgages provided to Granite to provide security for the debt obligations that Granite issues, and that that package of mortgages will have to be refreshed continually by Northern Rock as mortgages are redeemed or repaid or come to the end of their natural lives. If Northern Rock fails to supply continuing fresh mortgages into Granite, the liabilities will crystallise, there will be a default in Granite and the entire securitised

[Mr. Philip Dunne]

debt obligations will implode and will have to be sold off on a fire sale basis, with proceeds going to the bondholders. At that point, the seller's share held by Northern Rock will also be part of the fire sale and will become of much lesser value than its stated asset value in the books. Guess who will pay the bill, if Granite is not included in the nationalisation? The taxpayer.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. That was a very generous intervention.

Dr. Cable: I am trying to absorb the hon. Gentleman's analysis, and I hope that he will repeat it at greater length. My understanding is that the remainder of the assets of Northern Rock, outside Granite, consist of unsecured mortgages and the so-called Together mortgages—those at 125 per cent. of value—or, in other words, the rubbish. That is what the Government have acquired. We now need a rapid and thorough explanation of exactly what has gone on, as otherwise the Bill can be stopped in the other place.

Mr. John Maples (Stratford-on-Avon) (Con): The problem is actually worse than the hon. Gentleman has described, as Granite's loan-to-value ratio is more than 100 per cent. Mortgages are placed in Granite to securitise a loan that is for a smaller amount so, if the security had to be exercised, the mortgages could be sold at a discount. I think that what is left is actually worse than the hon. Gentleman is making out.

Dr. Cable: We are all getting a rapid education. Perhaps the hon. Member for Hayes and Harlington can tell us more.

John McDonnell: I may not have explained the point that I was trying to make well enough. My view is that the motivation was a tax avoidance dodge, but the problem is that the liability, which is on a significant scale, now rests with the public purse. As a result, the people who will gain are the participants in Granite. The ones who will lose, and who are in jeopardy, are those who retain an interest in Northern Rock—that is, the taxpayer, and the workers who may lose their jobs.

Dr. Cable: These are big questions, and we are not getting any answers. I see that the Minister has fled the Chamber to get an urgent briefing from the Treasury. Unless the Paymaster General can give us a proper explanation, it is clear that an Exocet has landed somewhere in the middle of the Government's proposals. The Government need to come up with some proper explanations overnight, as otherwise they will be in serious difficulty in the other place tomorrow.

I could make many other points but I shall restrict myself to two, as I think that we have highlighted a critical issue that we need to focus on.

Mr. Gerald Howarth: On a point of order, Mr. Deputy Speaker. It is perfectly apparent that a key part of this nationalisation is wholly uncertain. Something has come to light that means that the House cannot reach a serious decision on this matter. The Minister has fled the Chamber, presumably to go and get advice. Would it not be sensible to suspend proceedings until she is able to inform the House on this very important consideration? *[Interruption.]*

Mr. Deputy Speaker: Order. It would be unfortunate if the debate were to become ragged at this hour, bearing in mind the seriousness of the issues under discussion, both in the course of the day and at this moment. I think that the hon. Member for Twickenham (Dr. Cable) put his finger on it when he said that there will be further debate before the legislation is finally approved by Parliament. *[Interruption.]* Order. If matters are still being raised at this stage, there will be further opportunities to discuss them. This is a matter of debate.

Dr. Cable: I apologise if I have contributed to the raggedness of the discussion, but important issues have been raised. However, perhaps I should reduce the temperature by moving on to other points.

Some very important amendments were tabled that, unfortunately, were not discussed today. I hope that they will be debated tomorrow and when we come back on Thursday. One of the more important amendments related to the Bill's implications for competition policy, and I think that hon. Members of all parties acknowledge that potentially serious difficulties could arise as a result of the nature of Northern Rock's ability to compete for deposits and mortgages, and in wholesale markets.

Although some mechanism must be established to manage that, it is equally clear that the regulatory body, the FSA, does not have the necessary powers. It is also clear that the Office of Fair Trading—the body that deals with competition policy—should be referred to explicitly in the Bill in order to resolve those specific questions.

The other important matter that we did not get around to discussing was new clause 2, which deals with freedom of information. One of the most appalling problems so far is that we have been unable to get access to basic information about how the Government and the Bank of England have operated hitherto. Information will be even more difficult to access now, because I understand that the new public company will be excluded from the freedom of information provisions.

Along with other hon. Members from all parties, I have been trying to find out how much the Government, via the Bank of England, have lent to Northern Rock. We have had to study the Bank of England's weekly accounts, which are not entirely clear. I once asked for a meeting with the Governor to try and find out what was going on, and I was treated rather like an armed robber who wanted to inspect the gold in the vaults. It was impossible to get anywhere near asking the questions that I wanted to ask, but the problem is that information has become even more controlled and even less accessible. That is something that must be dealt with properly.

Those of us who have been trying to follow the saga properly know that information has not been coming from the Government but from the BBC business correspondent and from leaks from the various bidders against each other. That is how we have kept abreast of developments. The Government have been a closed book. There has been no access to information. That is why we need to build into the Bill provisions to create much more transparency than has existed so far.

11.20 pm

Rob Marris: I support the Bill. I have to say that some right hon. and hon. Members have rather overlooked the fact that it does not deal just with Northern Rock. It has been prompted by Northern Rock, but it deals with the continuity and continuation of financial stability in the United Kingdom.

The aim of the Bill is to foster and maintain confidence in the economy and the financial services sector in the United Kingdom. Other countries—Germany, the United States, France and so on—are, of course, going through banking difficulties as well. In September, the Government were faced with a difficult decision against the backdrop of financial turmoil around the world stemming primarily but not only from the sub-prime market in America.

The Government took a bold decision about Northern Rock aimed at maintaining economic stability. By and large, I think that we can say ex post facto, five months later, that that decision was not only the right one but that we have maintained economic and financial stability. The FTSE went up this week, just after nationalisation of Northern Rock was announced. We have record bank profits. We have a thriving financial services sector, which of course is under pressure; not everything in that garden is rosy. It is under some pressure, but as the premier financial services sector in the world now, thanks to this Government, it is under less pressure. Part of the reason for that is what the Government did in respect of Northern Rock.

At every opportunity the Conservative party accuses any and every Minister of dithering and, boringly, it levelled that charge again tonight. Over the past five months, the Government have explored the options. They tried to see whether Northern Rock could be sold to some management buy-out, Virgin or whoever. They found that, in terms of protecting the taxpayer, that was a non-starter. But the Government were absolutely right to explore those options.

Had the Government not done so and announced in the middle to end of September that they were nationalising Northern Rock, I can only imagine the outcry from the official Opposition. They would have said, quite properly, "You are being hasty. You have not explored the options. You have not looked at whether it can be sold to another private banking institution." So the Opposition are trying to have it, as ever, both ways. If we explore the options, they say that we are dithering. If we do not explore the options, they say, "You are being hasty and not exploring the options."

Mr. Maples: The Government turned down the only decent offer that they received. Lloyds bank was prepared to buy it with a Government guarantee or loan, which was a quarter of what the Government now have on the table.

Rob Marris: My recollection of the Lloyds bank indication of interest was that it asked for a considerable amount of money from the Government, and that it kept going up. That showed that it would be difficult to sell Northern Rock, and it proved to be impossible.

Most hon. Members would agree that we cannot continue with Northern Rock as it is. It clearly could not continue with the business model that it had because it was a bankrupt model both metaphorically and almost literally.

The third option that the Government explored was that of trying to sell the bank. They found that they could not sell it, other than at a ridiculously low price. The option before us, which is enabled but not carried out by the Bill, is to nationalise Northern Rock. That seems the sensible option, because the only other one that is talked about—it is discussed in rather woolly, vague terms by the official Opposition—is putting Northern Rock into administration and winding it up.

In administration, the administrator tries to sell the business as a going concern, either wholly or in part. We know that the business cannot realistically be sold as a whole as a going concern, because the Government tried to do that for five months and could not. The alternative way of proceeding in administration, which the official Opposition are suggesting, is to wind down the business to shut it down. When they talk glibly about administration, they are not open about the fact that that, realistically, is the route that they would take. They say, "The administrator will carry on and do what he or she can." He or she cannot sell it, ergo they will wind it down and eventually close it. Nationalisation, which is foreshadowed in the Bill, is a much better option.

Mr. Philip Hammond: I should like to challenge the hon. Gentleman's logic. He says that, in administration, the administrator would not be able to sell the business, ergo he would have to wind it down. In nationalisation, when the Government cannot sell it, the Government will have to wind it down. Is that not the case?

Rob Marris: No, of course it is not the case. As ever, the hon. Gentleman is trying to have it both ways. People say that the process might take one, two or three years, but as the hon. Gentleman knows well, an administrator cannot take that length of time. Under nationalisation, there is more time.

On freedom of information, again the Opposition try to have it both ways. On the one hand, they propose amendment No. 14 on arm's length management. On the other hand, when it comes to the arm's length management provisions in the draft order that relate to the freedom of information powers, which of course do not apply to the private sector, they say, "Well, the bank is nationalised; it's public sector, so the freedom of information powers should apply." That contradicts what they have argued for in terms of arm's length management; they are trying to have it both ways.

I understand the criticisms that have been made on the subject of the cost, but my understanding of the Bill as enabling legislation, and Northern Rock's concrete situation, is that one cannot value Northern Rock until a valuation tribunal procedure is completed, pursuant to the powers in the Bill. Even the shadow Chancellor, the hon. Member for Tatton (Mr. Osborne), more or less conceded on Second Reading that the likely valuation of Northern Rock is nil. Of course taxpayers should know what the cost is, but it flies in the face of reality to demand that the Government today reveal the cost of the procedure and of buying out Northern Rock, as though they were sitting on a figure. The reality is that it

[Rob Marris]

is likely that the valuation will be close to nil, as the hon. Member for Tatton said, but we cannot tell until the valuation tribunal decides.

I say to my right hon. and hon. Friends on the Front Bench that the business framework agreement should be drawn up and revealed as soon as possible, not only because that is right for taxpayers, but to reassure staff and depositors—and, potentially, pensioners, who are the subject of an amendment of mine that was selected but that we did not discuss. Paragraph 6(3) of schedule 1 says:

"Provision made in pursuance of this paragraph may be made by means of modifications of a relevant occupational pension scheme".

I would like reassurance from the Government that there is no intention to modify the Northern Rock pension scheme in a way that adversely affects Northern Rock pensioners and prospective pensioners.

I conclude by urging the Government to hurry up with the consultation on tightening the regulation of banking in the United Kingdom, so far as they can. However, I do not want them to make haste, as some seem to want them to do, for the reasons that I gave. Those reasons relate to the Government taking time to explore what could be done with Northern Rock, after that decision was made to support it in September. The uncertainty about UK banking regulation changes, which is recognised by Members on both sides of the House, should not continue longer than is absolutely necessary. The need for changes to banking regulation was revealed by what happened with Northern Rock. I hope that proposals for such changes can be brought before Parliament, if not in the form of primary legislation, then in the form of an indication that the next Queen's Speech will provide for legislation that will change the regulation of banking in the UK to make it even tighter and even more stable, and to prevent another Northern Rock.

Mr. Hammond: On a point of order, Mr. Deputy Speaker. It is clear from the debate that has taken place over the past 10 or 15 minutes that there are some important questions outstanding that have been put to the Chief Secretary. Can you confirm that it would be possible, with the leave of the House, for the Chief Secretary to speak again in the debate in order to clarify those points? If you so rule, I hope that those on the Treasury Bench will make that known to the Chief Secretary so that she can return to the Chamber.

Mr. Deputy Speaker: I have no power to compel the appearance of a Minister at the Dispatch Box, but it is always possible in the course of debate for a Front Bencher or a Back Bencher to seek to intervene in the proceedings. That opportunity is available and it may or may not arise, but I cannot predict whether it will.

11.30 pm

Mr. John Greenway (Ryedale) (Con): I am grateful for the opportunity to contribute to the Third Reading debate. I had hoped to say something on Second Reading, but Pensions Bill Standing Committee duties took precedence.

It is clear from much of the debate that I have heard that the Government's case for the nationalisation of Northern Rock and for the Bill lies in tatters. It has been cruelly exposed, not least by the exchange about the assets in Granite. We can win debates and arguments in the House and lose votes. I shall concentrate on the prospect that despite the shortcomings of the Government's position, by Friday Northern Rock will be in public ownership. What does that mean?

There are differences of principle across the Chamber among the region's MPs, who include some of my best friends in this place. We have a difference of principle, but an agreement that Northern Rock is an extremely important financial institution in our region. We are all concerned about the jobs of the people who work for Northern Rock, particularly in the north-east. The fact that the Government have been unable to produce any kind of business plan at this point in the proceedings, after all this time, suggests that there may be some false hope about how many jobs may in the end be protected.

In her Second Reading speech, the Chief Secretary said that Northern Rock would grant mortgages in future under public ownership with less virility than it did under the previous board. One hopes that that is true, but it suggests that Northern Rock will be open for business for mortgages. The majority of jobs in Newcastle and Sunderland are in the processing of mortgage applications, so unless Northern Rock is open for business for new mortgages, there will be massive redundancies. That is a fact of life.

In addition, we are not clear where the money will come from to lend to new borrowers. Will it come from new deposits? If it does, what impact will that have on the deposit-taking market which, as I pointed out to the Chancellor in an intervention earlier, includes the sale of Government gilts? If that went on for any length of time, it could undermine the deposit-taking market as we know it in this country. I do not know whether that will be the case or not.

Without a business plan or any strategic idea about the direction in which Ron Sandler will take a publicly owned Northern Rock, we can have no view on the prospects for jobs of Northern Rock employees or the likely impact of the new publicly owned bank on competition in the banking sector, both in deposit-taking and in lending. The House ought to have been given a much clearer indication about those matters before we were asked to give the Bill a Third Reading tonight. It is disgraceful that that was not done. The lack of preparation has become clear even in the exchanges across the Chamber in this Third Reading debate. One suspects that in the two days during which the Bill will be debated in the other place, those positions will become even more cruelly exposed.

The one ray of hope concerns the people whom the Government have appointed to run the business. I know Mr. Ron Sandler very well; he headed up the Lloyd's reconstruction and renewal project, which was supported by the all-party group on insurance and financial services. I chair that group, and the hon. Member for Newcastle upon Tyne, Central (Jim Cousins) is one of my officers. We supported the project in the teeth of opposition from some of my hon. Friends, who had lost money at Lloyd's. Lloyd's was a basket case at that time; the proceedings that Mr. Sandler instituted not only saved it, but recreated it as one of the greatest insurance institutions in the world. It remains so today.

Mr. Dunne: I should like to endorse what my hon. Friend has said about Ron Sandler, whom I also know of old. As my hon. Friend has just outlined, Mr. Sandler's experience is in wholesale money markets—not retail financial markets, which are precisely the business of Northern Rock.

Mr. Greenway: That is true, but one of the reasons why Mr. Sandler was successful in the Lloyd's reconstruction and renewal project was that he had good people around him; I hope that he will have them in this case, too.

We can have an argument on a difference of principle, but whatever happens at the end of this week has to be a success. If it is not, taxpayers will lose and jobs will be lost. We can have our different views, but in the end we have to come together, in a sense, to ensure that the banking institutions and banking market remain stable, jobs are protected and there is no adverse effect on competition.

I end with one other point. Mrs. Ann Godbehere, the lady whom Mr. Sandler has appointed his chief executive, comes from Swiss Re, another insurance institution. I understand that her name is Dutch and means "God protect you". I hope that that is true as far as the employees of Northern Rock are concerned, but it is the last thing that the Government and Ministers deserve, given the shambles that they have created and the shambles of the Bill that we are being asked to approve tonight.

11.37 pm

Mr. William Cash (Stone) (Con): My problem with the Bill is simple: it is a disgraceful, shambolic exercise that has been brought through all its stages in one afternoon and runs completely counter to a whole raft of principles by which we normally legislate in the House. I am thinking not only of the truncation of time, but of the principles that underpin any proper legislation.

In the first place, it is perfectly clear that the real reason for this so-called emergency legislation is, in part, to avoid the possibility of the Bill being declared hybrid. We will discover that in due course when the draft orders are examined. If any of them turn out to affect particular private interests in a way that designates classes and treats people within those classes differently, the Bill will be declared a hybrid instrument. We will then know that the Bill is nothing more or less than a con trick pushed through the House at short notice for the purpose of avoiding the difficulty that the Government would have in giving a fair hearing to the shareholders, who, under the hybrid procedure, would have the opportunity to have their case heard before a Committee of the House.

Connected with that first principle is the fact that, as part of the avoidance of the hybrid procedure, the one thing not mentioned in the Bill is Northern Rock, which has been mentioned only in the debates. The Bill itself does not mention Northern Rock at all, yet that is what we have spent the entire afternoon discussing. That is part of the con trick that is being perpetrated on the House by this deceitful legislation.

The second question relates to retrospective legislation. We do not legislate retrospectively in this House, but the Bill provides for retrospective legislation by order. In other words, it is another misuse of the conventions of this House to provide for retrospective legislation. If that were to be justified in any circumstances, it should be done only by primary legislation, not by order.

Thirdly, as regards the tax consequences—this will not be debated in the House of Lords, because it is subject to privilege—examination of clause 10 shows that it would be possible, although in fact I believe that it is intended, to rearrange the tax arrangements, some of which may affect Granite, in such a way as to avoid tax altogether. The clause provides that no tax whatsoever should be paid in respect of the matters contained in the Bill. We do not know how far that will go, because the words used in terms of the order-making power are so wide; they appear in phrases such as "in connection with" and "in relation to". Connected with that is the fact that the tax consequences are specifically stated as including—[Hon. Members: "Ah!"] I am deeply honoured that the Chief Secretary has come back. I dare say that it is possible that she has discovered answers to some of the points that were raised about 15 minutes ago by a series of hon. Members. I hope that she may take this opportunity to try to reply in the terms that were just suggested.

Not only does the Bill contain very serious and dangerous provisions that could exclude the payment of tax in a whole range of permutations—[Hon. Members: "Ah!"] Here is another one—members of the Cabinet are streaming in. The Bill also includes provision for the disapplication of statutory provisions of any kind and of the rule of law. It may seem astonishing to you, Mr. Deputy Speaker, as it does to me, that any statute should specifically provide that, by order—not by primary legislation—any statute or rule of law can be disapplied in order to achieve the scurrilous activities that lie at the heart of these arrangements. That is an astonishing state of affairs. Under the draft order, a copy of which I have, there is provision for directors of Northern Rock to be exempted from all liabilities under company law. It says explicitly that no director of Northern Rock shall be liable for any proceedings that may be taken against them in relation to their conduct of the affairs of Northern Rock. That includes not only the chairman, who is paid £1.2 million, but other directors.

That is about as shocking and extraordinary a situation as one could possibly imagine. If the Government had gone down the route of selling off Northern Rock as a commercial concern to another commercial concern, would the same provisions have applied? Would the directors of Virgin, having acquired it, have been exempted in the conduct of its running from all liability of proceedings under the Companies Acts through a disapplication of law and statute? That is inconceivable, yet it is what is being done under these arrangements.

Furthermore, under clause 2, it appears that there is a severe probability that the courts would be excluded from challenge. In other words, it would not be possible for any challenge to the arrangements to be made by order in the administrative court, enabling a person such as a shareholder to take action in the courts to rectify problems that they face.

[Mr. William Cash]

The final question is that of the carte blanche provisions in the Bill. In every conceivable respect this Bill, described as the Banking (Special Provisions) Bill, is a carte blanche one. Never, in my 23 years in the House, have I seen a Bill that was so incredibly invasive of the procedures, conventions and principles upon which legislation should be devised. I have given a number of examples that are all in this Bill; the Chief Whip, who is looking over here, knows perfectly well what I mean. The Bill is a total disgrace to the House. It gives by order—not even in primary legislation—a carte blanche to the Government to give indemnities, and to guarantee that those indemnities will be paid for by the Treasury.

This Bill is a total and unutterable disgrace, and the Government stand condemned for the manner in which they have brought it in, in terms of time, content and the total, flagrant breach of the conventions by which legislation in this House is passed.

11.47 pm

Mr. Greg Hands (Hammersmith and Fulham) (Con): I shall be very brief; I have only a few points to make.

First, I would like to reinforce what many of my colleagues have been saying about the strategic overview that this new institution should be given. It is absolutely vital, if we as taxpayers are taking on this £110 billion portfolio, that some kind of strategic overview should be given to the business on behalf of the taxpayer. The basic questions of whether the business should expand or be able to contract, whether it should continue to be a mortgage bank or something else, and whether securitisation should continue or not are vital ones that should be debated and decided here tonight. Taxpayers cannot really comfortably say that they know what they are getting into. We know virtually nothing about the assets of this bank that we are taking on. We know virtually nothing about its personnel or its procedures, especially those relating to risk management, which is a vital part of any financial institution these days.

The Chief Secretary mentioned the importance of protecting taxpayers' interests, and we are talking about an enormous amount of money. The amount of money we are talking about is 12 times the Olympic budget, and three or four times the budget for the Ministry of Defence. The Chief Secretary said something extraordinary when she said that it would be a mistake to have a fire sale. I happen to agree with her about that, but she said that it would be a mistake because we are currently at the bottom of the market. That could be a huge gamble to take on the position of the housing market in this country. Effectively, we are going to take on a huge mortgage bank, and pretend that it is the bottom of the market and that things can only improve. I am not an expert on the housing market, but I very much doubt if we are at the bottom of the market, and she may well come to regret having made that call on the market's direction, especially given the amount of risk to the taxpayer she is willing to take on board.

I mentioned risk management, which is absolutely vital. In the 10 years since I left the banking industry, risk management has become enormous. It has become the largest part of most banks' activities. We know virtually nothing about the risk management of Northern Rock, the current procedures or the procedures that will be in place following nationalisation.

The Chief Secretary talked about a flawed business model in relation to Northern Rock. There is nothing terribly unusual about the Northern Rock business model. The problem has been its operation and the huge amount of risk and leverage that was taken on. However, the basic concept of borrowing money at indexed or variable rates and lending it in the form of a mortgage at a variable or fixed rate, possibly with securitisation, which has been with us for around 25 or 30 years, is a tried and tested business model.

Two things went wrong at Northern Rock. The first is known nowadays as event risk—that is how risk managers perceive it. There was no assessment of the likely event risk of the market simply seizing up for a time. The second was the mismanagement of the interest rate risk and the credit spreads involved. The Bill gives no idea of the way in which the risk management of the current institution is carried out and how it could change under new management—public sector management in the case that we are considering.

In my time in banking, I have witnessed some major financial scandals, including those concerning the bankruptcy of Orange county in California; the Ministry of Finance of the Kingdom of Belgium; Credit Lyonnais; the London borough of Hammersmith and Fulham with its swaps scandal; and the US army facilities management fund. They all have one thing in common: they are in the public sector. It is not only the private sector that has rogue traders, unauthorised transactions and breaking of credit limits and so on. Oversight and financial management of the new institution are therefore crucial.

The Bill has been drafted far too widely. Although it is not the stated intention, the measure allows almost the arbitrary nationalisation of banks or building societies. *[Interruption.]* I hear cheers from the Labour Back Benches at the prospect. That gives the game away. We must fundamentally oppose arbitrary nationalisation, and I hope that the Bill does not get a Third Reading.

11.51 pm

Mr. Philip Dunne (Ludlow) (Con): I am pleased that the Chief Secretary is back in her place to hear the final observations. I should like to repeat the point about the impact on Granite that she missed when she stepped out of the Chamber. Earlier, she said that Granite would be excluded from the Bill and thereby from the nationalisation. As the hon. Member for Twickenham (Dr. Cable) and other hon. Members remarked, that leaves a gaping hole in the nationalisation programme.

Yvette Cooper *indicated dissent.*

Mr. Dunne: The Chief Secretary shakes her head, so I hope that she will take the opportunity to clarify the matter.

Northern Rock owns a seller's share of the mortgages that are supplied to Granite to underlie the securitisation package to provide funding back to Northern Rock. If the security package is not continually replenished with fresh mortgages for Granite, Granite's structure will implode. That is the contractual basis of the securitisation documentation. If default occurs, the seller's share in Northern Rock will also have to be sold at a fire sale price to fulfil obligations. If there is insufficient confidence that new mortgages will be put into Granite through the mechanism under national ownership, which requires continuing business flows, the Government and the taxpayer are at significant risk of sustaining a much larger loss than the Government have let the House believe. It is important that the Chief Secretary tackles that point.

Mr. Beith: Would the hon. Gentleman be prepared to take an intervention from the Chief Secretary or to allow a couple of minutes at the end of the debate for her to respond? Many of us are genuinely anxious to hear her comments about that point.

Mr. Dunne: The Chief Secretary is more than welcome to correct the impression if it is wrong.

Yvette Cooper: We have made the position on Granite clear. We said throughout Second Reading that it is a separate legal entity, which will not be covered by the order, and was equally not covered by Government guarantees. We made that clear from the beginning. The assessment of what was in the interests of the public sector and the taxpayer took all that into account. The private sector proposals and temporary public sector ownership were fully assessed. On that basis, we are clear that it is right to take Northern Rock into temporary public sector ownership to protect the financial stability of the system and the taxpayer's interests.

Mr. Dunne: That is about as clear as mud. Granite has the contractual ability to suck assets out of Northern Rock, which will be in national ownership.

Mr. Stephen Dorrell (Charnwood) (Con): The only assets worth having.

Mr. Dunne: Indeed. The quality of the assets in Granite is higher than the quality of the assets remaining in Northern Rock, and it will have the ability to take what other good assets remain in Northern Rock.

As the Chief Secretary is here, I would like to ask her another question—again, she may not be prepared to answer it: why is there such urgency over the suspension of shares? One of the main planks in her argument for the haste with which we are having to consider this nationalisation Bill—we are doing so in one day: today—is that it is vital for shareholders to have some clarity about their future. The shareholders know that Northern Rock is going to be nationalised; the shares are suspended. It is perfectly normal corporate practice when shares are suspended these days for resumption to take weeks, and in some cases months. It is not a legitimate argument to pin the speed of nationalisation on the issue of suspension.

Finally, I would like to point out another commercial practice, in relation to administration. This point was missed by the hon. Member for Wolverhampton, South-West (Rob Marris), which is surprising given his legal background and his understanding of corporate law. The administration arrangements were set up to mirror in the UK legal context what happens in the US under chapter 11, under which businesses can be taken into administration to protect them from their creditors, not to wind them up or declare them insolvent. The purpose of an administration is to provide a protective umbrella, under which the administrator takes steps to restore the company to health. That is precisely what my hon. Friends on the Front Bench have proposed, but Government Members have consistently obfuscated the issue or misunderstood it.

11.56 pm

Mr. Kenneth Clarke (Rushcliffe) (Con): Time will not permit me to repeat the points that I made earlier, but they remain valid.

The more this debate has gone on, the more it has seemed extraordinary that this legislation has been passed so quickly—at least in this stage, through the House of Commons—only two days after the Prime Minister finally made his mind up on Sunday that, after all, he could be persuaded to nationalise the business. I strongly believe that for most of the past six months he has been the person resisting nationalisation in any circumstances, for a variety of political motives. We shall never know which Treasury Ministers were allowed even to be involved in the tortuous process of decision making, but at last common sense has prevailed and the Government have taken control of events in that way.

We have discussed the best use that the Government could make of taking the bank into public ownership. I repeat, briefly, what I said before. The financial stability of the banking system was the main objective of intervention from the word go. The financial stability of the banking system now depends in part on having some understanding of what the Government's strategic policy is and what strategic direction they have given the bank's new management. The question throughout this debate has been: do they intend the bank to be grown, in order to maximise the proceeds when it is sold, or do they intend to wind it down and have an orderly sale of the assets?

The frank truth is that we have had no answer. Depending on whether north-east Labour MPs or people looking at the issue from the point of the view of the City are being addressed, slightly different answers come forward, but the matter will apparently be determined by the Commissioner for Competition in Brussels. I assume that that means that the negotiations will be conducted on the basis that the bank will be expanded as rapidly as possible, up to the limits that Miss Kroes will permit and which are still compatible with state aid rules.

The most extraordinary thing that has emerged—it did so clearly only really on Third Reading, although it was referred to yesterday—is that the Prime Minister is perhaps now as bemused as we all are about precisely what assets we are nationalising. It has become clear that we are not acquiring the assets in Granite. I think

[Mr. Kenneth Clarke]

that my hon. Friend the Member for Ludlow (Mr. Dunne) is the only Member in the Chamber with a comprehensive knowledge of the arrangements, but the Minister could neither add nor subtract anything from what he said.

The best assets are in Granite—it looks as though there is a contract enabling more assets to be drawn in—and it is the rubbish in the assets that we are now nationalising. Where is all the constant assurance that we have had on the authority of the Financial Services Authority that this is a quality loan book? We have been reassured that it is an asset that is to be taken into public ownership and well managed, under the Government's wise direction, by the new managers that they have put in place. I would advise the Minister—

It being Midnight, MR. DEPUTY SPEAKER *put forthwith the Question already proposed from the Chair, pursuant to order [this day].*

The House divided: Ayes 293, Noes 167.

Division No. 085] **[12 am**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Etherington, Bill
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry

Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Bob Blizzard and Steve McCabe

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Beresford, Sir Paul
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Ruffley, Mr. David
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.
Bill read the Third time, and passed.

Local Government

[Relevant document: The Eighth Report from the Joint Committee on Statutory Instruments of Session 2007-08, HC 38-viii.]

12.12 am

The Minister for Local Government (John Healey): I beg to move,

That the draft Shropshire (Structural Change) Order 2008, which was laid before this House on 8th January, be approved.

Tonight, or rather this morning, we are to consider the draft order for the establishment of the new unitary Shropshire council. It is not prime time, but the business is important and it is right for it to be debated on the Floor of the House.

The order implements a proposal submitted to the Government by Shropshire county council, with the support of Oswestry borough council. It is a proposal presented to us by a democratically elected, locally accountable council, and drawn up for us by that council. It is a proposal that the council has presented after seeking local views, and it is the proposal that the council believes will produce the best governance in Shropshire in the coming years.

Having studied the proposal carefully and assessed it in the light of criteria that we published at the outset of this process in October 2006, we believe that its implementation would indeed establish a form of governance that would serve the people, businesses and communities of Shropshire well in the future. In reaching that view, we rigorously applied the five criteria that we had set out in our invitation to bid back in 2006. We had already set out the general case for unitaries in the White Paper that preceded it.

Our invitation and the White Paper reflected our belief that introducing unitary local government is a way of removing many of the weaknesses to be found in areas with a combination of county councils, district councils and parish councils. As we said in the White Paper, such structures often add to public confusion, and create a fragmented and sometimes complicated local leadership. They may also lead to duplication, inefficiency, difficulties with co-ordination and failures in service delivery.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): The Minister says that the Government rigorously followed the five criteria. One of those criteria was the support of the local people. He will know that in Shrewsbury we had a referendum of my constituents, and on what is a very technical matter more than 18,000 of them bothered to turn up and vote against a unitary authority. That represents almost 70 per cent. of those who voted. How can the Minister say he has followed the criterion of listening to the public when my constituents have voted overwhelmingly against these measures?

John Healey: Because the criterion on support is not about public support; it is about the broad cross-section of support. Let me quote from the invitation of October 2006 that I referred to. It states that the Government recognise

"that any proposal may not carry consensus from or within all sectors"

and that while no

"single council or body, or group of councils or bodies will have a veto"

it

"will be necessary for any proposal to have support from a range of key partners, stakeholders, and service users/citizens."

The purpose of that is not to be able to demonstrate a majority of any particular group, including local citizens, who are in favour of a unitary council; rather, it is to allow us to make an assessment of whether support is strong and broad enough that if we decided to go ahead with implementing a proposal for a unitary council it would have a good chance of success. That was the basis on which we set out to make that judgment, and that is the basis on which we made it.

The hon. Gentleman talks about the survey that was done in his area. I recognise that his council, and two others, conducted such surveys, but I am sure that he would also recognise that the clarity of the questions and the balance and clarity of the supporting information that was provided to citizens as part of the surveys are relevant factors in assessing what weight to give to them. I could—although I do not particularly want to—quote from that supporting information, but let me simply say that an assessment of those exercises was done by Thrasher and Rallings, recognised independent academic experts in this sort of work, and we accepted their conclusion that there were reasons for treating the results of those surveys with some caution given the way in which they were framed and the context in which they were conducted.

Daniel Kawczynski: Regrettably, I feel that that is a patronising thing for the Minister to have said, because the referendum in Shrewsbury was carried out by the Electoral Commission and was conducted under the most professional auspices imaginable, with very clear questions. Therefore, I totally dissociate myself from what the Minister said.

The Minister says that he weighed the support. My understanding is that a total of only 45 letters of support were submitted by the county council from the thousands of people who live in Shropshire. Some of those people supply the county council with goods, so they have a vested interest and some of the people—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman might seek to catch my eye later in the debate, and I would not want him to use up all his ammunition.

John Healey: Thank you, Mr. Deputy Speaker. The hon. Gentleman has plenty of ammunition and I am sure that he will use it a little later. I am looking forward to hearing what he has to say, and I will be happy to respond to it as required, with the leave of the House.

Mr. Philip Dunne (Ludlow) (Con): Unfortunately, the Minister does not have the benefit of having taken the legislation through Committee. I was privileged to serve on the Committee, and I asked the Minister for the Environment, as he is now, about consultation. It was made clear to us that the consultation would take into account the views of the public, because it was acknowledged that they constituted a stakeholder in the context of the invitation to bid. That concession was eventually squeezed out in Committee.

The Minister for Local Government rightly said that local ballots took place in three districts in Shropshire—two of them in my constituency—but they should have been given due weight. Although he says that some of the questions were not suitably balanced, I must tell him—

Mr. Deputy Speaker: Order. There must be a distinction in this House in debate between an intervention and a speech. Interventions should be very brief, because otherwise we lose the whole sense of the debate.

John Healey: Those ballots were given due weight, as the hon. Gentleman suggests they should have been. They were not given overwhelming weight. They were given weight in the context of making the judgment about whether there was a broad range of support sufficient to give us confidence that if we were to press ahead with implementing these reforms they would be likely to succeed.

Robert Neill (Bromley and Chislehurst) (Con): The Minister makes a fundamental point about due weight, which we have rehearsed before. What is his definition of due weight? What criteria are applied in giving weight to anything? What is the basis of the balance to be decided between taking into account an element of local issues or otherwise? The fear is that this might have been a wholly subjective judgment.

John Healey: I do not accept that it was wholly subjective, although I accept that it was a judgment. As I have tried to explain to the House, the judgment was about whether there was sufficient support from a broad enough range of relevant parties, including local views, although not exclusively concentrating on them, to give us confidence that if we were to proceed with the change in this proposal it would have a good chance of success.

Dr. Andrew Murrison (Westbury) (Con): Is it the Minister's judgment that there was more or less support for this measure than there was for the Wiltshire measure that we discussed a few days ago?

John Healey: It is a bit difficult to make direct comparisons. I am not entirely certain that doing so is relevant to the assessment that we set out to make about the proposal that we received from Shropshire. We wanted to know first whether it was a proposal that could bring a good and successful form of future governance to the people and the county. Secondly, we wanted to know whether the conditions and the sufficient degree of support were in place to give it a fair wind and a good chance of success if we were to press ahead with it. I could start listing in much detail the relevant bodies that offered support, although I do not propose to do so. Suffice it to say that the views were mixed, particularly among members of the public who contributed to the consultation. Some people expressed support but others expressed concern, and that would probably surprise nobody.

In addition to the questions of whether there was a broad range of public support and whether the proposal was affordable within the quite strict limits and criteria we set down, the three other important criteria for us were about whether this proposal would produce a council and a form of governance that was fit for the future and better for the people in Shropshire. We wanted to know whether it would give the strategic leadership required, whether it would create genuine opportunities for empowerment, influence and flexibility at neighbourhood level, and whether it would deliver good value for money and good efficiency in the future delivery of public services.

Mark Pritchard (The Wrekin) (Con): Many people in Shropshire are concerned that they, as taxpayers, and the county will be penalised for any efficiency savings that arise from the reconfiguration. Can the Minister assure the House, my constituents and other residents of Shropshire that any efficiency savings will not be top-sliced off any subsequent revenue support grant in 2009, if the order is passed tonight?

John Healey: Yes, if that is the hon. Gentleman's concern I can say that over the next three years—a period for which we have made decisions about the distribution of the core grant from central Government to local authorities—efficiency savings, which we expect from all councils, will be entirely available to those councils that make them. Nothing will be clawed back to the centre and there will be no penalty incurred in any reduction of the core revenue support grant for councils that make efficiency savings. Those savings will be available for councils to use to improve services or to keep council tax pressures down.

Mark Pritchard: I would not want the Minister to misunderstand my point, although perhaps I did not communicate it as well as I could have done. I am not referring to efficiency savings in council services from within existing council budgets. I am referring to efficiency savings that arise from the reconfiguration into unitary status. Will there be any penalty applied to the revenue support grant as a result of unitary status?

John Healey: Let me be clear: no, there will be no such penalty. I shall go further. Part of the decision is a judgment about the affordability of the proposal. As in all such circumstances, various configurations of the figures are offered. We have recruited independent experts through the Chartered Institute of Public Finance and Accountancy, who have given me an independent assessment and advice on the financial case and how strong it is. They have looked at all the figures submitted by all the interested parties. Those experts judge that the affordability criteria are low risk. They confirm that, based on the figures submitted by the county, the expectation is that once the changes are made, the reforms will result in annual efficiency savings of some £9 million a year. It may be of interest to the hon. Gentleman's constituents to know that that equates to a saving of some £93 per household in every band D council tax property. I hope that that is helpful.

Robert Neill: Can the Minister confirm two points? First, can he confirm that the figures that he mentioned, in relation to CIPFA and the other controls that have been put in place, are those that are already in the public domain? If not, will he ensure that they are? Secondly, if it is suggested that significant savings are to be made, on what criteria will they be assessed? We

[Robert Neill]

have some concern already about the criteria in relation to councils' current expenditure and benchmark allocations. Can the Minister ensure that nothing is double counted? The concern is that many of the implementation savings are double counted already.

John Healey: That was the purpose of getting the independent financial experts to go over the figures to ensure that the assumptions that were being made were proven, that there was no question of double counting and that there were no areas where likely incurred costs had been overlooked. Based on that, I have the confidence to say that the proposal, if it goes ahead, will meet our affordability criterion, as it will meet the other four criteria. Let me make a final point on affordability. Not only are the annual savings likely more than to offset the transitional costs, but the payback period is well within the five years that we set at the outset.

I have dealt with the question of support, so let me turn now to the order. We prepared it following detailed discussions and consultation with all the councils that will be affected in the area. The main provisions are as follows: from 1 April 2009, there will be a single tier of local government in Shropshire; from that point, the district councils will be dissolved; and the county council will then be transformed into a new unitary council that will adopt the current district and county functions.

Let me make it clear to the House that this is not in any way a county council takeover. It is not just the county council carrying on in operation, whatever some might like to argue. We are creating a new start for an authority for which we will set wholly different expectations. It is possible that there will be new members of that authority—there will certainly be a refreshed senior management team.

Mr. Dunne: I am listening carefully to the Minister, and I hear his assurance about it not being a county council takeover and his reference to a refreshed senior management team. Will he kindly confirm to the House in which grades of senior management the roles will be subject to open competition and where there will not be automatic reappointment of a county council officer?

John Healey: I expect to be able to confirm that formally shortly, but my intention would be to see the appointment to every chief executive post subject to open competition. I would expect to be able to make that a requirement. It is right that we should set the expectation that other of the most senior officer posts will be open to re-recruitment and competition. In some councils, however, there may be good reasons why they may want to keep particular postholders in post. I also intend to set out arrangements for that shortly.

Mark Pritchard: Will the Minister give way?

Robert Neill *rose—*

John Healey: I shall give way to the hon. Member for Bromley and Chislehurst (Robert Neill).

Robert Neill: Will the Minister be a little more specific about the terms and manner in which that requirement will be set out? Will it be in regulations, a guidance note or whatever else? We have a slight concern that, particularly in a place such as Shropshire, we will have a number of very small district councils in competition with one county council that is rather large by comparison. Many people would say that that is a pretty uneven contest. How will we ensure that the officers from the district councils have a fair crack of the whip? There must be an enormous suspicion that it will not work out that way.

John Healey: I quite understand that concern. The arrangements that we put in place need to deal with those concerns and to cater for the counter argument—in some places, and in some posts, blanket open competition might create difficulties. That is precisely the balance of factors that I am weighing up at the moment. I quite understand the interest in ensuring that the final decision is set out soon and in a clear manner. That is imperative, because councils will want to try to hold on to the best of their officers to get through the period of transition and implementation.

Mark Pritchard: I am grateful to the Minister for giving way again. He is being very generous indeed, but the problem goes beyond senior managers: it is also about the dedicated and hard-working staff at all levels in all the councils whose jobs will disappear as a result of the proposals. This is a Government initiative, so will the Minister assure the House that there will be no compulsory redundancies among Shropshire's hard-working council staff?

John Healey: I recognise that employees in the affected authorities face a period of unsettled uncertainty, but the hon. Gentleman will surely accept that the detailed arrangements are for the local councils—the employers—to consider. The Government's job is to put in place a framework that ensures that staff are treated fairly. We have made it clear that all staff employed immediately before 1 April 2009 by the authorities that are to be abolished will become employees of the new unitary authority, and that they will be protected according to the principles set out in the Transfer of Undertakings (Protection of Employment) Regulations 2006, as if those regulations applied.

I gave that commitment when I made the announcements on 5 December last year. It means that all staff transferred to a new unitary authority will remain under their current terms and conditions. It will then be for the new unitary councils to decide their new staffing structure, in accordance with TUPE and with the provisions of our employment legislation. That is the proper role for central Government to play: by putting in place that framework, we are giving people a degree of certainty and assurance that they will be treated fairly, but decisions about staffing arrangements will quite properly be left to the new unitary authorities that will be their employers. Those authorities will also set the terms on which they wish to employ—or cease to employ—people after 1 April 2009.

Mark Pritchard: Again, I am grateful to the Minister for giving way. I know that he wants to be seen to be generous, but he has just set out the Government's legal responsibility. Therefore, I return to my central point: if any council workers in Shropshire suffer compulsory redundancies, the fault will lie entirely at the door of No. 10 and this Government. The Minister should not try to shift the blame onto the local authorities that will have to work out the details.

John Healey: I admire the hon. Gentleman's determination to press his debating point again, but I am not setting out to be generous. My aim is to be fair, and to ensure that the framework that we expect and require the councils to adopt is in place so that employees are treated properly. That is what we shall do.

The order under consideration will also establish the implementation executive, which we discussed in detail with all the affected councils. That executive will be led by the county council and its membership will be drawn from the county council and all the district councils. The prescription that the Government have arrived at is based on the consensus that was reached, and we have reflected that consensus in the detail of the order before the House.

Daniel Kawczynski: The Minister says that there is a consensus. For the record, can he state that no communication was sent by his Department to Labour councillors on the county council or borough council directing them to vote for a unitary authority?

John Healey: I do not see every communication that goes out of the Department, so I cannot give him that absolute assurance without checking, but I would find it highly remarkable if my Department sent out specific communications to Labour members of councils urging them to take a particular course of action or a position. If my assumption is wrong, I will certainly tell the hon. Gentleman, but that is my initial strong response to the hon. Gentleman's suggestion, which seems to me rather left-field and ridiculous.

The first election to Shropshire council will be in May 2009, and that will be in keeping with the normal electoral cycle. Once again, the relevant provision within the order reflects a broad consensus between the county and the districts that elections should be in May 2009 rather than in 2008. By that time, of course, we expect and understand that the Electoral Commission will have been able to undertake an electoral review and to put in place new electoral arrangements that reflect the new unitary authority and better reflect the new communities and neighbourhoods that it covers.

Robert Neill: Can the Minister help us with the time scale in which he thinks that those announcements might be made? We all know the importance of getting sensible candidates in place, and making sure that publicity is available across the piece, particularly in rural areas, where it is perhaps more difficult to make sure that people who represent the whole community are readily available to stand for election.

John Healey: The hon. Gentleman is right to make that particular point about an area such as Shropshire. The time scale will be a matter for the Electoral Commission, but I know that it has in mind the clear aim to complete the work in good time to enable candidates to be selected for any new ward boundaries, as appropriate. I know that it wishes to make sure that it has completed that work by around February next year.

The order also provides for the cancellation of district council elections that would otherwise have taken place in May 2008—that is to say in any district that elects in thirds. In Shropshire, that applies only to Shrewsbury and Atcham, where one third of the members would normally become due for re-election in May this year. As the House will know, the Joint Committee on Statutory Instruments has concluded that if the order was approved and made, there might be a doubt about whether its provisions cancelling the district council elections in 2008 would be intra vires. In our view, there is a powerful policy case for cancelling the district council elections. There are also powers under the Local Government and Public Involvement in Health Act 2007 that will allow us to do that. I have set that argument out in detail and explained it in our memorandum to the JCSI.

Our approach, as captured and set out in the order, provides for an effective transition that does its best to avoid disruption to services during that period, gives a good deal to the citizens and users of those services, is fair to council staff and puts in place the arrangements to create a council that will give the people, the communities and the businesses of Shropshire the local governance that they require for the future. I commend the order to the House.

12.44 am

Robert Neill (Bromley and Chislehurst) (Con): I genuinely thank the Minister for the care and courtesy that he always shows the House when he presents statements. We are on the fourth or fifth of these orders, which form part of what is to be a rolling programme, but the repetition of the arguments does not entirely make up for the lack of substance on some issues. Shropshire raises particular problems: there is the nature of the county, its geographic diversity, and the fact that to me—a mere outsider from London—it seems that it has no natural centres. There is also a lack of one of the things that the Minister regarded as a prime mover—a groundswell of opinion behind the proposal. There is a lack of support, and that is fundamental.

I would not have an issue with a genuinely localist proposal, but I do not see any evidence to suggest that change in Shropshire is localist or driven by the people. The issue may be of considerable import to the county council, for which we have great respect, and which delivers well, but that is not to say that the proposal represents the views of all the people in the county.

There is an issue that the Minister may have to consider for the future. I shall not go into it in detail now, but if we go down the route of putting in place unitary authorities in large rural areas, what do we place beneath them? How do we make sure that there is proper representation locally, as well as at county level? That is largely unaddressed in the process that the Government are undertaking, because the change is being made piecemeal. They are picking off areas that may be advantageous—dare I say it, almost for

[Robert Neill]

political reasons. Mischievous is the word, I think. I took a night off and went to see "A Midsummer Night's Dream" at the Royal Opera House the other night. The Minister occasionally behaves a bit like Puck, although he might not think of himself in those terms. He likes to sprinkle a little bit of mischievous dust on the local government spectrum and see what happens. What happens is not always what is intended, as we all know from the programme, the opera and the play.

Our local government structures frequently represent entrenched concerns and identities—that is particularly true in the counties, outside London, which is my part of the world—and that is precisely why we should be particularly careful about interfering with them. The Minister will have heard me say before that a very high standard of proof must always be required, and that the burden of proof must always fall on those who propose change. I do not think that the standard or the burden are met in this case. That is the issue for the Opposition. We do not want to be obstructive about good government—we are in favour of it—but the case for the proposal has not been made.

The Minister talks of the opinion-forming views that were taken, but he knows full well that the majority of the districts in Shropshire do not support the proposal. At least three or four of them have conducted well-researched polls, carefully constructed and controlled by the Electoral Reform Society. In our internal elections, that is good enough for his party, as it is for mine. The polls show that overwhelming majorities are against the proposal. We are not talking about a marginal majority, but about compelling evidence that points the other way; that is the point. As the Minister is a reasonable man, I might allow him a bit of subjective judgment where the situation is 50:50, but the evidence is overwhelmingly against making the change. I urge him to think about whether the measure will really help in Shropshire.

On the transitional costs and the long-term savings, neither of us have gone into the issue in great detail, but the Minister knows that academic experts have raised questions about how robust the county council's costing methodology is. It may be right, or it may be wrong, but it has not been tested. No objective, independent values have been applied at all. I will give way to the Minister if he wants to intervene on me on that point. A series of subjective judgments have been made, one after the other. That is the picture for all the issues.

John Healey: Is the hon. Gentleman talking specifically about the work of Professor Chisholm?

Robert Neill: Professor Chisholm is one of the people who has done a great deal of work across the piece. No doubt the Minister will deal with that in his closing speech. Viewed in the context of all the other evidence, it is clear that the Department is making assertions with nothing to back them up, and that Professor Chisholm is more objective than people might think and is backed up by local evidence produced by local people. That is the key aspect. I would have more sympathy with the Minister on all the reorganisations if I thought that the Department was using some objective measure as a benchmark, but we have already discovered that there is no objective measure.

Dr. Murrison: Does my hon. Friend share my disgust at Government sham consultations? We are hearing about one this evening, we heard about the Wiltshire one a few days ago, and we hear it constantly about Government consultation on the national health service. It hardly encourages public engagement with policy. People are rightly becoming cynical about the whole thing.

Robert Neill: I have huge sympathy with my hon. Friend. He knows what happened in the past. In my constituency we have had what I consider to be sham consultations over post offices and hospitals. That is the part that the Minister does not seem to get. Ministers do not understand that local people want to have their views listened to. They do not want to be dictated to. The Government claim that their proposals are bottom-up, but they are not. They are produced from a skewed set of criteria and nobody has much faith in that.

Mr. Dunne: It will not have escaped my hon. Friend's notice that the Act that allows the orders to be put in place is, by supreme irony, the Local Government and Public Involvement in Health Act 2007. Part of the Act tries to encourage the public to participate by becoming members of foundation trusts and so on, to engage the public with the public sector. In respect of the part of the Act dealing with local government, the Government blithely ignore the consultations that they have undertaken.

Robert Neill: My hon. Friend makes the point well. I know how much he has fought for his constituency in Ludlow, just as my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) has taken a great interest and fought valiantly for local interests.

If we are to have successful local government—I am not dogmatic about the form it should take—it must go with local consent. That has been missing. My two hon. Friends who represent Shropshire seats have fought for local consent. My hon. Friend the Member for Westbury (Dr. Murrison) has done the same in relation to Wiltshire.

A note of irritation creeps into my voice on behalf of my hon. Friends when a Government Department goes down a route blindly because that is set out in some sort of mantra. The Minister, who is a decent man, knows better than that. I ask him to reflect on whether we are pushing some centralised diktat that he may have inherited from some of his predecessors just a touch too far.

Daniel Kawczynski: Does my hon. Friend agree that the will of the people—the will of my constituents—is far more important than a few letters of support that the Minister may have received from organisations? I think there were a total of 47. With all respect, I do not think the Minister knows what those organisations are

or their size or influence in my community. He should have paid far more attention to my constituents' views than to the 47 letters.

Robert Neill: I am grateful, as ever, to my hon. Friend, who has made a valiant point. That is as good a note to end on as anything else, as other Members want to speak.

Of all the measures so far, this seems to have the least groundswell of support and opinion behind it. I hope that the Minister will listen to my hon. Friend, who represents his county and will speak shortly, and see that it is not necessary to go down this rather dirigiste route, which ill becomes him and his Department. He should think again.

12.55 am

Julia Goldsworthy (Falmouth and Camborne) (LD): This is the fourth debate that we have had on this issue, and a common theme has emerged. The Conservatives' opposition is described as being one of principle, but it seems to me that a lot of the difficulties that we describe on all these occasions turn out to be practical ones. The Conservatives speak of principles in this place, but they seem reluctant to point out that their councillors do not often all agree with those principles.

There are a lot of fair points to be made about this matter being entirely a game for which the Government are setting the rules. However, it is a mistake to suggest that it is being forced on local government; clearly, there is support from the county council for the bid. It had to respond to the invitation and is leading on the issue. District councils may well be opposed, but it is not fair to say that the issue is being entirely forced at a local level.

Daniel Kawczynski: The hon. Lady says that the Government have not tried to force the measure on the people of Shropshire; she even implies that they have not tried to push the issue either way. I have to tell her that when the current Foreign Secretary was responsible for such issues as a Minister at the Department for Communities and Local Government, he came to Shropshire. He spent the day in Shrewsbury and tried very strongly to convince the county council to go ahead with the proposals. I have been the MP for Shrewsbury and Atcham for three years and can say that we hardly ever see Labour Ministers in Shropshire. I do not think that I have ever seen any, apart from the current Foreign Secretary. He was determined from the start to force the issue through; otherwise, why did he come to Shrewsbury?

Julia Goldsworthy: Even if the right hon. Gentleman had forced Labour councillors to support the measure, it would not have gone through without the support of other parties at county council level. That is my understanding.

As a principle, the Liberal Democrats have no objections to any authorities that want to explore whether it is possible to create a more efficient and transparent, less complicated, effective local government structure. I speak as one who represents a rural area with a strong identity and a dispersed population. For many people, the reality of local government is that it is very confusing, and confusions often arise from efforts to make processes more efficient.

I always refer to one example, in which pots of money travel from the county councils to the district councils and the parish councils in an effort to ensure that services are more responsive. However, when there is a problem, that often makes it more difficult to find out who is in charge of delivery. In principle, there is nothing wrong in councils presenting ways in which the issue could be simplified. It should be up to local councils to decide what shape the changes should take. Furthermore, local communities should have a strong say in how services should be shaped; ultimately, if they do not have a say, they will be just as unlikely to understand the new structure as they are the existing ones.

Mr. Dunne: I agree that local communities should have a say; that was precisely what was offered to the local community in my constituency, which has two districts. A ballot was undertaken for South Shropshire district council, and a majority—56 per cent.—of people were opposed to going unitary. The then leader of the district council, a Liberal Democrat, decided that that had been an example of the community voting with its heart and not its head, and tried to deny the validity of the ballot. Does the hon. Lady agree with that assessment?

Julia Goldsworthy: My understanding of what I have read about the polls undertaken in some of these council areas is that they were not referendums. The series of orders that we are discussing reveal a variety of degrees of warming to the principle of whether this could offer improvements at a local level, but we are seeing common themes in terms of practicalities. The Government should be doing certain things to try to improve the process.

Mark Pritchard: I do not wish to be too unkind so late at night, or early in the morning, but this also exposes the variety of Liberal Democrat policies. It is rather surprising that the hon. Lady is supporting the position of a Minister, yet in other parts of the country the Liberal Democrats are talking about localism and devolved powers.

Julia Goldsworthy: Perhaps because it is so late at night the hon. Gentleman was not listening to what I said earlier—that we do not have a dogmatic approach. Looking back to the debate on Northumberland, it is clear that the community held different views about what would serve them best. Instead of standing at a Dispatch Box and saying that one approach should govern everything and that we should oppose every single proposal to reorganise local government, we should listen to what people in the community are saying. If there is a problem with the way in which the Government have responded to worrying evidence from the polls, it is that they should have challenged that head on and undertaken a proper referendum of the whole area that was consistent and balanced and would have allowed people in the community to express that decision, as happened in other areas.

Robert Neill: On the basis that we have not yet been given a referendum by the Government, does the hon. Lady think that the evidence presented by the district council and everybody else in Shropshire shows pretty clearly that the local communities do not want this? What else would she like to happen?

Julia Goldsworthy: I can only refer back to what I have seen of the way in which the polls were conducted, which indicates that they were not consistent and therefore, in themselves, not valid. They may well be a cause for further exploration, but if there are questions about their validity and consistency—

Mr. Paul Keetch (Hereford) (LD): I have been listening to the debate on television. In Herefordshire, where Conservatives supported a unitary authority without there being any referendum or ballot, and where we have a Conservative-controlled council that is spending £75,000 on bottled mineral water—

Madam Deputy Speaker (Sylvia Heal): Order. I hope that the hon. Gentleman is not going wide of the debate.

Julia Goldsworthy: I think that my hon. Friend has made his point.

I am not saying that we should ignore the evidence of those polls but that it at least makes clear the need for much more rigorous and comprehensive testing.

Mr. John Hayes (South Holland and The Deepings) (Con): I understand the hon. Lady's point about dogmatic rigidity, but it is important that we deliver a degree of consistency when we are making public policy decisions of this kind. Consistent themes run through all these examples, the most fundamental of which is that local people's views should be of paramount importance in respect of the shape of local government, and that is about not only its utility but its capacity to deliver a sense of allegiance, for it can have no political legitimacy if it cannot provide that.

Julia Goldsworthy: I agree with the hon. Gentleman. As I have said repeatedly, it is essential that there is community support and that it is demonstrated. If the county council wishes to pursue that, it has to confront these challenges head on, not try to argue its way out of them. That is not happening at the moment. As the hon. Member for Bromley and Chislehurst (Robert Neill) and the Minister will know, this has been a common theme in the orders we have debated during the past few weeks.

Another commonly expressed fear is that the changes are in danger of being perceived as a county takeover. Again, we return to the fact that perception is important; it influences people's allegiance to any change. It was important that the Minister emphasised clearly that there will not be a county council takeover. The problem is, however, that the order does not abolish the county council, but it does abolish the district and borough councils. The orders do not provide clarity. The Minister can explain the need not to abolish all of the authorities and create a new one, but the view of the matter from the ground will not be positive.

Richard Younger-Ross (Teignbridge) (LD) *rose—*

Daniel Kawczynski: Oh no!

Julia Goldsworthy: I shall give way very briefly to my hon. Friend. I am aware that other Members are waiting to speak.

Richard Younger-Ross: I am grateful to my hon. Friend for giving way. I note the comments from the Conservative Benches suggesting that she should not have given way, despite the fact that she gave way so generously to them.

Does my hon. Friend not think it rather ripe that the Conservatives keep intervening on her to suggest that democracy will not be served by this change, when it was the Conservative party of the 1980s that did the most to remove democracy from the UK?

Julia Goldsworthy: My hon. Friend makes a valid point, but I do not want to detain the House any longer because I want to ensure that all hon. Members get the opportunity to speak.

The hon. Member for Bromley and Chislehurst raised the issue of whether it was credible that the proposed unitary authority would be able to deliver the criteria against which the Government assessed their plan. It is important to ask how credible the plan is, but the key question for the Minister is what the Government are doing to assess the new authority's delivery with regard to that plan. Of the five criteria, the key one that strikes me is neighbourhood empowerment. If we are to engage local communities, convince people that the change is not a county takeover and ensure that it has public support, what happens at neighbourhood level is important. The need for communities at neighbourhood level to understand what is going on is very important. What action will the Minister take if he is concerned that the new authority does not seem to be delivering against the plan it has been given? What steps will he take to respond to and deal with those concerns?

On the implementation executive, despite the serious reservations that have been raised, all parties are working to make the best of what they may consider, to varying degrees, to be a bad job. The Minister owes it to them to be prepared to be as flexible as they are in ensuring that the end result is the best one for the people in Shropshire.

1.7 am

Daniel Kawczynski (Shrewsbury and Atcham) (Con): When the Minister opened this debate, he stated that there was no pressure from the Government on Shropshire either way and that they would listen to the people. I must state that the Foreign Secretary, when he was the Minister of Communities and Local Government, came to Shrewsbury and cleverly tried to court Shropshire county council to encourage it to try to put in a bid, which I alluded to earlier. This Government had their fingers burnt in the regional referendum in the north-east, so they came up with a very good ruse, which is to pitch one council against another, and to get one council to put in a submission. They can then say, "Oh well, it is you that have bid for this," when that is simply not the case.

I asked the Prime Minister his very first question in the House of Commons, and it was about this issue. You always remember the first time that you do something, Madam Deputy Speaker, whether it is your first kiss, or the first time you get elected to Parliament. I very much hope that the Prime Minister will remember the first ever question that he took at Prime Minister's Question Time. I asked him whether he would meet me to discuss my concerns about the conduct of the Government in this matter. He assured me in this House, at his first Prime Minister's questions, that he would do that, and that the Secretary of State for Communities and Local Government would also take the opportunity to do so. Despite numerous written requests, I have not been allowed to have that meeting with the Prime Minister or the Secretary of State. That is different from the former Prime Minister. When I asked to see Mr. Blair, the meeting was arranged straight away and there was some accountability. To where have we descended when the Prime Minister promises to discuss a Member's concerns about such an important issue, which will fundamentally affect my county, then reneges on the promise, and the Secretary of State repeatedly refuses, despite my written requests, to see me to talk about the matter? That is disgraceful.

Richard Younger-Ross: The hon. Gentleman may be disappointed that he has not had his first kiss with the Prime Minister. Will the hon. Gentleman say—whether he wanted the first kiss or not—whether—

Madam Deputy Speaker: Order.

Daniel Kawczynski: As the hon. Gentleman knows, I was not discussing kissing the Prime Minister; I certainly would not want to do that. The hon. Gentleman's comment was rather flippant, but I was making a serious point.

Eighteen thousand of my constituents came to the ballot box in the referendum to vote against a unitary authority. It is sometimes difficult to get members of the public interested in and participating in what can be rather technical matters. Yet 18,000 men and women in my constituency turned up and voted. They did not want a unitary authority in Shropshire. Nearly 70 per cent. of those who voted voted against.

The Minister has received letters of support and he says that the Government have taken people's views on board. As I tried to say earlier, some of the organisations that wrote the 47 letters of support are companies that supply the county council with services and goods and therefore have a vested interest. It is fascinating to read some of those letters of support. One said, "Well, we'll have to work with whatever happens and whatever is the status quo." Yet that counts as a letter of support. It is breathtaking. Some organisations—I do not want to embarrass them by mentioning them in the House—have told me that they regret submitting letters of support. Some were put under a certain amount of pressure to do that.

I passionately believe in local accountability. My accountability to my constituents drives me on a daily basis. That is why, when I was elected to Parliament, I decided to move to the village of Shawbury in Shropshire, which is only a few miles from my constituency office. People can hold me to account when I am in the local supermarket, walking down the street or in my office. That is part and parcel of local accountability.

We have some marvellous councillors in Shrewsbury, such as Mrs. Judith Williams, who has been a local borough councillor since 1982. Those councillors know every flagstone of every pavement in their ward. They are local Shrewsbury men and women, who know the town, feel passionately about it and are accountable to their constituents. They have done an excellent job in running the borough council. They are accountable because they live in their wards, so they are close to their constituents. Most importantly, they are accountable through the ballot box to the people of Shrewsbury.

I do not want to disparage other areas, but if we have a unitary authority, councillors—from Ludlow, which is 30 or 40 miles away, Whitchurch and places long distances away from Shrewsbury will make decisions on specific parochial issues that affect Shrewsbury. That is a tremendous threat to local democracy.

Let me give an example of a controversial issue. We recently considered the possibility of congestion charging in Shrewsbury. Voting for congestion charging in Shrewsbury is very easy for someone who lives 40 miles away and is not accountable to the people of Shrewsbury. Why? Because someone in that position can vote for something controversial for Shrewsbury knowing full well that their constituents 40 miles away do not really care and will not vote them out in an election. That bond and that accountability will be broken.

We face another important issue: the co-location of the sixth-form college with SCAT—Shrewsbury college of arts and technology—which is a major college. Again, I want local councillors in Shrewsbury, who understand transport issues and some of the infrastructure problems in Shrewsbury, and who are accountable to my constituents, to make those decisions, not people who live so far away from my community.

I want to give another example of why I feel so strongly about the issue. Over the past three years, I have said to many organisations in my constituency that I will give £100 to anybody who can name me the seven Members of the European Parliament who represent us in Brussels, but so far I have not lost a penny. Not a single constituent of mine can name all seven Members of the European Parliament. They are important people, and the Conservative ones are very good—*[Interruption.]* But the Liberal one is terrible.

Mark Pritchard: I would be delighted to relieve my hon. Friend of £100, but—

Madam Deputy Speaker: Order. The hon. Gentleman may well like to do that, but perhaps outside the Chamber.

Daniel Kawczynski: The reason why I make that point is that none of the MEPs lives in Shropshire and none of them works there. They work in Brussels, so nobody knows who they are, yet they make important decisions, on a daily basis, on issues affecting Shrewsbury and Shropshire. The reason why there are

[Daniel Kawczynski]

such low turnouts in elections to the European Parliament is that nobody really knows those people and they are not directly accountable to constituents. I fear that that will happen with a unitary authority. People will become disfranchised and uninterested in local politics, because they do not have that proximity to their elected officials.

I am a great believer in the saying, "If it ain't broke, don't fix it." Shrewsbury and Atcham borough council has been rated as excellent. The Minister will know the extraordinary achievements of the council. He will know of the many times that my council has come to the House of Commons to receive various national awards. All those things have been achieved despite the fact that my council receives £80 less per household than neighbouring Telford and Wrekin council. Despite that, we still provide tremendous services, yet the Minister wants to abolish my excellent-rated borough council and amalgamate it with all the others. As a result of the Minister's moves, we have lost our chief executive, Mr. Robin Hooper, an extraordinarily professional and dedicated man, who achieved an amazing amount for Shrewsbury and its infrastructure. However, he has left as a result of the Government's push for a unitary authority.

What worries me now—I want to hear from the Minister about this—is the next 12 months. They will be critical, because many people are working hard at the borough council to provide good services, but they know that it is going to be abolished by April next year. There will obviously be a certain amount of tension among managers, as some of them look for other jobs, perhaps in the private sector. We are therefore in a difficult position. I do not want services in Shrewsbury to suffer as a result of the coming 12-month interregnum.

Mark Pritchard: Does my hon. Friend agree that the Government have failed to recognise the many years of dedicated service to local government that the council workers to whom he has referred have given Shropshire? Is not the clear message from this rushing through of the order that Labour has turned its back on local government officers throughout England?

Daniel Kawczynski: I absolutely agree with my hon. Friend on that point.

I want to make a few very brief final points, as I want to give my hon. Friend the Member for Ludlow (Mr. Dunne) a chance to speak. In Shropshire, the rural areas already have very large wards, because of the nature of rural villages. In the new unitary authority, the wards will be immense—they will often be much larger than whole geographical constituencies in parts of London—and it will be more difficult for the councillors to represent them. In my estimation, the work of the leader and cabinet members of the unitary authority will become full-time jobs, given the nature and power of the authority. The leader of my borough council is a local businessman, Mr. Peter Nutting, who is also a highly respected member of the local community. How is he going to be able to run a business if he has the equivalent of a full-time job on the council? How are we going to encourage young professionals and people with families, the very people whom we want to come into local government, to participate if we turn the positions into full-time posts?

This should not have been a political matter, but every single Labour borough and county councillor voted in favour of this measure, against the wishes of my constituents. Almost every Conservative councillor voted against it. I very much regret that it has become a political matter, but the fact remains that every single Labour borough and county councillor rejected the views of my constituents and supported the Government in ramming through this unitary authority. That is an important point, and I wanted to place it on the record. My constituents have urged me to raise it. The county council has said that it will limit any council tax increase to 3.5 per cent. if we have a unitary authority. I look forward to seeing the rates capped at 3.5 per cent., and if they are not, I shall be asking why.

1.22 am

Mr. Philip Dunne (Ludlow) (Con): Today is a dark day for democracy in Shropshire. According to the Government, Shropshire has an excellent council. It has just had its four-star rating confirmed for the second year running, and it is improving strongly. I do not know how it can do that if it is already top-rated, but apparently it can. I regret to say that this change is being proposed for no other reason than to put into effect a party political plan to reduce the number of Conservative councillors and, potentially, Lib Dem councillors—Opposition councillors—in Shropshire.

At present, the two-tier system provides representation close to the people. With one county council and five district councils, we have a total of 244 councillors in Shropshire. That will be reduced to 75 under the proposals. We shall go from having one county councillor representing approximately 4,000 people, and one or two district councillors representing between 1,000 and just over 2,000 people, to one unitary councillor representing 3,000 people. So most people will lose the opportunity to be represented by at least two—in some cases, three—councillors, and will instead be represented by only one.

My constituency, the eighth largest geographical constituency in England, will change from having 58 district councillors and 15 county councillors—a total of 73—to having about 20, depending on what comes out of the boundary committee proposals. Inevitably, by definition, there will be less local knowledge available to those councillors and therefore less local representation. That point was made forcefully by my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski). The decisions will be taken remotely. The base for the new council will be in Shrewsbury, which is some distance from my constituency. Some people will have to travel for more than an hour just to attend a council meeting—*[Interruption.]* The hon. Member for Hereford (Mr. Keetch) suggests that that is already happening in Herefordshire, and I take it that he is not particularly happy about that.

Mr. Keetch: The old Hereford and Worcester.

Mr. Dunne: I have taken a position against unitary councils primarily because of the lack of democratic accountability, and not for any other reason. I am not opposing them simply for opposition's sake. I believe that it is fundamentally wrong to remove decision making from a location close to the people and, to a degree, to centralise it in the county.

I have been encouraged in my position of principle by the response to the ballots across Shropshire. The Minister made the point that some independent assessment was made of the quality of questions and responses to the ballots. The ballots were on questions agreed with the Electoral Commission. The hon. Member for Falmouth and Camborne (Julia Goldsworthy) tried to argue that there was an unfairness in the way in which the questions were presented. South Shropshire district council, which was then Liberal Democrat-controlled, put out a 16-page booklet, "South Shropshire Matters", along with the ballot paper. The council was in favour of unitary, so the opponents were given a total of two and a half pages to make their case, while the proponents—as it happens, the Liberal Democrat proponents—had 13 and a half pages. Where is the fairness in that? Despite the overwhelming information bias in favour of unitary, the people who bothered to vote—it was a high turnout of 57 per cent. rather than the 56 per cent. I mentioned earlier—voted against unitary. That makes me feel that I am in touch with what people in my constituency want.

The greatest support, as my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) mentioned earlier, has come from stakeholders. The stakeholders obliged to be included in the consultation were by and large public sector bodies paid for out of the public purse, so it is no surprise that they came up with the answer that the Government wanted—they are paid to do so. The whole consultation exercise has been a complete sham.

As to democratic accountability, one of the arguments in favour of removing a tier of local government was that it would be more transparent, simple and clear for the people to understand to whom they should be talking about what. Yet under the proposals Shropshire is moving from a two-tier authority in some areas to a four-tier authority. Let me explain that to the Minister in case he has not understood how that will happen.

The unitary council will be at the top. The councils have decided that it will not be practical to run some of the committees on a unitary basis, particularly regulatory committees for planning and licensing, so they are going to set up three areas—north, central and south—underneath the unitary tier. As part of their submission, they had to say that there would be local area committees underneath that. We are to have 27 of those; we are to move from five district councils, which managed the regulatory function and everything else in the past, to the new system of three tiers in the unitary authority. In addition, because some areas with significant populations—Shrewsbury and Atcham is a case in point—did not have a town council, a new town council will be established underneath the three tiers of the unitary. Where is the simplicity in that? It fails that basic test of the Government's own making.

I want to touch on some of the practical implications of what the Minister is proposing. He said that he understood the imperative—I think that that was the word he used—of setting out clear orders in respect of which officers' jobs will be subject to open competition and that he would publish that shortly. I am afraid to say that here we have yet another example of the Government's difficulties in introducing this legislation, which have arisen ever since the parent Act was first published.

I have already referred to the public involvement in health clauses, which were tacked on as an afterthought; they had nothing at all to do with local government reorganisation. That characterised the passage of the Bill. This has been a second-rate piece of legislation pushed through at the back end of all the other bits of legislation, partly because the Ministers responsible have been chopped and changed every six months—I think that we are on the third Secretary of State from the Department responsible. That is causing considerable concern among the very officers who, as the Minister rightly pointed out, need some clarity about their position. They have no knowledge from one week to the next of when the orders will be made.

The legislation was originally to be concluded before the election that never was—that pushed it back into the latter part of last year. Then it was pushed into the early part of this year. We were supposed to be debating these measures on 4 February and here we are on 19 February. The boundary committee has told the authorities in Shropshire that if the passage of the measures is not concluded by the end of this month, it will not be able to introduce the boundary changes in time for the elections in May 2009. It is saying—and the Government have endorsed this—that the unitary authority may have to be established on existing county council boundaries, with a doubling up of councillors, because that would be the easiest way to proceed. What a way to set about reorganising local government. It is completely shambolic, and it is a direct result of the way in which the legislation has been handled. The lack of clarity is causing considerable frustration among the officers who must deal with this.

Mr. Keetch: Will the hon. Gentleman give way?

Mr. Dunne: I hope the hon. Gentleman will excuse me if I do not. My time is very limited.

I want to raise again the point about officers' grades being open to competition. I look forward to reading the proposals that the Minister will publish shortly. I understand his argument about the need for fairness to individuals and his view that the TUPE regulations should apply, but this is not unique territory. In the corporate world companies take over other companies of both similar and differing sizes, and TUPE applies in those cases, but in those cases the best person for the job gets it. In some cases none of the incumbents gets the job, and a replacement is recruited from outside. I see no reason why that should not apply to the most senior grades in this instance. The directors of each major service area, in particular, should undergo an open process, so that the population at large can feel

[Mr. Dunne]

that it is not just a stitch-up by the county council—which, I am afraid, is the impression that they have had.

The council will continue to face challenges when it becomes unitary. It has been argued that this proposal is about financial resources and efficiency savings. Over the past 10 years, the Government have allocated funds to match their own priorities. As a result, the allocation of funds to areas such as education which are the responsibility of a unitary authority, and organisations such as the police which are funded through council tax, has been heavily skewed towards inner-city urban areas, which, by coincidence, happen by and large to be represented by Labour Members of Parliament. Such allocations have been justified by a plethora of data to do with deprivation, crime, social needs, health inequalities and so on. With much of that I have no argument—I think it appropriate to take such matters into account—but a degree of balance is needed.

Operating services in rural areas costs money. In those areas, it costs more to deliver many of the services for which local authorities are responsible than it does in urban areas. Waste collection, for example, is relatively straightforward if populations live within a few miles of each other, while school transport is obviously more expensive when people are having to be bussed long distances—many more of them, because fewer are able to walk.

The provision of elderly care is much more expensive in rural areas, particularly when efforts are being made to move care closer to the community—which I support—and to establish a network of district or other specialist nurses to provide services in people's homes. That is much easier to do in an urban environment. Not only is it easier to recruit people to do the work, but they can use their time much more effectively if they can walk or drive short distances from one patient to the next. In some areas in my constituency, a district nurse can deal with only five appointments a day, because so much of her time is spent travelling from one person to the next. If the Government had taken those issues into account, much of the justification for the unitary proposal would not have been necessary.

Let me give the Minister a couple of examples of the splendid work done by councillors in my area who are fighting for their local communities. Many of them may well not wish to become councillors in a unitary authority, because of the time commitment that that would involve. I want to single out Joe Meredith, currently serving his third term as chairman of South Shropshire district council. He is fighting for the post office that is under threat in his village of Ashford Carbonnel, and for two schools that are under threat of amalgamation. His deputy leader, Councillor Jackie Williams of the Kemp Valley ward, is doing a valiant job while her chairman is indisposed, fighting for her post office and school at North Lydbury, which are threatened with closure.

Those stories could be repeated right across my constituency, and in other parts of Shropshire. Many of these valiant, public-spirited people might not continue their lives in public service because they do not wish to do so within a unitary environment, which would be a great loss to the fabric of public life in this country.

1.35 am

John Healey: This has been a sharply argued and useful debate, and I would like to respond to a number of points that were made.

The hon. Member for Bromley and Chislehurst (Robert Neill) made a speech in favour of the status quo that was worthy of a true Conservative. However, sometimes the potential gains oblige us to consider and take decisions that might be difficult and which change established arrangements. That is precisely the case with this order for Shropshire, but the measures it contains are based on proposals submitted from Shropshire by Shropshire county council, supported by one of the district councils and a number of other bodies and interests in the county; they are not a prescription produced or imposed by the centre.

Robert Neill: Please will the Minister quantify the gains?

John Healey: Well, let me move on to my second point. Purely in financial terms, after checking the figures, the quantifiable gains to the council tax payers of Shropshire will be about £9 million each year.

The hon. Gentleman confirmed at one point that he was talking about Professor Chisholm. Professor Chisholm's modelling of the potential financial impact of this restructuring was based on the 1990s model of restructuring, which was entirely different as it was about breaking up large areas such as Humberside, Cleveland and Avon into smaller units. We are doing something different and the potential efficiency gains—for the council tax payers and the services that support them—are much greater and more significant.

The hon. Gentleman made an extraordinary argument, accusing me of running a dirigiste process, imposed from the centre. The hon. Member for Falmouth and Camborne (Julia Goldsworthy) was absolutely right: this is not being forced on councils. A minority of councils in England submitted proposals under this process, and the proposal we are discussing was submitted by a Conservative-led county council supported by a Conservative-led district council. A minority of councils submitted proposals as a result of the invitation we issued, and a minority of those that were submitted were accepted for implementation.

There was an interesting observation about the courtship of the county by the then Local Government Minister, my right hon. Friend the Member for South Shields (David Miliband), now the Foreign Secretary. Far from unitary solutions being forced on Shropshire, councils, business and some public service providers and users told him on his visit that the two-tier arrangement was not working and needed to be changed.

Mark Pritchard: Will the Minister give way?

Mr. Keetch: Will the Minister give way?

John Healey: I am short of time; I shall give way to the hon. Member for The Wrekin (Mark Pritchard), but not to the hon. Member for Hereford (Mr. Keetch).

Mark Pritchard: To put it politely, the Minister's last remarks were at best disingenuous. The fact is that his Government have set their face against the current district council two-tier arrangement in Shropshire—and in other counties throughout England—and I hope that he will clarify his position.

John Healey: We are not setting our face against that arrangement, but we set out in the White Paper and in the context of the invitation why in many instances there were problems with the two-tier arrangements. My point is that we are not forcing solutions. In his former role, my right hon. Friend had similar discussions in Gloucestershire, East Sussex, Lincolnshire and Lancashire, and none of those authorities produced proposals for unitary status.

May I say to the hon. Member for Ludlow (Mr. Dunne) that he cannot argue that the arrangements will take decisions out of people's reach and then criticise the detailed proposals for the area partnerships and the joint local committees, which are designed precisely to put decisions and budgets closer to the neighbourhoods and within reach of local people. I hope that he and his hon. Friends will work to strengthen those arrangements over the next year, because they are the basis for a sensible and important reform of the way in which local people can be involved in decisions.

Daniel Kawczynski: Will the Minister give way?

John Healey: No. I am going to come on to the hon. Gentleman's point about the Prime Minister. The Prime Minister told him in response to a question:

"Of course we will listen...the Secretary of State for Communities and Local Government or I will be pleased to meet him after that action"

—the judicial action that his council is pursuing—

to discuss the next step forward."—[*Official Report*, 4 July 2007; Vol. 462, c. 950.]

Of course, the hon. Gentleman's local authority spent heavily in the courts and lost in the High Court. The appeal was heard at the end of January and we await that judgment. My right hon. Friend has not broken any of the commitments that he gave to the hon. Gentleman.

The Electoral Commission will examine the issue of large wards during the review before the May 2009 elections. I say to the hon. Member for Ludlow that if this were about simply reducing the number of Conservative councillors, why is this proposal being put forward by a Conservative-led council?

Richard Younger-Ross *rose—*

John Healey: I will certainly not give way to the hon. Gentleman.

Conservative Members are right to press their arguments hard in debate, but if and when the order is passed, I hope that they will accept the decision that has been taken. I hope that they will accept that it has been properly approved by Parliament, and I hope that they will lend their weight to the efforts of those implementing it.

It being one and a half hours after the commencement of proceedings on the motion, MADAM DEPUTY SPEAKER *put the Question, pursuant to Standing Order No.16 (Proceedings under an Act or on European Documents).*

Madam Deputy Speaker: I think the Ayes have it.

Hon. Members: No.

Division deferred till Wednesday 20 February, pursuant to Standing Order No. 41A (Deferred divisions).

DELEGATED LEGISLATION

Madam Deputy Speaker (Sylvia Heal): I propose to put together the Questions on the three motions.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

LONDON GOVERNMENT

That the draft Greater London Authority Elections (Election Addresses) (Amendment) Order 2008, which was laid before this House on 9th January, be approved.

GOVERNMENT TRADING FUNDS

That the draft FCO Services Trading Fund Order 2008, which was laid before this House on 14th January, be approved.

That the draft Defence Support Group Trading Fund Order 2008, which was laid before this House on 15th January, be approved.—[*Mr. Michael Foster.*]

Question agreed to.

PETITION

Post Office Closures (Acton)

1.42 am

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): This petition was signed by 3,160 residents of the East Acton and Old Oak wards in my constituency who oppose the closure of the East Acton post office. It was presented to me outside the post office last week by Bill Davidson of The Acton Alliance, and John Keating, John Palmer and Paul Keegan of the Old Oak Tenants and Residents Association. They and a number of other signatories were so incensed by the proposal to destroy an essential part of their community that they wished to be here tonight to hear this, but I am glad that I persuaded them that they should not be.

May I finally say that this may be a rare example of a petition succeeding on the day that it is presented—or the day before it was presented, given the time—because on Tuesday morning the Post Office Ltd published plans to close 169 sub-post offices in London and gave East Acton post office as the alternative post office to a number that were closing? We deduced from that that it is to stay open. I am grateful for that, but as seven of the 16 sub-post offices in my constituency are due for closure, I may be back with petitions in the near future.

The petition states:

The Petition of East Acton Residents,

Declares that the Post Office in Old Oak Common Lane is an essential part of our community.

The Petitioners therefore request that the House of Commons urge the Department for Business, Enterprise and Regulatory Reform to intervene in keeping our Post Office at 71 Old Oak Common Lane, W3, open.

And the Petitioners remain, etc.

[P000125]

Homeopathic Hospitals

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Michael Foster.]*

1.44 am

David Tredinnick (Bosworth) (Con): It is unusual to start a debate at quarter to two in the morning these days, although a few years ago we were regularly here a lot later. I am pleased to have the opportunity to introduce this important debate about the threat to the homeopathic hospitals. Their very survival may be at stake and I look forward to hearing from the Minister.

This debate comes at a time when support for homeopathy is at an all-time high, including in the House, with one third of Members signing early-day motion 1240 in the last Session, in support of homeopathy. The Government claim to support choice in health care, but as far as homeopathy is concerned, they are reducing choice. It is not commonly known, but homeopathy has always been available on the health service because its founder, Nye Bevan, had a homeopathic doctor and insisted that that was the case.

In the UK we have four homeopathic hospitals, one in Scotland and three in England. I attended the opening of the beautiful new Glasgow homeopathic hospital before devolution, and it now of course comes under the purview of the Scottish Parliament. I understand that that hospital is protected since a successful campaign in 2004, but that is not the case for the three English hospitals—the Royal London, Bristol and Tunbridge Wells homeopathic hospitals.

The three hospitals are fully integrated into the NHS. They all form part of their local NHS trusts and are staffed by statutorily regulated health professionals with additional training in complementary medicine. All receive patient referrals through normal NHS routes. They have some of the highest patient satisfaction ratings in the NHS and the majority of patients report improvements to their lives across a range of chronic conditions. The treatments employed are clinically safe and cost-effective. They often avert multiple referrals and treatments that many patients find ineffective and the cause of side effects. In addition to homeopathy, the hospitals now offer a full range of complementary therapies.

The flagship hospital is the world-renowned Royal London Homeopathic hospital. I have been the chair of the parliamentary integrated health care group and I used to be the treasurer of the all-party parliamentary group for alternative and complementary medicine. For almost all of my 20 years in this place, I have been an officer of one or other group, so I have had a long association with the Royal London and I believe it to be a very valuable asset. It is the largest and best integrated public sector provider of complementary medicine in Europe. It is also part of the University College London Hospitals NHS Foundation Trust.

The Royal London provides some 25,000 new and follow-up out-patient appointments a year. Until recently, the number of referrals had been steadily increasing. What has gone wrong? Well, eight primary care trusts have withdrawn their contracts from the Royal London in the last 18 months and patient referrals are down by 20 per cent. on the same period last year. There is great uncertainty about the intentions of the host PCT Camden and its neighbour Islington. If they were to withdraw their support or substantially reduce it, the consequences for the hospital would be very serious. The reduction in referrals has meant that parts of the newly developed building—I attended its opening—are now being used for other services. Despite those problems, the hospital is in discussion with the trust about the proposed polyclinic; it is developing integrated care pathways, integrating complementary and conventional approaches; and, as always, it is pioneering this field of health care.

As for the other two hospitals, West Kent PCT is responsible for the Tunbridge Wells hospital and, sadly, it will withdraw its support from April 2008. That decision has been temporarily rescinded pending a legal challenge by patients. I urge the Minister to look closely at what happened at Tunbridge Wells, where the decision was very unwelcome. Bristol homeopathic hospital has also suffered considerable cuts.

So, why is there a problem? The Government claim that they are increasing choice, but the impact from the perspective of a homeopathic hospital is quite different. If the Minister reflects on the White Papers that have been published in recent years, he will see that they all suggest that choice will increase. "The NHS Improvement Plan", published in 2004, states:

> "By 2008, patients referred by their GP will be able to choose any provider able to meet NHS standards and to deliver care at tariff."

That appears to guarantee the right to choose treatment at the homeopathic hospitals. The December 2003 document, "Building on the Best: Choice, Responsiveness and Equity in the NHS" stated that NHS services should be "more responsive" to patients. The January 2006 document, "Our health, our care, our say" states:

> "We will give people a stronger voice"—

so that they can see a service improvement. The 2004 White Paper stated the intention to give the public more informed choices as regards their health. The Government are certainly failing to do that as far as the homeopathic hospitals are concerned.

Another issue is the introduction of evidence-based practice, which tries to specify the way in which professionals or other decision makers should make decisions. Naturally, as its name suggests, it places a greater emphasis on evidence. The practice guide, however, asks for evidence-based design and development decisions to be made after reviewing information from repeated rigorous data gathering. That militates against complementary and alternative medicine, where there may not be a huge number of rigorous or repeated databases to work from. There are not a vast number of studies and that has been used against complementary medicine as an excuse. The methodology of assessing CAM might also be unfamiliar to primary care trusts. It might also be difficult to record accurately exactly how homeopathy, for example, treats. It is always different for individual patients, and that can be difficult to record. Sometimes, the treatments require a combination of remedies.

My next point is that homeopathy does not fit normal—that is, orthodox—methods of assessment. For example, the scale of prescribing is in reverse so

that the weaker the dose, the more powerful or effective it is. That subject has always been hotly disputed by many doctors, but homeopathic treatments have been operating on the reverse scale of prescribing for 200 years. Some of the most powerful—the constitutional remedies—are so diluted that they can hardly be detected. There are similar problems with acupuncture and its acceptance, as some doctors and commissioners do not necessarily believe in meridians. The same issue occurs with herbs that are unknown in this country.

Another simpler explanation of why complementary services, and the homeopathic commission in particular, have been cut recently is that they are the easiest therapy to cut. Just as advertising gets cut when times get hard in business, when the primary care trusts try to balance their budgets under the new devolved arrangements they often go for homeopathy and other complementary therapies as the soft target.

The most important point that I want to make to the Minister is that I believe that we need proper guidelines on commissioning for primary care trusts. I have said as much several times at Health questions. At present there are no proper guidelines, with the result that PCTs have little direction at a time when many are under financial pressure. Indeed, they often cite that financial pressure as one of the main reasons for not commissioning homeopathy.

Also, PCTs claim that there is not enough evidence to support the use of homeopathy. However, the Royal London Homeopathic Hospital has conducted more than 130 randomised and controlled trials of homeopathic treatments that show very effective results, so surely it is in the Department's interests to make sure that those results are publicised to PCTs.

The Smallwood report took a look at the cost-effectiveness of complementary medicine. Smallwood argued strongly that some complementary therapies were more effective and cost-effective than traditional treatments. He also wanted the National Institute for Health and Clinical Excellence to assess their cost-effectiveness, but that has never been done. I hope that the Minister will be able to help with that. I intend to write to the Public Accounts Committee to see whether it will undertake an assessment, and I have had discussions to that effect with my hon. Friend the Member for Gainsborough (Mr. Leigh), who is that Committee's Chairman.

Another problem that homeopathic hospitals have had to face is ill-informed and hostile media coverage, as well as a dirty tricks campaign. The Minister may recall that in May 2007 some doctors issued a spurious document—printed on official paper, with the NHS logo—claiming that homeopathic services should be decommissioned. The Government have never written to PCTs to refute that document.

I want to allow the Minister time to reply, because the fate of the Royal London Homeopathic hospital is of great concern internationally. I shall illustrate that, and the importance of the treatment, by looking at the results that have been achieved in Africa by homeopaths who have been trained at the hospitals that I have mentioned. Those results are especially instructive, as the homeopaths involved are treating patients with AIDS, HIV or other serious diseases such as malaria, in countries where the problems are very great.

For example, at Kendu bay in Kenya's Nyanza province, the Abha Light foundation is an organisation that partners mothers and orphans in the rural community who are suffering from AIDS, and it has had great success in returning those people to an active life. There has also been considerable success in the use of the local herb product called neem as a homeopathic medicine. It has produced what has been described as

"a convincing reduction in malaria attacks"

in a highly endemic area.

I shall close with a note about what is happening in Swaziland in southern Africa. I know a homeopath who has worked there well, and I asked her for a description of what was happening in the clinics there. Her letter to me states:

"Seven years ago I introduced Homeopathy to Swaziland, providing a community of 10,000 people with the only health care available to them. In addition I travelled around with a mobile clinic reaching other very remote areas. On an average day I could see up to 50 patients...Five years ago I built a homeopathic clinic...it was so successful that the people wanted to ensure my tenure which ensured their continued treatment on a daily basis."

The letter goes on to say that other homeopaths were brought in to help, and that the clinic treated patients who came from as far as 300 miles away.

"Aside from the predominant treatment for HIV, TB and malaria, treatment is being given for many other common ailments such as urinary infections, diarrhoea, skin eruptions, diabetes, epilepsy, eye infections, intestinal parasites, treatment from pregnancy to childbirth, to more serious but locally common ailments like cancer, gangrene, toxaemia...and general injuries...In other words the list is endless."

The letter states that the homeopathic treatments have achieved success rates of close to 100 per cent.

"As a result many lives have been saved, and pain and misery alleviated, in a community which can simply not afford orthodox treatment even if it were available."

That is a very important issue for developing countries. Homeopathy is so inexpensive that it is available to everyone. When homeopathic services are introduced, they tend to increase in size very quickly. My acquaintance's letter goes on to say:

"The low cost of the remedies and the relatively short dosage period, together with the positive results of the treatment are responsible for the expansion and ever increasing demand in a Country that is unable to give the majority of the population even the most basic of health care. Therefore, Homeopathy is excellent value and has saved countless lives as well as alleviating the suffering of the countless unemployed, elderly and orphaned in Swaziland.

We will of course continue with our work. At the end of a day, when we simply cannot see any more patients, the remaining untreated patients usually start fighting among each other as to who will be the last to be seen. A true vote of confidence!"

I hope that the Minister can reassure me on guidelines for primary care trusts so that we have more effective commissioning. I hope that he will refute those statements made in the name of his Department and that he will commission NICE to look at the cost-effectiveness of homeopathy in line with the request of the Smallwood report. I look forward to the Minister's reply.

2 am

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): I congratulate the hon.

[Mr. Ivan Lewis]

Member for Bosworth (David Tredinnick) on securing this Adjournment debate and on his passionate advocacy of the case for complementary therapies over many years in this House. Whatever people's opinions and differences of view and perception, it is impressive when an hon. Member feels so passionately about an individual cause. Clearly, the hon. Gentleman feels that homeopathy makes a massive difference to the quality of people's lives both in his constituency and up and down the country. I pay genuine tribute to him for the work that he does in making the case.

I am also aware that there is a growing interest among patients in complementary therapies generally—for instance, as an adjunct to conventional medicine in palliative care, although I accept that it goes beyond that. Choice is absolutely fundamental to the delivery of a truly patient-centred national health service, and it gives providers the incentive to tailor services to the needs and preferences of patients. In turn, this leads to better outcomes and, over time we hope, a reduction in health inequalities. Primary care trusts are encouraged to provide access to complementary therapies where there is evidence to support the virtues of their use.

Of course, doctors are accountable for any treatment that they give their patients, and have to satisfy themselves of the safety and clinical and cost-effectiveness of the treatment, as well as the availability of suitably qualified practitioners. They have a range of options for treating different conditions, and they must advise on which treatment or combination of treatments will be most suitable for individual patients. Many GPs now give access to some form of complementary or alternative medicine, but if a doctor decides not to recommend a complementary therapy, it is likely that he or she will have a good reason.

We genuinely want people to have free choice about their health care, but we also want to make sure that the choice that they make is an informed one and gives assurance that treatments meet key standards of safety and quality. To achieve this, the Department and the NHS have been ensuring that as much quality information as possible is available and accessible to those who need it.

For example, the Department of Health commissioned the Prince's Foundation for Integrated Health to produce a patient guide on popular forms of CAM, which was published in 2005. It is encouraging to know that several thousand copies have been downloaded from the website and multiple copies have been ordered by intermediary organisations such as hospices.

NHS Direct Online and the national electronic library for health are also authoritative sources of advice on all health topics. NHS Direct already includes some material on complementary and alternative therapies and in future the national electronic library for health will also have a separate section dedicated to research on such therapies. In June last year NHS Choices was launched—a new online health information service, which also includes information on homeopathy.

Of course I hear the dissent from those who oppose the NHS commissioning complementary medicine. Most, if not all, of that opposition is focused on treatments for which, in some people's view, there is a lack of evidence of effectiveness. We know that there are strong views, which are sometimes articulated in the House. That is why the Government are investing in developing the evidence base for complementary therapies. We are supporting the research capacity for CAM through the £3.4 million CAM personal award scheme. The scheme was launched following publication of a House of Lords Select Committee report on CAM about eight years ago. As a result of two calls, we have successfully created a cohort of 18 CAM researchers at doctoral and post-doctoral level; as the hon. Gentleman will be aware, they are working on a broad range of research issues.

The National Co-ordinating Centre for Research Capacity Development is responsible for the personal award scheme. It also funds the CAM evidence online database, which is the result of collaboration between the Research Council for Complementary Medicine and the University of Westminster's school of integrated health. It involves a detailed review and critical appraisal of the published research on specific complementary therapies, focusing on their use for NHS priority issues, such as cancer, mental ill health, heart disease, stroke, and chronic conditions.

We are actively addressing the important issue of appropriate regulation of the treatments and their practitioners. At present only two CAM professions are subject to statutory regulation in our country: chiropractic and osteopathy. Our first priority is to decide whether to put in place statutory regulation for herbal medicine, traditional Chinese medicine and acupuncture, which carry significant risk because they involve skin piercing and/or the ingestion of potentially harmful substances. Proposals for regulation of herbal medicine, traditional Chinese medicine and acupuncture were made in a report by the House of Lords Select Committee on Science and Technology in 2000. The Department of Health consulted on proposals in March 2004 and published an analysis of the results in February 2005. As a result, a steering group was established in June 2006 to recommend whether and how those professions should be statutorily regulated. The group, chaired by Professor Mike Pittilo of Robert Gordon university, has completed its work, as the hon. Gentleman will know. Its report will be submitted to Ministers shortly, and a decision will then be taken about whether legislation should be brought before the House, and if so, how soon.

We expect unregulated CAM professions to develop their own unified systems of voluntary self-regulation, and to support that process we have commissioned and funded the Prince's Foundation for Integrated Health to develop voluntary self-regulation among a range of professions, including homoeopathy. The result of the work is a voluntary regulator called the complementary and natural healthcare council, which, as the hon. Gentleman will be aware, will be up and running from April.

In 2005, the Medicines and Healthcare products Regulatory Agency undertook a public consultation on proposals that would enable companies to market their products with indications. As the hon. Gentleman will know, indications are descriptions of diseases or

conditions for which the product is intended to be used, but we are talking about minor, self-limiting conditions only—the types of conditions that people normally self-treat with over-the-counter products. Following widespread support for the proposals, the scheme was introduced in the United Kingdom in September 2006. Companies marketing homoeopathic medicinal products have the option of obtaining a full marketing authorisation for each product, provided they satisfy the requirements for demonstrating safety and efficacy set out in directive 2001/83/EC. However, at present no homoeopathic products are licensed with a marketing authorisation because of the difficulty of demonstrating efficacy under the rigorous conditions of controlled clinical trials.

The hon. Gentleman raised a number of issues to do with the future of specific services, and he referred to several hospitals. There is a constant tension in debate inside and outside the House about the balance between national command and control and devolution to local decision makers—the local people and organisations to whom we give the responsibility of making the best decisions for local communities.

The fascinating thing, as I have said in previous debates in the House, is that on the whole, politicians of all parties are united around the notion of maximum devolution and localism, until they find a decision that is made in their locality that they do not like very much. Then, the same politicians advocate national intervention and command and control from Westminster and Whitehall. That perpetual tension is evident in the House.

In this case we must maintain the principle that, based on patient choice, demand and a needs assessment of their local population, local commissioners are best placed to make commissioning decisions on behalf of their local populations. It is extremely important that we retain the integrity and credibility of that process if we are to move towards a world-class commissioning system in health care.

David Tredinnick: The debate is specifically about the problems of homeopathic hospitals. I am grateful to the Minister for his introduction, reviewing the other major issues. A fundamental problem is the lack of guidance about what is possible. Notwithstanding what he says about decisions being devolved, it is right that there should be some direction from the Department. When such direction palpably misrepresents the Department, something should be done about it. I hope the Minister will say that he will at least consider some form of general guidelines for commissioning of homeopathic hospital services.

Mr. Lewis: In my speech thus far, I have articulated clearly the Government and NHS position on complementary therapies, so I hope that any documents that have been circulated and that give a false or misleading perception will be corrected by the record. The hon. Gentleman may pray those comments in aid, if he so wishes. Beyond that, primary care trusts in every community and every part of the country have a clear set of priorities that the Government lay down for the outcomes that they are expected to achieve with regard to health and well-being in their local communities. A range of other choices are left to primary care trusts to decide in the best interests of their local communities.

The hon. Gentleman should be a little more frank in his contribution. Under any Government there are finite resources. There is no doubt that under the present Government an unprecedented level of resources have been invested in the national health service in the past eight or nine years. Beyond the clearly defined and understood priorities, any system will require commissioners to make difficult choices. Based on the needs of their local population, based on what patients and carers tell them about what matters most, and based on evidence and outcomes, commissioners will be required to make those choices. Beyond the clear national priorities and the NHS operating framework that we issue to chief executives of primary care trusts, it is not for Ministers sitting in offices in Westminster and Whitehall to tell PCTs how they ought to make those daily difficult decisions.

David Tredinnick: There is a misunderstanding of the capabilities. A general descriptive note would be helpful.

The motion having been made after Ten o'clock on Tuesday evening, and the debate having continued for half an hour, MADAM DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at fourteen minutes past Two o'clock.

House of Commons

Wednesday 20 February 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Paramilitary Organisations

1. **Mr. Andrew Mackay** (Bracknell) (Con): What recent assessment he has made of the activities of paramilitary organisations in Northern Ireland. [186568]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): Independent Monitoring Commission reports provide assessments of paramilitary organisations. The most recent report indicated that dissident republicans continue to pose a real threat, while the Provisional IRA is not involved in terrorist activity. Loyalist organisations clearly need to underpin their encouraging statements with actions.

Mr. Mackay: It is clear that there is still a serious paramilitary problem, as the Secretary of State acknowledges. Would he care to comment on the sad case last week of Andrew Burns, a 27-year-old, who was dragged from Strabane over the border and murdered? Does the Secretary of State have any information that he can give to the House?

Mr. Woodward: I understand the sincerity with which the right hon. Gentleman makes his point in relation to the murder of Andrew Burns last week. He was a 27-year-old single man from Strabane who was shot twice in a church car park on 12 February. The murder was of course roundly condemned by all politicians, including the Deputy First Minister, who very clearly said that he gave his wholehearted support to the Garda and the Police Service of Northern Ireland in their investigation. To date, no arrests have been made, but a police investigation is under way. As soon as I can give the right hon. Gentleman details of the investigation, I will be happy to do so.

Mr. Eddie McGrady (South Down) (SDLP): Does the Secretary of State agree that loyalist paramilitary activity is still a serious threat to our society and that the refusal of the people involved to call a ceasefire, to disarm and to disband requires immediate and full security and policing attention? What additional actions and pressures does he intend to employ, rather than the continuation of what appears to be the current laissez-faire attitude towards such organisations?

Mr. Woodward: I understand the hon. Gentleman's remarks about his concern in relation to the threat from dissident loyalists. The most recent IMC report spoke about the pace of change remaining far too slow. I believe none the less that there is a genuine desire to make progress among the communities involved. It is important that, while we are not for one moment complacent about the threat posed by some loyalist individuals, huge advances are none the less being made. It is essential to recognise that the communities that are being held in the grip of paramilitary activity need every encouragement and help that we can find to ensure that they roundly turn on those who refuse to give up the ways of the past.

David Simpson (Upper Bann) (DUP): Does the Secretary of State agree that the continued existence of the IRA's so-called army council is unacceptable and that it poses a threat to the devolved institutions? Will he join me and my colleagues today in calling for its immediate disbandment?

Mr. Woodward: The hon. Gentleman makes a point that is more than familiar to and shared by many people. I would go as far as to say that all hon. Members and all people want those paramilitary vestiges of the past to be expunged as soon as possible. The critical issue here, though, is cross-community confidence. It is worth reminding him, and indeed all hon. Members, of the IMC's firm view that PIRA is committed to the political path and of the fact that the IMC has no evidence to believe that PIRA will be diverted from that path. Therefore, the critical issue that has to be addressed is one of confidence.

I believe that there is growing confidence in Northern Ireland that we are now able to move to the second stage of devolution and to devolve policing and criminal justice. The sooner that is done, the sooner we will expunge those vestiges of the past, in every form.

Mr. Peter Robinson (Belfast, East) (DUP): The Secretary of State's predecessor introduced a scheme for conflict transformation in Northern Ireland to assist loyalist paramilitaries to move away from violence and into peaceful mode. Can he say, on the basis of any security analysis that is available to him, whether he believes that that initiative is working?

Mr. Woodward: I believe that the initiatives, which include the conflict transformation initiative, have been helpful in enabling communities to get themselves out of the grip of paramilitary activity. It is important to distinguish between the individuals who are involved in paramilitary-style behaviour and the communities that are in the grip of that behaviour. The money that was found for the conflict transformation initiative was money to help the latter.

As far as we are able to assess, considerable progress is being made by communities to get out of that grip, but there remains a duty on us all to help in any way we can any community that wants to leave behind the past and those vestiges of the past in relation to paramilitary activity, enabling it to do so and to move into the shared future, and a prosperous, peaceful future too.

Mr. Owen Paterson (North Shropshire) (Con): In view of the murder last week near Strabane, the attacks on police officers last year and the threats mentioned by the hon. Member for South Down (Mr. McGrady), will the Secretary of State confirm that it is his policy to approve all applications by the police to carry out intercepts?

Mr. Woodward: The hon. Gentleman brings together a number of issues. There is an ongoing threat that we need to tackle, but we also need to understand that interception or any other sort of surveillance will always be done in compliance with the law and the oversight of the relevant commissioners.

Mr. Paterson: In the light of that helpful reply, will the right hon. Gentleman guarantee that intercept evidence will be admissible in Northern Ireland courts, in accordance with the recommendations of the Chilcot review?

Mr. Woodward: The hon. Gentleman is right to refer to Chilcot's work on intercept evidence. In my view, we should try, as far as we can, to include Northern Ireland in the implementation of the Chilcot recommendations for England and Wales. I am ensuring that those involved in the Chilcot follow-up that now takes place will look at Northern Ireland and, wherever possible, include it in the proposals that are made.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The Secretary of State says that he now wants to move on to the next stage of devolution—the devolution of policing and criminal justice—and my party shares that aspiration, but does he not accept that the continuing failure of some who hold elected office in Northern Ireland to acknowledge and accept the paramilitary involvement in the murder of Paul Quinn and Robert McCartney, and the subsequent disgraceful treatment of their families, makes the realisation of that aspiration very difficult?

Mr. Woodward: Making progress on the next stage of devolution will be difficult. The St. Andrews agreement lays out a way forward and includes a timetable, but, critically, it is a matter for local politicians in Northern Ireland to agree on moving forward to the next stage. There are those in Northern Ireland, however—I do not include any elected politicians—who do not want progress to be made. They are small in number; they have no support in the community; and they are, by and large, characterised by dissident republican activists and those who would be involved in criminal activity—the sort of activity that led to the brutal murder, condemned by everybody, of Paul Quinn. The choice for politicians in Northern Ireland is this: do we allow those who would be involved in crime or the sort of activity that led to the murder of Paul Quinn to determine the future of everyone in Northern Ireland? I do not think that we should. I think that we should move to the next stage and leave those who commit crime and murder to be dealt with by law and put away in prison, where they belong.

Economic Prospects

2. **Ann Winterton** (Congleton) (Con): If he will make a statement on the prospects for the economy of Northern Ireland. [186569]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): The prospects for the economy in Northern Ireland are extremely good as a result of the peace process and stage 1 of the St Andrews agreement. I am sure that the completion of stage 2 will send a strong signal to attract further additional investment to Northern Ireland.

Ann Winterton: Sir David Varney's recently published review of tax policy in Northern Ireland highlighted the challenges facing local businesses. What discussions have the Government had with the relevant Northern Ireland Minister on assisting small business to grow and on sustaining that growth, thereby reducing dependency on the public sector for employment?

Mr. Woodward: By and large, those are now matters for the devolved Assembly, the Executive and the Finance Minister and his colleagues in Northern Ireland. However, I say to the hon. Lady that if we look at the economy in Northern Ireland today, we see that unemployment has halved, the growth rate is the second highest in the UK, exports have increased and Belfast today attracts more inward investment than any city in the UK other than London. The Assembly and the Executive are taking enormous strides to attract inward investment, and the Government's policy is to do all that we can to assist them in future.

Chris Ruane (Vale of Clwyd) (Lab): My right hon. Friend has outlined the record of the booming economy in Northern Ireland. What specific measures are being taken to ensure that the new-found prosperity in the north is reaching the poorest communities by removing barriers relating to transport and affordable child care, for example, and by upgrading skills?

Mr. Woodward: Many of those issues are now matters for the Assembly and the devolved Departments, and they must make their own decisions about the allocation of money. I commend the budget and the work being done by the Finance Minister in Northern Ireland to ensure that the settlements that are being produced are fair for every Department and that they recognise the need for the prosperity in Northern Ireland to be shared by everyone in all communities and not just by the few.

Mr. Nigel Dodds (Belfast, North) (DUP): I and my colleagues in the Northern Ireland Executive have put growing the economy at the centre of the programme for government, and we are putting investment into that objective. We acknowledge the role that the Secretary of State and his colleagues have played in regard to the forthcoming investment conference in May. In relation to fiscal and other tax changes and reforms, does he agree that the Treasury and others could do more to help Northern Ireland, given its unique position in sharing a land border with the Irish Republic, our strongest competitor for foreign direct investment? Does he accept that more could be done to put Northern Ireland on a level playing field in that regard?

Mr. Woodward: I am sure that there is always more that could be done by any of us, in any field of public life. In relation to investment in Northern Ireland, the hon. Gentleman has spearheaded the preparations for

the investment conference that is to be held in May, in which my right hon. Friend the Prime Minister, and the Government in America, continue to take a close interest. I believe that it will be a very successful conference, and that will be in no small part due to the work of the hon. Gentleman.

In regard to what more we can do, we stand ready to help in every way that we can, but we must recognise that the public sector in Northern Ireland represents more than 70 per cent. of the economy, and bringing those areas into the private sector—as well as the relevant areas remaining in the public sector—will present enormous potential for economic growth.

Prisoners

4. **Mr. Geoffrey Clifton-Brown** (Cotswold) (Con): What provision is being made for long-term and life prisoners in Northern Ireland. [186571]

The Minister of State, Northern Ireland Office (Paul Goggins): The regimes available to long-term and life-sentenced prisoners in Northern Ireland include education, skills training and offender behaviour programmes. These prisoners are subject to detailed risk assessments, which inform their resettlement or life sentence plan.

Mr. Clifton-Brown: Does the Minister agree that a good quality resettlement programme will not only improve the mental ability of prisoners while they are in prison but cut reoffending? The Northern Ireland Affairs Committee's first report makes it clear, however, that there are shortages of such provision in prisons such as Maghaberry. Would it not make sense to address such shortages, in order to cut recidivism and to reduce the crime rate overall?

Paul Goggins: I warmly welcome the report from the Northern Ireland Affairs Committee, which was produced after extensive research and many visits to the prisons in Northern Ireland. We are putting the investment in. I announced before Christmas that an additional 400 prison places would be built over the next two years, and we are also putting more investment into the kind of offender behaviour programmes to which the hon. Gentleman refers. He is right: when a prisoner has his or her liberty taken away, that is the punishment, but our responsibility—and that of the Prison Service—is to ensure that they are rehabilitated and that they have the skills and education necessary to enable them to come out of prison and lead normal, law-abiding lives.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will my hon. Friend say a little more about how the reintegration of released long-term prisoners can play a part in building a new, more inclusive society, and in finally drawing a line under ancient hostilities?

Paul Goggins: Indeed. It is important that everyone plays their part in building a more cohesive Northern Ireland, not least those who have been subjected to prison sentences. Every prisoner who has been subjected to a long-term or a life sentence is thoroughly assessed some three years before they are released to determine the appropriate plan for them. For some, release by the tariff date set by the judge will not be possible; for others, it will. In every case, however, we must ensure that people have skills, a job and a home to live in, so that they can build and maintain family relationships. All those things are vital for the individual offender, but also for the wider community.

Sammy Wilson (East Antrim) (DUP): There is great concern in Northern Ireland not only about long-term prisoners but about the number of people who are held for a short term in jail as a result of the non-payment of fines. Given that only 1 per cent. of those who have been brought to court for fuel smuggling ever finish up in jail, and that fine defaulters are regularly put in jail, will the Minister tell us what plans he has to ensure that organised criminals get hefty jail sentences, and to deal with the issue of the fine defaulters who are taking up space in our prisons?

Paul Goggins: The hon. Gentleman makes a very important point, reflecting some of the recommendations and findings of the Northern Ireland Affairs Committee, of which he is a member. Urgent and radical action is being taken to ensure that we rebalance the criminal justice system in Northern Ireland to make sure that the dangerous offender spends longer in prison while those who commit less serious offences are dealt with in the community.

The hon. Gentleman raised the issue of fine defaults. It is outrageous that 30 per cent. of all admissions to prison last year in Northern Ireland were for defaults on fines, the majority of which were small fines of just a few hundred pounds. We have to find alternatives in the community to ensure that those people pay back. As to oil fraud and fuel smuggling, I had a meeting yesterday with the Organised Crime Task Force, and I gave officials one month to come back with an action plan to deal with the problem and make sure that the law is properly enforced.

Mr. Laurence Robertson (Tewkesbury) (Con): The Minister mentioned that 30 per cent. of prison receptions are for fine defaulters, but the Northern Ireland Affairs Committee report suggests that the figure is 59 per cent. in comparison with just 2.2 per cent. in England and Wales. Some of these people spend as little as 24 hours in prison, causing a complete disruption of the Prison Service of Northern Ireland. Is it not a complete waste of resources to put people in prison on that basis?

Paul Goggins: I agree, and I am pleased that we are now giving some real focus to this particular issue. The figure is 30 per cent. of prison admissions last year, but the hon. Gentleman is quite right to say that that this is a terrible waste of resources. It costs £1 million or more each year just to administer the system of sending fine defaulters to prison. We will bring forward further proposals to deal with the problem—for example, attachment of benefit orders and attachment of earning orders—to make sure that people pay the fines without the expensive waste of putting them in prison for just a few days.

Saville Inquiry

5. **Mr. Gerald Howarth** (Aldershot) (Con): How much the Saville inquiry has cost to date; and what proportion of that expenditure has been on legal services. [186573]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): I am advised that the Bloody Sunday inquiry has so far cost £181 million and that approximately half of that has been spent on legal services.

Mr. Howarth: The Secretary of State should be ashamed to put that grotesque figure before the House. Is it not the case that nothing better demonstrates the Prime Minister's twisted sense of priorities than the farce of the Saville inquiry, which is now threatening to outrun "The Mousetrap"? Would it not have been better to have spent this nearly £200 million on giving our armed forces the equipment they need, rather than lining the pockets of lawyers?

Mr. Woodward: I understand the excitement that the hon. Gentleman wishes to generate on this issue, but a little less heat and little more light would be appropriate. First of all, it is essential to separate the cost of this inquiry from its value. The decision to hold the inquiry was absolutely critical to engaging Northern Ireland on the peaceful, prosperous and stable path on which it now lies. Costs are, of course, an issue, which is why the Government introduced the Inquiries Act 2005 and why new inquiries are being held under that Act. The Saville inquiry was established under terms before the Inquiry Act, and although we have done what we can to try to control costs, those costs are a matter for the inquiry rather than for the Government, as the hon. Gentleman well knows. He should be careful not to twist the facts and distort the issue, which runs the risk of trampling on the sensitivities of the families who lost their loved ones.

Mr. Quentin Davies (Grantham and Stamford) (Lab): I totally agree with the Secretary of State that it is important to try to get—*[Interruption.]*

Mr. Speaker: Order. Let the hon. Gentleman speak.

Mr. Davies: It is important to try to reach an agreed view of the facts, if that is at all possible, but saying that this inquiry has up to now been conducted in a time-consuming, leisurely and unbusinesslike fashion would surely be an understatement. Will the Government introduce some new disciplines—financial disciplines—that those concerned will understand to ensure a greater degree of urgency and focus as the inquiry proceeds?

Mr. Woodward: My hon. Friend is absolutely right to distinguish the value of the inquiry from the cost. Members are also right to want to ask questions about the cost of the legal claims behind the inquiry. However, the legislation establishing the Bloody Sunday inquiry gives the Government no statutory powers to control costs. We have done what we can. We introduced rates for counsel and solicitors in 2004, and I have made representations to Lord Saville, but I am afraid that this remains a matter for him and for the inquiry.

Mr. Gregory Campbell (East Londonderry) (DUP): The Secretary of State talks about value. He has told the House that more than £181 million has been spent on the inquiry. Has he considered two points? First, the inquiry will not bring closure. Relatives have already said that they want prosecutions to follow the expenditure of that £181 million. Secondly, the inquiry will not bring back to life the loved ones—more than 2,000 people—of relatives who have already not seen closure. That issue remains unresolved.

Mr. Woodward: The hon. Gentleman makes an important point. As he says, this process will not bring closure of the issues raised; it will simply produce a conclusion to an inquiry into the events of Bloody Sunday. As for all the families who have lost loved ones, it must be said that it is unrealistic to imagine that there will be an inquiry about the people—up to 4,000—who were murdered during the course of the troubles in Northern Ireland.

The work done by the consultation group on the past, chaired by Lord Eames and Denis Bradley, is extremely important in helping us to establish whether we can find a way of dealing with the past that does not involve spending hundreds of millions of pounds on inquiries. Those inquiries have mattered until now, and of course they matter to those who have lost loved ones, but we do not think that they will bring closure to all the families who have suffered such terrible tragedy.

Mark Durkan (Foyle) (SDLP): Does the Secretary of State recognise the compound hurt of Bloody Sunday, caused not just by the deaths that day but by the travesty of the Widgery tribunal, which erected lies on stilts and interned the memory of innocent people without truth? The reliance of so many people on Widgery as the true verdict on what happened that day is what necessitated a new inquiry. Can the Secretary of State tell us by how much the legal costs were inflated by the chicane of legal challenges to the Saville inquiry from the military and related interests, and will he tell us what consideration he—

Mr. Speaker: Order. The supplementary question is far too long.

Mr. Woodward: The hon. Gentleman makes an important point about the need to establish the Saville inquiry, and the important role that it has played over the last few years in building confidence in all communities that the justice system will be fair and ensure parity across the board. This is a sensitive issue and I cannot give him answers to his specific legal questions, but he may wish to write to Lord Saville himself.

South Armagh

6. **Sir Patrick Cormack** (South Staffordshire) (Con): What assessment he has made of the security situation in south Armagh. [186574]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): The security situation in south Armagh is being transformed. Police today operate without military support and enjoy unprecedented co-operation from the local community, especially with Sinn Fein joining both the Policing Board and district policing partnerships.

Sir Patrick Cormack: Does the Secretary of State agree that in spite of those welcome developments and the increasing co-operation between the Police Service of Northern Ireland and the Garda Siochana there are

still real worries in south Armagh? Is he not disturbed, as I am, that no one has yet been arrested for the murder of Paul Quinn?

Mr. Woodward: The hon. Gentleman is right about the concern that exists in south Armagh, throughout Northern Ireland and throughout the whole United Kingdom, and indeed in the Republic of Ireland, about the murder of Paul Quinn. We all want to see those responsible for that murder brought to justice. However, let me repeat to him what the district commander of south Armagh told my hon. Friend the Minister of State this morning during a conversation about the issue. The situation in south Armagh is improving. The communities are showing a greater engagement with the police in helping with all inquiries. Let me give just one example: the fact that today we see the police being invited into schools in Crossmaglen is a huge step forward. Notwithstanding the savage, brutal murder of Paul Quinn, we must not lose sight of the progress that is being made.

Dr. William McCrea (South Antrim) (DUP): The Independent Monitoring Commission and the Chief Constable have acknowledged that the dissident republican groups in south Armagh and throughout Northern Ireland pose a major threat. We send troops across the world with a determined goal of crushing terrorism. When will the Government do that in Northern Ireland? Are we consigned to another 30 years of this activity because of a dissident threat from republicanism?

Mr. Woodward: This Government are absolutely determined to bear down on terrorism wherever it happens. We continue to bear down on all paramilitary activity in Northern Ireland, and we will work closely with the police forces in Northern Ireland and in the Republic to ensure that those who pose a threat—it is a small but none the less significant threat—to the lives of ordinary people will be dealt with. We will bring them to justice as soon as we can.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [186507] **Miss Anne Begg** (Aberdeen, South) (Lab): If he will list his official engagements for Wednesday 20 February.

The Prime Minister (Mr. Gordon Brown): Before I list my engagements, I am sure that the whole House will wish to join me in sending our profound condolences to the family and friends of Corporal Damian Lawrence of 2nd Battalion the Yorkshire Regiment, who was killed in Afghanistan on Sunday evening. We owe him, and others who have lost their lives, a deep debt of gratitude.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Miss Begg: I am sure the whole House will wish to add their condolences to those of the Prime Minister.

The fact that Labour Members welcome the decision to bring Northern Rock into public ownership may not come as a surprise. It was the right decision at the right time. However, given that the public purse is now to bear the risk of Northern Rock, can my right hon. Friend give my constituents the guarantee that when Northern Rock goes back into private ownership all the returns will come back to the taxpayer?

The Prime Minister: Yes, the benefits will return to the taxpayer. I welcome the chance to explain the background to how we will deal with the long-term interests of the taxpayer. Our first decision on Northern Rock was to ensure the stability of the economy, to prevent the problems at Northern Rock from spreading to the rest of the economy in a period of global financial turbulence—that has been achieved. Our second decision was to protect depositors—that has been achieved. Our third decision was to protect the long-term interests of the taxpayer. That is why it was right to invite bids from all quarters, to examine them thoroughly and to make the right decision on the basis of the long-term interests of taxpayers. That is why we will return Northern Rock from temporary public ownership to the private sector only when we can get the best deal for the taxpayer. Stability is our watchword. The interests of taxpayers will come first.

Mr. David Cameron (Witney) (Con): First, may I join the Prime Minister in paying tribute to Corporal Damian Lawrence, who was killed in Afghanistan on Sunday? He died serving our country. May I also take the opportunity to wish the Prime Minister a happy 57th birthday? *[Interruption.]* Enough of that.

In January last year, the Government were sent details of 4,000 dangerous foreign criminals and for an entire year they did absolutely nothing with that information. Can the Prime Minister explain how such a catastrophic failure to protect the public took place?

The Prime Minister: The Attorney-General has asked the Crown Prosecution Service to conduct an inquiry into this matter. A request was made by the Dutch authorities for us to look through our DNA records. Some 4,000 names were put to us by the Dutch, and 11 cases have been discovered as a result of the investigation. The inquiry will cover all the details of what happened. I must tell the right hon. Gentleman that it was possible for the Dutch to ask us to look at our DNA records only because we are keeping full DNA records. The Conservatives opposed that legislation.

Mr. Cameron: The Prime Minister tells us that there is an inquiry, but there always is an inquiry with this Government—frequently it is a police inquiry. The Prime Minister is somehow pretending that the fact that 4,000 details were left on a civil servant's desk for a year was a triumph of Government policy. I must ask some simple questions. He has told us about 11 criminals who have committed crimes in Britain this year. Can he tell us what crimes they committed?

The Prime Minister: The crimes, as I understand it, were assault and non-payment of fines. Those are the crimes that have been identified. The full report will reveal the final details, but I must ask the right hon.

Gentleman again whether he now supports DNA being kept by the Government. The Conservatives voted against the Criminal Justice Act 2003. The Dutch would not have asked us for those details had we not had the DNA, but the right hon. Gentleman was against that measure.

Mr. Cameron: As ever, the Prime Minister is completely wrong. The first DNA legislation was passed when my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) was Home Secretary and I was working for him. I seem to remember—*[Interruption.]* Let us be clear: if the Government had acted on the information, crimes could have been prevented. As the Prime Minister said, some of those crimes were serious violent assaults. Why are the Government so incompetent when it comes to processing information about criminals? They failed to deport the foreign criminals; they failed to process the details of 30,000 British citizens who committed crimes overseas; and now we know that information about serious crimes sat on a desk in Whitehall for a year and nothing was done. Should not people conclude that this incompetent Government simply cannot keep them safe?

The Prime Minister: The right hon. Gentleman is entirely wrong about the deportation of foreign criminals. Two years ago, only 1,500 were deported. Last year, as a result of the action that we have taken, 4,200 were deported. We are now signing agreements with Jamaica and Nigeria, and I have raised the matter with China and Vietnam, so that we can deport foreign criminals. No records of the deportation of foreign criminals were kept under the Conservatives; we have deported 4,200.

I come back to the central question. We have tightened up the law on DNA and that is why the Dutch authorities want the information from us. The right hon. Gentleman opposed that legislation. Has he now changed his mind?

Nigel Griffiths (Edinburgh, South) (Lab): Will my right hon. Friend create a badge of honour for the women Spitfire pilots of the second world war and their male colleagues in the Air Transport Auxiliary, who came from 28 countries to ferry more than 300,000 aircraft to front-line airfields during this country's direst hour of need?

The Prime Minister: My hon. Friend has mounted a successful campaign to raise the issue of the women Spitfire pilots in particular. We now have medals for those people who are veterans of the war and for those who served in the Land Army. It is right in my view that we have recognition for the women Spitfire pilots who did so much to protect and defend the Royal Air Force and other military services, and we will go ahead with his proposal for a medal for those people.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I wish to add my own expressions of condolence and sympathy to the family and friends of Corporal Damian Lawrence.

This being the Prime Minister's birthday, I welcome his belated acceptance of the advice from the Liberal Democrats that the temporary nationalisation of Northern Rock was the only workable option available to him, although he now seems to be jeopardising the interests of British taxpayers all over again by hiving off the bank's best assets elsewhere. Will he now admit that if he had acted sooner he could have saved the taxpayer the tens of millions of pounds frittered away on bidders' costs and prevented the untold damage done to this country's reputation as a world financial centre?

The Prime Minister: I thank the right hon. Gentleman and the Leader of the Opposition for their best wishes on my birthday.

I also thank the right hon. Gentleman for raising the question of Northern Rock, which the Leader of the Opposition was reticent to raise, given that his party has six policies on the issue and has now decided on the worst possible option. As far as the Liberal Democrats' policy is concerned, we were right to look at all possible options and we were right to invite private buyers to make offers. Because we will be subject to legal action, we were right to look in detail at every possible bid, and we were right to draw the conclusion, after considering every possible bid, that the temporary public ownership of Northern Rock was the best way forward. As far as Granite is concerned, I can assure the right hon. Gentleman that it will not affect the sale of Northern Rock to a private buyer.

Mr. Clegg: Well, we might agree about the economically illiterate proposals from the Conservative party, but we disagree on why it took the Prime Minister so long to act on Northern Rock. Will he now agree to act in following our lead more urgently on another issue—namely, the scandalous profiteering by UK energy companies at a time when 25,000 people are predicted to die from the cold this winter alone? Does he realise those companies stand to make a £9 billion windfall profit from the European emissions trading scheme? Does he agree that that excess profit, equivalent to about £360 for every British family in this country, should be handed back to the neediest customers through lower energy prices?

The Prime Minister: I stress to the right hon. Gentleman that we were right to look at all possible options for Northern Rock before we took the decision that we did. If we had not done that, we would be subject to even greater legal action for not looking rigorously at all options. As far as energy is concerned, let me say that we are looking at the advice of the director general of Ofgem on that very matter. I have to say to the right hon. Gentleman that it was the Labour Government who introduced the winter allowance, which is helping thousands of elderly people. It was the Labour Government who raised it to £300 for the over-80s. It was the Liberal Democrats and the Conservative party who opposed the winter allowance.

Mr. Neil Turner (Wigan) (Lab): The Prime Minister recently completed a successful tour of China to promote better co-operation between the two countries and their economies. Wigan council will shortly be signing an agreement with a Chinese company to bring in £125 million of investment and create 1,000 jobs in the local economy. Will the Prime Minister join me in congratulating the council? May I ask him to use his best offices to ensure that if there are any problems,

central Government will play its part in overcoming them to ensure that the development is completed as rapidly as possible?

The Prime Minister: I was talking to Premier Wen of China by telephone yesterday. I must confess that I did not specifically raise the question of investment in Wigan; I now regret that. We have excellent commercial and trading links with China. What is happening in Wigan and the new attempts at new investment in this area are to be welcomed. We have set a target of increasing trade between ourselves and China by 50 per cent. over the next two years. I believe that Wigan and the whole of the north-west will benefit from that. I shall ensure that in my next telephone call with the Premier I mention the needs of Wigan.

Q2. [186508] **Mr. Roger Williams** (Brecon and Radnorshire) (LD): On Monday, the Prime Minister enjoyed the very best of British food at the hospitality of the National Farmers Union. He will be aware that the Office of Fair Trading claims that a number of supermarkets have abused their dominant position in the marketplace. Indeed, the Competition Commission has recommended setting up a supermarket ombudsman to ensure fair trade for British producers and continued British products for the British consumer. Will the Prime Minister implement that recommendation? If he is minded to do so, when will that be?

The Prime Minister: I think it is true to say that in the recent foot and mouth outbreak the British supermarkets helped the farm industry. They tried their best to ensure that British food was being sold in British supermarkets. I agree with the hon. Gentleman that issues have been raised by the Competition Commission. We will look at this matter, and I will write to the hon. Gentleman.

Q3. [186509] **Ms Celia Barlow** (Hove) (Lab): Climate change will create a challenging world, and all sane people now believe that. More than 600 of my concerned constituents have written to beg me—and all of us—to be brave and bold in setting more ambitious targets. Will the Prime Minister assure my constituents that our Government will continue to take the lead in tackling climate change by agreeing to more challenging targets lest the sea swell and sweep away Hove and Portslade?

The Prime Minister: I am grateful to my hon. Friend. She has taken up the issue of climate change both in her constituency and in this House. I agree that we might need to be far more radical in the targets that we set for cutting carbon emissions. We have set a target of 60 per cent. for 2050. We have now set up the new committee on climate change and will ask it to look at a new target of 80 per cent., which is a far bigger cut in carbon emissions than before. We are the first country in the world to have legislation that legally requires the Government to ensure that carbon emissions are cut every decade. In particular, of course, we will take action in the next few years to get a new world climate change agreement.

Mr. Speaker: David Cameron.

Hon. Members: What about Northern Rock?

Mr. Cameron: Yes, Northern Rock. If the Prime Minister wants a question on Northern Rock, here is one for him. Last night, we learned that Northern Rock will not be subject to the Freedom of Information Act. I have the legislation here, and it says that, for the purposes of the Freedom of Information Act, Northern Rock is

"not...a publicly-owned company."

What is the Prime Minister trying to hide?

The Prime Minister: The only reason that the Freedom of Information Act comes into this is that it would be unfair on Northern Rock if other companies knew everything about its business plan. It is surely a matter of commercial confidentiality that Northern Rock should be able to plan its business future. As far as the commercial future of Northern Rock is concerned, we have made it absolutely clear that the bank's new head, Ron Sandler, will operate in a commercial market. He will be able to decide on repossessions and all other issues, and he will put forward his plan for the restructuring of the company.

However, it may be helpful if the Conservative party would explain its plan—which is now to run down Northern Rock and to have a fire sale of its assets and get less than market value for them. That is the worst possible deal for the taxpayer.

Mr. Cameron: The Prime Minister's answer is feeble. All other publicly owned companies, such as the Post Office, Scottish Water, the Tote and National Savings and Investments, are subject to the freedom of information legislation. Let me remind the Prime Minister, the supreme leader, of what he said about freedom of information in his lecture about liberty. He said:

"Freedom of information is the right course because government belongs to the people, not the politicians",

but that it

"can be inconvenient, at times frustrating and indeed embarrassing for governments".

Is not that why he is covering things up?

The Prime Minister: Not at all, and perhaps the right hon. Gentleman will publish the reports from the Midlands Industrial Council, which is a Conservative organisation. Everyone in the country will know that, in a competitive mortgage market, it would be ridiculous to ask Northern Rock to publish every detail of its business plans. Commercial confidentiality has to be respected in the running of the company, and he should be the first to support it.

Mr. Cameron: The Government were happy to show Richard Branson all the facts, but they will not tell the British public. Here are some of the questions about Northern Rock that the Prime Minister will not answer. What is the total liability for the taxpayer, and how much money will the taxpayer pay for the business? He will not tell us. How long are we going to hold the business? He cannot say. Should the business get bigger or smaller? He will not tell us.

Last night, at 10 minutes to midnight, we found out that half of the mortgages—the best half—are owned by somebody else. When it comes to this Government

and freedom of information, they would make Fidel Castro proud. Why is the Prime Minister covering all that up?

The Prime Minister: We have acted on Northern Rock for reasons that the country supports—to secure stability and to protect depositors and the best interests of the taxpayer. We are not going to reduce the Northern Rock issue to the student politics that the Leader of the Opposition is indulging in. We are the party of stability; the Opposition would leave Northern Rock and the economy unstable.

Q4. [186510] **Ms Sally Keeble** (Northampton, North) (Lab): Northampton is the home of Nationwide and Barclaycard, which yesterday announced record profits, and thousands of people in my constituency rely on the financial services industry for the security of their jobs and homes. What impact will the action taken by the Government on Northern Rock have on the long-term security of my constituents' and jobs? What would have been the impact had the Government taken the Opposition's advice?

The Prime Minister: The issues that concern the country are mortgages, inflation, our country's economic growth and jobs. My hon. Friend is right to point out that we have taken action on Northern Rock to preserve the stability of the economy. Over the past six months, when we have seen the worst of global financial turbulence in America and the rest of Europe, we have managed to isolate the problems of Northern Rock so that they have not infected the rest of the economy. The Opposition should at least understand that we are better placed to deal with those problems because of the actions that the Government have taken.

As far the general economy is concerned, we have more people in work than ever before and lower unemployment than at any time since the 1970s. Today, we published the best January figures for the public finances in our history, and inflation and interest rates are half what they were under the Conservatives.

Tony Baldry (Banbury) (Con): Professor Sir John Tooke, in his inquiry on modernising medical careers, found that the United Kingdom is the only country in the European Union to apply the European working time directive in the way that we do. It is a way that endangers the delivery of consultant-led maternity and children's services at hospitals such as mine, the Horton general hospital in Banbury. Sir John recommended that the Government look again at how the European working time directive is applied. Will the Government do so?

The Prime Minister: I believe that we are not the only country in that position, but I can tell the hon. Gentleman that we are going to reply to the Tooke report, and that that will happen in the next few weeks.

Q5. [186511] **Kerry McCarthy** (Bristol, East) (Lab): Youth unemployment has fallen by 58 per cent. in my constituency since 1997, but there is still a resilient core of young people who are not in work, education or training and families in which a culture of being out of work and wholly dependent on benefits has been passed from one generation to the next. Do the Government accept the inevitability of the situation, or does the Prime Minister agree that we could and should be doing more to break the cycle of poverty and unemployment?

The Prime Minister: My hon. Friend is absolutely right, and I applaud the way that she has taken up the issue of youth employment in her constituency and in the country. Youth unemployment has fallen by more than 60 per cent. over the last 10 years, but there is more to do. That is why the Secretary of State for Work and Pensions is today putting forward proposals to deal with people who are long-term unemployed. That is also why we are increasing the number of apprenticeships in our economy, and that is also why, for those who are not able to get apprenticeships because they do not have the qualifications, we are going to introduce pre-apprenticeship courses so that young people without qualifications who have left school with nothing can get on apprenticeship courses. Those are the practical ways of making the new deal relevant to the new situation. The worst thing to do would be, as the Opposition want to do, to abolish the new deal.

Q6. [186512] **Mr. Julian Brazier** (Canterbury) (Con): Following the Prime Minister's reply to the right hon. Member for Leicester, East (Keith Vaz) a few weeks ago, does he now accept that there is an urgent need for reform of the British Board of Film Classification? What possible justification can there be for the board's decision to release into British high street outlets videos and DVDs such as "SS Experiment Camp", which shows in voyeuristic detail women being tortured to death by SS camp guards?

The Prime Minister: I share the hon. Gentleman's concerns. I think it is true to say, as I have looked at it, that the British Board of Film Classification has put a higher category on many films in a different way from that recommended by the distributor, but it is also true to say that he expresses the concerns of many people among the general public. That is why I have agreed to meet him and my right hon. Friend the Member for Leicester, East (Keith Vaz) to talk about the issues, and why we set up the review headed by Dr. Tanya Byron. It will report very soon, and on the basis of that we can make recommendations for the future. As for the Conservatives who say it is wrong to review the issues, I say that the right thing to do is to review them and then make a decision.

Q7. [186513] **Stephen Hesford** (Wirral, West) (Lab): Will my right hon. Friend join me in congratulating my local primary care trust in Wirral on recently being voted the best primary care organisation in the country? Welcome though that success is, we can and should do more to improve primary care. What more can we do, and what more will my right hon. Friend do, to improve access to GPs, for example?

The Prime Minister: I applaud the work of my hon. Friend's health authority. I visited his constituency and saw at first hand the improvements that have been made. In the north-west, there are 11,000 more nurses than there were when we came to power, but he is

absolutely right about access to GPs. Our proposals are for practices to open for three more hours at weekends or in the evenings. That is a sensible proposal to deal with the concerns of millions of families who want access to their GPs at weekends or out of ordinary working hours. I hope that doctors will accept the proposal, which is funded by the Department of Health. That is the right way forward, so that millions of people can have access to their GPs at the time that they want them and need them.

Mr. Nigel Dodds (Belfast, North) (DUP): The Prime Minister will be aware that the horrific murder of Paul Quinn casts a serious shadow over the stability of devolved institutions in Northern Ireland. Serious allegations have been made about the involvement of current members of the Provisional IRA in that murder. Will the Prime Minister reiterate the commitment given that if any party—in this case, Sinn Fein—is found to be in default, he will not punish all the parties in Northern Ireland but ensure that devolution continues and that only the party in default is punished? It is absolutely vital to send a clear message to the people of Northern Ireland, who are growing increasingly concerned about the seriousness of the allegations.

The Prime Minister: I share the hon. Gentleman's concern that the Quinn murder should be properly investigated. I have reason to believe that that is exactly what is happening, and there is co-operation on both sides of the border for that to happen. There is no evidence that IRA people are involved, but of course that must be investigated in full. Once that is investigated, we will know the full results. I hope the hon. Gentleman would agree that no criminals should be allowed to derail a peace process that has the support of millions of people in Northern Ireland, which he and others have played a great part in moving forward, so let us send out a message that no criminals will be allowed to derail the peace process.

Q8. [186514] **Clive Efford** (Eltham) (Lab): Does my right hon. Friend share my astonishment that an individual who has openly admitted that he was willing to provide information to facilitate a premeditated assault on another individual should seek to stand to be chair of the Metropolitan Police Authority? What values does that promote to the public, and what does it say other than that the Tories believe that there is one rule for them and another for everybody else?

The Prime Minister: I agree. All those matters will be the subject of debate over the next few months.

Norman Baker (Lewes) (LD): According to official Government figures—so it must be true—since 1997 the real cost of travelling by train has gone up 6 per cent. above inflation, the cost of going by bus is up 13 per cent. and the cost of going by car is down 10 per cent. Why does the Prime Minister want to penalise the public transport user? How does that help his climate change objectives and his social exclusion strategy?

The Prime Minister: We have doubled investment in railways and made it possible for hundreds of millions more people to do rail journeys in a year as a result of those decisions. The railway industry needed modernisation and that is what has been done. With reference to buses, I hope the hon. Gentleman will agree with our policy whereby there is now free national concessionary travel for all pensioners.

Q9. [186515] **Mrs. Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): What action does the Prime Minister plan to take following this week's report from the Community Security Trust showing a record rise in violent attacks against Jewish people in this country? Does he agree that all police forces should record such incidents, and not only the police forces in London, Manchester and Hertfordshire, as is the case at present?

The Prime Minister: I am grateful to my hon. Friend for raising the matter. I know that she works closely with the Community Security Trust. Its recent report shows that there has indeed been a rise in the number of anti-Semitic crimes in this country, which is much to be regretted. It needs the strong action of the police and of course the public to root it out. One area where the rise has been most noted is on the campuses of universities. That is completely unacceptable, so we shall work with the Community Security Trust to do everything we can to deal with what are hate crimes that should be condemned by all sensible people in this country.

Mr. Philip Hollobone (Kettering) (Con): Baby Jessica Randall was just 54 days old when she was murdered by her now imprisoned father, after having been repeatedly beaten and sexually assaulted. In her short life, she spent 21 days in Kettering general hospital and was seen by 30 separate health care workers. Is it right that, in cases like Jessica's, senior and often extremely well-paid directors in our health care services and social services should collectively slope their shoulders and refuse to accept individual responsibility for their failure to protect such vulnerable children?

The Prime Minister: The hon. Gentleman raises a very sad and tragic case. I will investigate what he has said about Jessica and what happened to her, and I will write to him.

Q10. [186516] **John Battle** (Leeds, West) (Lab): In international development, there are set millennium development goals. Unlike the goals for water and education, the goal for maternal health is revealed to be falling further and further behind. As a consistent champion of tackling poverty internationally, will my right hon. Friend ensure that poor women and mothers are no longer neglected in international development?

The Prime Minister: I am grateful to my right hon. Friend. He has taken up the issues of development across Africa and Asia and has done so in a most eloquent way. It is true to say that one of the greatest tragedies which is avoidable is the number of mothers who die in childbirth. That happens to half a million mothers a year. That means that one mother is dying every minute, and in some countries, like Sierra Leone, one in every seven mothers dies in childbirth, compared with one in over 3,000 in countries like ours. Those are avoidable deaths, which harm the very children that are being born. It is therefore vital that we do more about

it. That is why we are spending more on health care systems, why we are determined to help countries to reach development goals on maternal mortality, and why we have formed the International Health Partnership. I hope my right hon. Friend will agree that we are pushing forward other countries to do exactly as we are doing—that is, investing in maternal health.

Q12. [186518] **Martin Horwood** (Cheltenham) (LD): The shadow price of carbon used in the Heathrow consultation was three times lower than the figure recommended in the Stern report and changed the outcome on the third runway. In future consultations, will the Government stop backtracking on the Stern report and fiddling the cost of climate change?

The Prime Minister: I am not sure whether there is universal agreement about the hon. Gentleman's interpretation of those figures, but I will certainly look at what he says. The fact of the matter is that this is a consultation process—people are free to put their views, and then a decision will be made.

Q13. [186519] **Albert Owen** (Ynys Môn) (Lab): Last Friday, the Prime Minister visited my constituency and met members of 22 Squadron at RAF Valley. He heard the exciting news about the relocation of search and rescue headquarters to RAF Valley. That proves, once again, that Anglesey is the heart of the British isles. Does the Prime Minister agree that any calls to loosen the ties of Wales to the rest of the United Kingdom, as advocated by the nationalists, would undermine real progress and investment, and that we need a strong Anglesey economy in a strong United Kingdom?

The Prime Minister: I am grateful to my hon. Friend. I had a most enjoyable visit to his constituency in the best of weather. I met those at the Valley airfield and congratulated them on the great work that they are doing in air and sea rescue, including a major rescue off Blackpool, which saved many lives a few weeks ago.

My hon. Friend is absolutely right. Some 100,000 more jobs are being created in Wales, many in his constituency. That depends on having a UK Government who run a successful economic policy. There is no Wales-only, Scotland-only or England-only solution to these issues. It is a United Kingdom economy, and under a Labour Government it will continue to do well.

Earned Citizenship

12.31 pm

The Secretary of State for the Home Department (Jacqui Smith): With permission, Mr. Speaker—[*Interruption*]

Mr. Speaker: Order. Hon. Members must leave the Chamber quietly.

Jacqui Smith: Thank you, Mr. Speaker. I should like to make a statement on immigration and the path to British citizenship. Today I laid copies of the earned citizenship Green Paper in the Library of the House.

Britain is a tolerant and fair-minded country. The British public know that carefully managed migration brings great benefits for the UK—economic, social and cultural. However, I also recognise and understand concerns about the impact of migration on local public services. At a time of change, we have responded to the need to control migration to the benefit of Britain, and to protect our borders.

We have made substantial progress in recent years, and we are seeing the results: record numbers of foreign national prisoners were deported last year; fingerprint checks are now in place for all visas for those travelling to Britain; and asylum applications are now being processed more quickly than ever before. This year, we are delivering further radical changes to the UK's immigration system.

First, we are ensuring that those who come to Britain do so in Britain's interests. The Australian-style points-based system, which goes live at the end of this month, will allow only those whom we need to come to work and study. Secondly, we have strengthened how we police the system and protect our borders. We will soon have systems in place to count people in and out of the country. From 1 April, the UK Border Agency will bring together the work of the Border and Immigration Agency, UKvisas and Customs at British ports of entry. Later this year, we will begin to introduce compulsory identity cards for foreign nationals who wish to stay in the UK, making it clear whether they are allowed to work and how long they can stay.

Building on those measures, today's Green Paper sets out our plans for the third phase of immigration reform—ensuring that the path to British citizenship reinforces our shared values. Today we are setting out a new deal for citizenship, in which the rights and benefits of British citizenship are matched by the responsibilities and contributions that we expect of newcomers to the UK.

Our proposals are based on the UK-wide programme of listening events that we have conducted over the past five months with the British public, and in framing our proposals, we have taken their views into account. They were clear about what we should expect of newcomers who choose to come to the UK and start on the path to citizenship—that they should speak English; that they should work hard and pay tax; that they should obey the law; and that they should get involved in and contribute to community life.

British people want the system to be fair and transparent, and I am clear that progress to citizenship should be earned. The Green Paper proposes that all migrants coming to the UK will be admitted as temporary residents. A limited number of categories—highly skilled and skilled workers, those joining family and those granted our protection—will then be able to apply to become probationary citizens for a time-limited period. Probationary citizenship is a new and crucial stage in our immigration system, and it will determine whether a migrant can progress to full citizenship or permanent residence.

The Green Paper sets out clear expectations of migrants as they move through the stages of that journey. We will expect the vast majority of highly skilled and skilled workers entering under the points-based system to speak English, and we are consulting on whether spouses entering on marriage visas should be able to speak some English before arrival. In order to become a probationary citizen, we will expect everyone to demonstrate English and knowledge of life in the UK.

Refugees who legitimately require our protection will continue to receive their current entitlements. We will continue to expect temporary residents to support themselves without general access to benefits. We now propose to defer full access to benefits and services until migrants have successfully completed the probationary citizenship phase, so that they are expected to contribute economically and support themselves and their dependants until such time as they become British citizens or permanent residents. It is at that point that they will have full access to our benefits and services.

We expect people coming to this country to obey our laws. As well as deporting record numbers of foreign national prisoners, we will refuse applications to stay or progress from anyone given a prison sentence, so that they will be denied access to British citizenship and will lose their right to stay. There should also be consequences for those given non-custodial sentences. We propose, therefore, that minor offences should slow down progress to the full benefits of citizenship. Such offenders should need to demonstrate compliance with our laws over an extended period to earn the right to progress in the journey to citizenship. I believe that criminality should halt, or slow down, progress on the path to British citizenship, but also that we should reward those who play a more active role in the community. We will therefore enable people to move more quickly through the system where they have made a positive contribution to British life by, for example, volunteering with a charity.

I am today proposing a fund to help local service providers to deal with the impacts on our local communities of rapid changes in population. Money for the fund will come from charging migrants an additional amount on immigration application fees.

At a European level, we are making a concerted effort with member states to deal, for example, with criminal activity by European economic area nationals. We deported 500 EEA nationals last year, and we will continue that robust approach by identifying ways to return them more easily to their countries of origin. I can today announce that we are setting up two new units to work across Departments on how in turn we work with European Union partners to tighten our provisions on criminality and benefits. We will also work closely with employers to ensure that workers can speak the necessary standard of English.

[Jacqui Smith]

Finally, the Green Paper sets out proposals to simplify and consolidate immigration law, allowing us to increase the efficiency of decision making, strengthen public confidence in the system, and minimise the likelihood of delays and inconsistency in decision making.

Our proposals will make it easier for migrants, decision makers and the public as a whole to understand the rules and have confidence in their operation. This is a comprehensive package of measures to strengthen our immigration system and reinforce our shared values. It will deliver a clear journey to British citizenship that balances rights and benefits with responsibilities and contributions. I commend the statement to the House.

David Davis (Haltemprice and Howden) (Con): I thank the Home Secretary for early sight of the statement. My I begin by asking her what has happened to the report on citizenship by Lord Goldsmith that was promised in Queen's Speech? How does that fit in with what she has announced today?

In the Green Paper, the Government are proposing yet another immigration Bill—the seventh under this Government. The Home Secretary says that the current system is too complicated. Who does she think is to blame for that? If merely passing new immigration laws made our borders secure, we would already have the safest borders in the world, which we clearly do not.

I shall start with the issue of citizenship. The Home Secretary now says that she wants to restrict citizenship to those who have earned it. But it was her Government who relaxed the requirements in the first place, when, in 2004, they removed the requirement to provide a passport to support the application. They dropped the standards so far that they awarded citizenship to Muktar Ibrahim after he had spent three years in prison for violent crime, and had been arrested for disseminating extremist literature. He then used his British passport to travel to Pakistan to train as a would-be suicide bomber. At least, I suppose, these new rules—limited and late as they are—would have presumably denied him citizenship. But can the Home Secretary explain how her new system would have stopped Abu Hamza gaining citizenship? He became a citizen through his British wife. Under the new system he might have to wait two years before he became a probationary citizen, then another year if he could demonstrate "active citizenship". The proposed system would not have stopped him gaining that citizenship.

I would like the Home Secretary to address a serious unresolved issue. In many cases, the granting of UK citizenship, probationary or permanent, will result in the loss of original nationality under the laws of the country that the individual comes from. Does the Home Secretary understand that that could make British citizenship permanent? Under international law, it is not possible to render a person stateless. It is not possible to take away British citizenship from a person if they have lost their original nationality—it is not like a probationary driving licence. Such action could be irreversible and irrevocable under international law and therefore under UK law.

Any period of probation must be a prior condition of citizenship, not a part of it, and I would like the Home Secretary to explain that. Moreover, that period should be much longer than one year; five years would be more appropriate. For a foreign citizen, we should always remember that British citizenship is a privilege, not a right.

Much of what the Home Secretary has said is an attempt to talk tough without taking effective measures, but she has at least finally admitted, for the first time, that public services are affected by large-scale immigration. It is the Government's first admission of that. She proposes a Government-run fund, paid for by another tax on new arrivals. But let us consider the numbers. It is reported in the Green Paper that the fund will raise tens of millions of pounds. The original Green Paper—last Friday's version—referred to £15 million. Will she clarify how many tens of millions will be raised? In any case, the amount will not even be enough to pay the policing costs of immigration, an issue raised by the chief constable of Cambridgeshire only a few months ago. It is barely one tenth of the cost to the national health service of immigration, little more than one twentieth of the costs to local government of immigration and it barely scratches the surface of the full public services cost of immigration. It is, in short, a gimmick.

Why not take the very obvious step of limiting the numbers of new arrivals instead? Yet again, the Home Secretary has reached for a complicated and bureaucratic solution when a simple and cheap one is available. Talking of bureaucracy and incompetence, I cannot believe that, today of all days, she had the cheek to stand there and talk about—I think that I am quoting her correctly—working "with EU partners to tighten our provisions on criminality". Does even she believe, after the catastrophe of the Dutch criminal records being lost by her Department, that such a promise convinces anyone any more?

The fundamental flaw in the Green Paper is plain: it constructs a complicated, expensive and bureaucratic set of mechanisms to deal with the adverse consequences of immigration that is out of control. We have been warning about those consequences for years. The sensible approach is simple: we should deal with the original cause of the problem, put a limit on immigration and bring it down to much more manageable levels. That is simpler, cheaper and better for Britain, and will preserve Britain's excellent history of good community relations, which is being put at risk by an incompetent and irresponsible immigration policy.

Jacqui Smith: Let me respond to some of the right hon. Gentleman's specific points. First, he is right to say that there is an important link between the proposals and the work of Lord Goldsmith, on which we expect a report in the next month or so. His work, like the work that I have outlined, clearly embeds the importance and expectations of British citizenship, to which, as the right hon. Gentleman says, many people around the world aspire. We are introducing the proposals to ensure that our immigration system reflects the shared values that are part of British citizenship.

The right hon. Gentleman made a point about the legal simplification that we propose. It builds on a series of Acts since 1971. It is right to consider now the way in which we can bring them together in one simple set of principles and law, which will make life easier for

those who come to this country and those who make decisions about them. It is a bit rich of the right hon. Gentleman, whose Government were responsible for ending the practice of counting people in and out of this country, to start criticising us, when we are reintroducing the ability to count people in and out. If he is genuinely worried about the identity of people who come to this country, perhaps he will change his position and support our policy of identity cards for foreign residents.

I am sure that the right hon. Gentleman will examine in more detail our proposals for probationary citizenship. However, I can confirm to him that it is a period prior to full British citizenship, so some of his legal points are wrong. That period of time is necessary to earn the right to British citizenship or permanent residence. He made a point about timing, but probationary citizenship lasts for a minimum of one year. It will build on a period of temporary residence of five years for economic migrants or two years for families and dependants. Even the one year depends on those who take the path to citizenship demonstrating an active contribution to British life. Without that contribution, the period of probationary citizenship would be three years. The minimum is therefore six years for people to demonstrate their commitment to the UK and earn the benefits of full British citizenship.

The right hon. Gentleman commented on the fund that I propose. The Government have already, through £900 million-worth of extra funding for local government next year alone, £50 million of funding for community cohesion and specific education funding for the impact of changes in numbers on school rolls, made an important contribution—*[Interruption.]*

Mr. Speaker: Order. The right hon. Gentleman must be quiet when he is getting a reply.

Jacqui Smith: The Government have made an important contribution to ensuring that our communities can function effectively. I would have thought that the right hon. Gentleman, like the chair of the Local Government Association, welcomed our proposals for new and innovative ways in which to tackle the transitional impact of migration on communities. The tens of millions of pounds that we believe that we can raise every year will make an important contribution.

The right hon. Gentleman fell back on a rather a vague assertion that we need to place an arbitrary limit on immigration. He did not appear to be clear about the details of that limit and how it would work, but the most recent estimate by the hon. Member for Ashford (Damian Green) is that it could only ever cover one out of five newcomers. Instead of thrashing around for a soundbite approach to limiting migration, it would be better if the right hon. Gentleman engaged seriously in developing the points-based system—which, for the first time, will enable us to be clear that those who come to the UK do so in a way that benefits the country—and responded seriously to our proposals today. Does he believe that the deal for citizenship that we are setting out is the right one and the fair one for Britain, as people throughout the country have told us they believe? Will he support us in our reform? Will he for once engage seriously in looking at the future of our immigration system, as we are today?

Keith Vaz (Leicester, East) (Lab): The Home Secretary's statement and her previous speeches rightly mentioned the benefits of migration. When she visits the cities of Leicester and Derby on Thursday, how will she reassure the communities there that the proposals are not discriminatory, in respect of what appears to be a double taxation on migrants into this country and the bureaucracy that will be created around them? They will be asked to do good works to earn citizenship. Will she go out of her way to show communities that this set of proposals is not discriminatory?

Jacqui Smith: My right hon. Friend will know, as I have spelt out, that the proposals are built on our contact with communities around the country and our listening to them. Communities and people in the UK have already told us clearly that they can see the massive benefits of migration. They want people to come to this country, they want them to reach the stage of receiving the full benefits of citizenship and they believe that the process for doing that should be fair and should reflect the sorts of expectations that we would place on ourselves, which are precisely the reasons people want to come to the UK and gain British citizenship in the first place. We have designed the system as we have to build on those issues and concerns.

In respect of the details of the fund, what we are proposing is not a massively bureaucratic system; rather, we are proposing a small premium on fees that will be paid as part of the existing system. My right hon. Friend made the point about good works. Our proposals recognise the massive contribution that many people who come to this country and want to move through to obtaining British citizenship make. We are saying to people that if they make a contribution to building a better local community and a better Britain, that should help to speed them on their way to British citizenship and cement the contribution that they are making to the country.

Tom Brake (Carshalton and Wallington) (LD): First, may I thank the Home Secretary for an advance copy of the statement? It acknowledges that the Government are guilty of chronic mishandling of immigration. Their incompetence has created a crisis of public confidence and a strain on public services in some parts of the country. It would appear that immigrants are now to be made the scapegoats for the Government's failures.

The Liberal Democrats accept the need for reform. The skills that UK plc needs have to be much more closely matched with those of the immigrant population. We therefore support the points-based immigration system. We also accept the need for immigrants to have a strong command of the English language and regret that Government policy on that has been so inconsistent in recent months. Such workers are needed by the UK economy. Does the Home Secretary accept that there will be projects such as Crossrail or the Olympics and fields of employment such as the restaurant sector where staffing requirements will have to be met from much further afield than Europe? Can the Home Secretary confirm that she has assessed her proposals as not having a negative effect on the UK's ability to attract such people?

Can the Home Secretary explain what benefits and services she expects migrants to be able to access before they become British citizens or permanent residents?

[Tom Brake]

Can she confirm that that will not deter genuine and badly needed migrants from coming to the UK? If the Home Secretary is worried about resources going into the system, will she consider a sliding scale of charges to employers for work permits, using the resources thereby raised for training for the domestic work force, to make our workers more able to take up those jobs?

Hardly a day goes by without another initiative, pronouncement or press release on immigration. They come thick and fast. Today is no exception and tomorrow will not be either, because until the Government devise a fair, straightforward and properly resourced system, they will lurch from crisis to catastrophe.

Jacqui Smith: I was not quite clear whether the hon. Gentleman was supporting what we propose or simply having a rant about the issue. First, he asked me whether I recognised the considerable economic benefits to the UK of migration and the contribution that it makes to the UK. Yes, we most definitely do. That is why the points-based system, which I think he said he supported, will be about how we ensure, through a serious look at the economic benefits of migration to this country by the migration advisory committee, that we can welcome into this country those who will earn money for themselves, but also make a contribution to the economy.

The hon. Gentleman also asked what benefits would be available before the full benefits of British citizenship. We will ensure that those who come here for our legal protection as refugees will maintain all their current entitlements to benefits. We will expect those who come here as economic migrants and dependents to be self-sufficient up to the end of the period of probationary citizenship. They will be entitled to benefits to which they have made the necessary contributions. They will be expected to send their children to schools and be facilitated in doing so, and will receive NHS care. At the point at which people become British citizenships, they will receive the full range of benefits.

I hope that the hon. Gentleman will look seriously at the proposals that we are making, which are not about the conditions that we place on migrants coming into the country. They are, as I have explained, about that third stage of reform, which looks seriously at how we need to reform the system to ensure that the path to citizenship and the expectations that we place upon people coming to this country reflect the shared values that are often what attract people to come to Britain in the first place and take the path to citizenship. I believe that our proposals will make our shared values and the contribution that migrants make to this country even clearer, and will demonstrate to everybody in the UK and, more widely, to those around the world how we can reform our system to represent those values.

Mr. Marsha Singh (Bradford, West) (Lab): May I say to my right hon. Friend that there is much in her statement that is worthy of consideration? There is a lot to take in, in respect of the implications, but I have two immediate concerns. The first, which has already been raised, is about probationary citizenship. If people lose it or have to surrender their original citizenship and are not granted British citizenship, where do they stand? An even bigger concern is about fees. Fees have already increased dramatically. My constituents and spouses who come over here do not have the best-paid jobs and are already complaining about the level of fees. I do not see what an additional fee would positively do, but I can see it causing great resentment in constituencies such as mine.

Jacqui Smith: Let me clarify for my hon. Friend that probationary citizenship will not imply that somebody has to give up their other nationality, as I made clear to the right hon. Member for Haltemprice and Howden (David Davis). In addition, we have ensured, through the category of permanent residence, that where people need to maintain dual nationality at the point at which they successfully apply to remain permanently in the country, they will not be forced to give up their other nationality.

On fees, we need to be careful how we consider the whole range of fees for immigration applications, to balance fairness to those coming to this country with ensuring that we can earn the money necessary to run the immigration system. The small premiums to make the transitional impact fund that we are proposing will of course be subject to consultation, and I will want to listen carefully to what my hon. Friend and his constituents say about them.

Mr. James Clappison (Hertsmere) (Con): In 1997, there were 37,000 grants of citizenship. Approximately how many grants of citizenship were made in the last year for which the right hon. Lady has figures?

Jacqui Smith: We will write to the hon. Gentleman with the detailed figures on citizenship.

Fiona Mactaggart (Slough) (Lab): May I advise my right hon. Friend that one reason why we have such excellent race relations in Britain is that migrants to this country relatively quickly achieve permanent residence, unlike those to other countries in Europe, for example, where their status remains unsecure and unclear for a long time? I am concerned that these proposals might damage those good relations. However, to get to her point about the fund, which will be raised by a levy on migrants, I have looked at the income from visa fees, which was £190 million last year. The fee for settlement is £500, or £650 if the person is in the UK. How can one raise tens of millions of pounds from additional fees? Will they deal with the issue? My local authority, for example, says that it requires a £5 million—

Mr. Speaker: Order. The supplementaries must be brief. This is a statement and the House is questioning the Home Secretary on it.

Jacqui Smith: I strongly agree with my hon. Friend about the benefits of clear status. That is why it is an objective of what we are proposing today that there should be a fair, clear and transparent route through probationary citizenship to British citizenship. She is right to say that we need that system to be clear and fair.

As I said to my hon. Friend the Member for Bradford, West (Mr. Singh), we are talking about an additional fund that will enable us—in ways, for example, that the Migration Impact Forum is already

identifying—to deal with short-term transitional issues of migration that might impact on communities. It is, quite rightly, additional to the considerable sums that my right hon. Friend the Secretary of State for Communities and Local Government is making available through local government and for community cohesion, and that we are making available across government to support English language teaching and the impact on schools of population changes in areas. We recognise the concerns around this issue, and I think that the additional impact that we can make with the fund will be widely welcomed.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): According to the Government Actuary's Department's central projection, net immigration to this country will account for nearly 40 per cent. of the additional households for which we will have to build homes in coming years. Can the Home Secretary point out whether, in any of the documents that she has produced that assess the economic benefits of immigration, she has taken account of the cost of building those extra homes? By how much will that cost be reduced or increased as a result of her statement today?

Jacqui Smith: In actual fact, over the past two years net migration to this country has fallen. The proposals are not about the number of people who come into the country; they are about how we ensure that the process and the path to citizenship are clear and fair, and that they represent our values. I am sure that that is something that the right hon. Gentleman would support.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): There is a lot to take in from the Green Paper. I am glad that the Home Secretary corrected the impression that she gave in her opening remarks that there is some sort of presumption that immigrants—or, for that matter, those of us who are the children of immigrants—do not want to work hard and pay tax, do not want to obey the law, and do not want to get involved and contribute to community life.

On the question of the fund and the fees, one aspect raised by local authorities concerning incoming persons is paying for issues to do with children and schools, but many children in my primary schools in Hackney are the children of eastern European immigrants. They will not be paying any extra fees. How can it be fair for non-white immigrants, who already face steep fees, to have those fees ratcheted up even higher to pay for issues that relate to the broad immigrant population, including immigrants from European Union and European economic area countries?

Jacqui Smith: My hon. Friend is right. We recognise that many people—including those who are already in this country and those who wish to come here—want to obey the law and wish to make a contribution economically and to their local communities, and we want to acknowledge that in the speed with which they can move through the system to become British citizens.

The point about the fund is of course important. Because of some of the transition issues that my hon. Friend has identified, colleagues in the Department for Children, Schools and Families have ensured through mainstream funding that there is a fund available for, in particular, those schools that experience a quick change in numbers in-year. That is already being recognised. The question is whether, in addition, it makes sense for us to add a small premium to the application fees so that we can further recognise that impact. I believe that that will make a contribution.

Ms Abbott: Is it fair?

Jacqui Smith: In response to my hon. Friend's sedentary intervention, I believe that, like the whole of the proposals, it is fair.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): There is a great deal of detail in the statement and in the document. May I refer to the need for proficiency in the English language, which was mentioned five times in the statement? I welcome and I am grateful for the fact that Welsh and Gaelic will rank equally. There will be provision for assistance for employers to ensure that people are up to speed in speaking English. Will that apply equally to the Welsh and Gaelic languages?

Jacqui Smith: We have taken responsibility, through my right hon. Friend the Secretary of State for Innovation, Universities and Skills, for trebling the investment since 2001 in English for speakers of other languages. I am not sure that I can take direct responsibility for ensuring that there is also provision for Welsh speakers, but, as the hon. Gentleman pointed out, we are clear in the Green Paper that, in communities where Welsh or Scots Gaelic is the language, that should be recognised. I am sure that there will be provision for the Welsh language.

It is also important that, alongside the additional investment that the Government are putting in, employers play their part in helping those people whom they employ, from whose work they benefit and in many cases whom they sponsor to bring into this country, to integrate into our communities by supporting them with English language learning.

Jeremy Corbyn (Islington, North) (Lab): I have to say to the Home Secretary that I am very disappointed by her statement. It is a shame that she did not open by welcoming the fact that we live in a multicultural, multilingual society and the fact that migration has benefited this country culturally and economically in ways that would have been unbelievable to previous generations.

More specifically, if the Home Secretary is insisting that all non-European migrants learn English, what does she propose to do and say about the fact that it would be illegal for her to insist on European migrants learning English? To follow the point made by my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott), why is the Home Secretary expecting non-European migrants in this country to pay for the economic needs of European migrants, who obviously are having a big and often very beneficial effect on our public services and our society? Can she not be a bit more inclusive and note the fact that we live in a multicultural, multilingual society?

Jacqui Smith: I am sorry, but my hon. Friend appears to have missed the first sentences of my statement, in which I said, "Britain is a tolerant and fair-minded

[Jacqui Smith]

country. The British public know that carefully managed migration brings great benefits for the UK—economic, social and cultural."

My hon. Friend makes a point about the difference between the conditions of those who are coming from outside the EU and those of people who come from within. Of course, it is a good thing if those coming from within the EU are also supported to learn English, which helps them to integrate in communities. This condition is not some sort of punishment for people. If we want communities in which people can feel safe and secure and in which they can play their full part—I believe that my hon. Friend wants that as well—helping them and expecting them to speak our language are key parts of that.

There are different legal statuses for those coming from within the EU and from outside it, but I made it clear that I think that employers have a role to play and that there is probably more that the Government can do to encourage the learning of English among those coming from within the EU as well as those coming from outside.

Mr. Gerald Howarth (Aldershot) (Con): Is not my right hon. Friend the Member for Haltemprice and Howden (David Davis), the shadow Home Secretary, absolutely spot on when he says that this is a gimmick by the Government—a panic response to the huge public concern about the tidal wave of migration over which the Government have presided for the past 10 years?

Can the Home Secretary give us answers on how she intends to restore public confidence and deal with illegals? How does she intend to expedite the decision-making process? My community does not contain a high proportion of migrants, yet in Aldershot I have people who were served with deportation notices five years ago and are still in the country. How can we have confidence in a Home Secretary who fails to deal with such matters?

Jacqui Smith: The hon. Gentleman will not be surprised to hear me say that I do not agree with him that his right hon. Friend the shadow Home Secretary was right. We are taking a serious and long-term approach to reform of the immigration system, following on from reform of the way in which we ensure that those who come here will benefit through the points-based system, and from a new approach to protection and policing the system. Given that the hon. Gentleman belongs to a party whose Members, in Committee, opposed the doubling of the resources that we intend to put into enforcement action, it is a bit rich for him suddenly to criticise the considerably improved enforcement action that we are putting in place. The third stage of the reform is the way in which, in the long term, we make sure that the path to citizenship in this country reflects the values that we share. I am surprised that he does not support that approach.

Mr. Denis MacShane (Rotherham) (Lab): Did my right hon. Friend see the reports over the weekend that more Poles are leaving Britain now than are coming in? To treat fellow Europeans on a par with other immigrants is not right, because if the 800,000 British immigrants in Spain were to return home overnight, the pressure put on our social services would be extremely serious.

On the fee question, it is little more than we all pay at the frontier if we visit Egypt or Turkey. I welcome it as a gesture by people who come here to settle permanently, to show solidarity with the community they are joining. My right hon. Friend's statement is reassuring, which is important. The Opposition's language this afternoon has been intolerant, bordering on xenophobic.

Jacqui Smith: Obviously, I welcome my right hon. Friend's comments. He recognises the different legal status of those who come from within the EU and those who come from outside it, which I tried to explain earlier. I believe that some of the principles can apply to both groups, but I welcome his sensible and thoughtful words.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Home Secretary's Green Paper says that

"Migrants are on average net fiscal"

—I think she means financial—

"contributors",

presumably after the impact on public services is taken into account. Has she provided any evidence to meet the view that migrants are a drain on public services? If not, how can she justify an extra tax on such migrants, who are net contributors? Is not that just prejudice-based policy, rather than an evidence-based policy?

Jacqui Smith: We have provided to the House of Lords Committee reviewing this matter detailed information on the fiscal contribution made by migration. We know, however, that there is a transitional impact on communities from high levels of migration, and it is to manage that impact in the short-term that we are proposing the funds. It is important that we respond and make sure that the system maximises the significant economic, social and cultural contribution that we know migration can make, and minimises its impacts. That is what we propose to do through the range of reforms that we are making to the immigration system.

Gwyn Prosser (Dover) (Lab): I am able to give a broad welcome to the Home Secretary's statement. I certainly acknowledge the dramatic difference that the new border controls have had in constituencies such as mine. However, firmness must always be balanced with fairness. Does my right hon. Friend agree that in many of the cases that we deal with, whether they be immigration cases or difficult asylum cases, it is enormously important that we balance firmness with compassion? Will she ensure that her Ministers consider such matters, so that we do not undermine all the good work that is going on at the surface?

Jacqui Smith: My hon. Friend is right. Fairness is a fundamental part of the system, and it is to ensure that we are both clear and fair in the decisions that we make about those who come into this country and how they progress through the system that we are proposing not only the changes to the path to citizenship set out in today's Green Paper but the radical simplification of the law. People deserve to know that decisions are being made quickly, fairly and transparently, and that is what we are attempting to deliver.

Mr. Henry Bellingham (North-West Norfolk) (Con): Like my right hon. Friend the shadow Home Secretary, I support many of the proposals, but will the right hon. Lady now answer one of his questions: what will be the costs of this package? Also, can she tell the House how many failed asylum seekers there are in the UK and how many will be deported next year?

Jacqui Smith: This is, of course, a Green Paper. Part of our work will be to examine the costs of the proposals as we build on them. On the hon. Gentleman's second point, because of the improvements that we have made, we are now processing asylum seekers through the system far more quickly and more effectively, and the figures on asylum seekers coming into the country are at historic lows.

Mr. David Burrowes (Enfield, Southgate) (Con): Despite changes to the application process, citizenship ceremonies in my council, Enfield, are often rendered meaningless by applicants' lack of command of basic English. What assurance does the Green Paper offer that the system will be improved?

Jacqui Smith: I am glad that the hon. Gentleman believes, as I do, that citizenship ceremonies can play an important part in welcoming people to the UK. It is precisely because we feel that being able to speak English is an important part of becoming part of our community that we are proposing not only that highly skilled and skilled workers gain English language qualifications before they arrive in the country, but a requirement at the point at which they enter the probationary citizenship period to progress in English language skills, before moving on to full citizenship.

Sir Peter Soulsby (Leicester, South) (Lab): I very much welcome the recognition again today by the Home Secretary of the enormous benefit that Britain as a whole and constituencies such as mine have gained from those who have chosen in recent decades to make their home in this country. They have enriched our community in every aspect of our lives.

My right hon. Friend will, however, be aware that there is still considerable concern about the backlog of immigration and nationality cases to be dealt with by her Department. Although much improved, there is a long way to go. Can she assure the House that none of the proposals in the Green Paper and the accompanying statement today will exacerbate those problems? Will she assure us that the progress being made towards giving certainty and clarity to people who are already in the country and want to bring their relatives here to settle will be maintained, so that the uncertainty and resulting distress are minimised?

Jacqui Smith: I can assure my hon. Friend that the improvements to processes that we have seen in recent years will continue. Furthermore, the simplification of the law on immigration will ensure even more certainty and fairness in the future.

Michael Fabricant (Lichfield) (Con): The hon. Member for Leicester, South (Sir Peter Soulsby) talks about the backlog, and we know that there are about 500,000—perhaps more—illegal immigrants in the United Kingdom. Although I have some interest in the Home Secretary's idea of probationary citizenship—she rightly says that if people commit a crime they will be expelled, whereas the process will be accelerated for those who do good work—how can we be assured, when she cannot even say how much the system will cost, that those who commit a crime will, in fact, be expelled and will not simply add to those 500,000 people residing illegally in the UK?

Jacqui Smith: The hon. Gentleman is confusing a range of different matters. We have massively improved performance on decision making on asylum cases. Last year, we deported from this country a record number of foreign national prisoners and we shall double the resources that we put into enforcement activity.

I am sorry, Mr. Speaker, but I was wrong earlier. The Conservatives did not oppose the doubling of the enforcement budget; they just sat on their hands and abstained.

Dr. Julian Lewis (New Forest, East) (Con): I remember my immigrant grandparents telling me how difficult they found it to master the English language. I believe that the reason that they managed to do it was that they had to. Does the Home Secretary, who rightly emphasises the importance of mastering the English language, agree with Trevor Phillips and others, and will she therefore give the authority of her office to a condemnation of those agencies and local authorities that insist on translating documents and other papers into the languages of the countries that people have left, rather than helping them to master the language of the country that they have chosen to come to? Will she give a definite indication that that practice must stop?

Jacqui Smith: My right hon. Friend the Secretary of State for Communities and Local Government has made it clear, as have I, that we probably should refocus resources from translating into supporting people to speak English. That is why we have trebled the support for English for speakers of other languages since 2001 and why we are clear that being able to speak English should be one of the requirements for citizenship, as that will help people to integrate better into our society.

Criminal Justice (Raves)

1.20 pm

Mr. Christopher Fraser (South-West Norfolk) (Con): I beg to move,

That leave be given to bring in a Bill to amend the Criminal Justice and Public Order Act 1994 powers in relation to illegal raves.

Last July, I had an Adjournment debate on illegal raves, in which I described how devastating raves can be for farmers, local residents and the surrounding environment and wildlife. I know that Members on both sides of the House have, like me, received heartfelt complaints from constituents about raves held in their area. This is not just about Norfolk; it is an issue that affects rural communities across the country. My constituents have told me about the appalling mess that those attending raves can leave, including syringes and other drug paraphernalia and even human excrement. Farmers have told me of terrified animals, unbearable noise levels for hour upon hour through the night, and the impact of the antisocial behaviour of rave attendees.

The Government have talked tough on antisocial behaviour, and we have seen the introduction of numerous initiatives designed to tackle antisocial behaviour on our streets and in our towns, but what about our rural communities? Farmers in the country have to endure hundreds of trespassers entering their land in convoys of 50 or more vehicles, rubbish strewn over their fields and drug use on their land. There is huge damage to the environment and property. The clean-up and repair costs reach into the thousands. That cannot be a fair way to treat people who are trying to make an honest living. The countryside is not a theme park, and its residents have every right to protection under the law.

I want to make it clear that I and other Members have not been raising this issue in such a persistent way in order to be killjoys, or to deny others pleasure and fun just for the sake of it. I am sure that those who attend these unlicensed events enjoy themselves enormously, but that enjoyment comes at a very high cost to those living in the area. This is not a victimless crime.

There are excellent venues for licensed live music events—High Lodge in Thetford forest, for example—where people can enjoy concerts that are properly and safely organised. Unlicensed music events have nothing to do with the altruistic values of young people. They are hugely profitable to the organisers, who employ a get-rich-quick formula that tramples on the rural economy. Costs are minimised, no tax is paid and there is no regard for anyone, or for anything but profit. Even if no charge is made for people attending a rave, money changes hands for drugs and alcohol. Rural communities must deal with the terrible repercussions, week in, week out. Last week, it was the village of Weeting in my constituency that suffered. This is simply not fair.

The problem lies in the inadequacy of current police powers. The police in Norfolk are working extremely hard to tackle raves. They are gathering intelligence on organisers, and collaborating with neighbouring forces in order to pool resources. However, the police are looking to the Government to allow them to be more proactive. The Criminal Justice and Public Order Act 1994 gives the police powers to direct those preparing for a rave away from a site, and to remove any vehicles or property that they may have with them. These powers are not enough.

Despite the distress that an unlicensed music event might cause to local residents, or the damage that it might do in rural areas, the existing definition of a "gathering" stands in the way of appropriate policing in rural areas. The law seems to suggest that because loud, continuous music is disturbing only a relatively small number of people in a rural community, it is acceptable. If successful, my Bill would expand the definition of a rave to address that issue. It would create two new offences: of organising a rave, and of transporting sound equipment for use at a rave. People convicted of organising such events would face a tough penalty, providing a strong deterrent. In short, my Bill would make it much easier to prevent raves from happening in the first place.

The police have told me that they have the necessary intelligence on regular organisers, but that can be frustrating because it is not an offence to organise a rave. I shall illustrate that point. Last week, riot police were called out to disperse more than 1,000 revellers as they congregated in my constituency. More than 100 police officers, with dogs and a police helicopter, were used. The operation was, to Norfolk constabulary's credit, successful. However, I dread to think how much it cost. Norfolk police are already struggling with a tight financial settlement, without needing to spend an exorbitant percentage of police funds on stopping raves. Under the Bill, the police could have used the intelligence that they clearly have in order to arrest organisers and seize equipment before the event happened.

During my Adjournment debate last year, the Minister was genuine in his support for local residents who suffer the effects of raves, but what positive action has been taken since then? The Minister passed my comments to the sub-group on raves, which has been set up by the Association of Chief Police Officers working group on public order. It has now been six months since that took place, and I have heard nothing more.

In the light of the fact that little progress seems to have been made on this issue since last summer, I am pleased to present my Bill to Parliament in the belief that, if successful, it will make a substantial difference to the lives of those affected by raves. Members of the National Farmers Union and of the Country Land and Business Association have expressed their support for what I am doing, for which I thank them. I now urge the Government to lend their support, so that the police can have the powers that they want, and so that local people can feel protected from this persistent and destructive form of antisocial behaviour.

The Bill's sponsors come from across the House, which indicates just how widespread the problem is. I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Christopher Fraser, Sir Paul Beresford, Mr. Laurence Robertson, Sammy Wilson, Mr. Humfrey Malins, Mr. Julian Brazier, Dr. Tony Wright, Mrs. Siân C. James, Mr. David Drew, David T.C. Davies, Mr. Dai Davies, and Bob Russell.

CRIMINAL JUSTICE (RAVES)

Mr. Christopher Fraser accordingly presented a Bill to amend the Criminal Justice and Public Order Act 1994 powers in relation to illegal raves: And the same was read the First time; and ordered to be read a Second time on Friday 6 June, and to be printed [Bill 69].

Business of the House (Lisbon Treaty) (No. 4)

Motion made and Question put forthwith, pursuant to Order [28 January].

That the Order of 28th January be further amended as follows: in the Table, in the entry for Allotted Day 5, in the third column:

(a) for '4 ½ hours' substitute '3 hours', and

(b) for '1 ½ hours' substitute '3 hours'.—*[Mr. Alan Campbell.]*

Question agreed to.

Treaty of Lisbon (No. 5)

[5TH ALLOTTED DAY]

[Relevant document: Third Report from the Foreign Affairs Committee of Session 2007-08, Foreign Policy Aspects of the Lisbon Treaty, HC 120-I.]

Mr. Speaker: I inform the House that I have selected the amendment in the name of the right hon. Member for Richmond, Yorks (Mr. Hague). I also inform the House that I have placed a seven-minute limit on Back-Bench speeches, in order to allow as many Back Benchers as possible to be called.

1.28 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I beg to move,

That this House approves the Government's policy towards the Treaty of Lisbon in respect of provisions concerning foreign, security and defence policy.

Today, we have an opportunity to debate the EU's common foreign and security policy and the improvements to its delivery as a result of the Lisbon treaty. The idea of European foreign policy—it was first called "political co-operation"—goes back almost to the foundation of the European Economic Community in the 1950s. It was given new life in the 1980s and then enshrined in the Maastricht treaty of 1992. It was all but broken by the Balkan wars of the 1990s, so I think it appropriate that, as we discuss the foreign policy aspects of the Lisbon treaty, it should again be on the western Balkans that European eyes are fixed. With your permission, Mr. Speaker, I will say a little about this particular case, which illustrates the value of the common foreign and security policy, before going on to address the detail of the changes envisaged by the treaty.

On Monday, the Government announced their decision to recognise the Kosovo assembly's declaration of independence. We did so confident that Kosovo's accession to independence in this way is entirely consistent with UN Security Council resolution 1244, which also continues to provide a sound legal basis for the NATO and EU missions in that area.

The situation on the ground in Kosovo remains calm, but yesterday there was an attack on two border posts in the north of the country. NATO forces intervened robustly, dispersing the crowd and taking control of the crossings. Nobody was hurt, but it is important that we all underline that violence by any side is unacceptable. The Government are concerned by suggestions that some in the Serb Government think that the attack was justified. The atmosphere in Serbia is more tense. Demonstrations in Belgrade on Sunday night inflicted serious damage on the Slovenian embassy, but subsequent demonstrations have passed off without trouble. A mass rally is being planned for Thursday and, to their credit, political leaders in Serbia have called for it to be peaceful.

The Government's approach has been to promote discussion and dialogue until it was clear that there was no way to bridge the gap between Belgrade and Pristina and in those circumstances to seek the full implementation of the Ahtisaari plan; and to emphasise the need for a regional approach that offers economic and political support to all the countries of the western Balkans.

Mr. Bernard Jenkin (North Essex) (Con): May I put it to the Foreign Secretary that, important as these matters are, they are not directly relevant to the scrutiny of the treaties that we are discussing? If he wants to make a statement on these matters, he could do so outwith the time for this debate, instead of taking time from Back Benchers who are limited to making seven-minute speeches because he has designed the timetable of the Bill to grandstand on these occasions for his own benefit instead of replying to points put to him by Back Benchers on matters pertaining to the treaty.

Mr. Deputy Speaker (Sir Alan Haselhurst): Before the Foreign Secretary replies, I should say that if anything irrelevant to the debate had been heard, the Chair would have intervened earlier.

David Miliband: I assure the hon. Gentleman that in the time that he has just taken, I could have concluded the relevant section of my speech.

Fourteen other European countries have joined the UK in recognising Kosovo, as have the US and six others.

Mike Gapes (Ilford, South) (Lab/Co-op): Will my right hon. Friend say something about today's reports that hundreds, if not thousands, of Serbian paramilitary or police officials are being sent into the area around Mitrovica? If that is the case, will he send a positive statement about the future of Serbia and its association with the European Union to try to—*[Interruption.]* Conservative Members obviously do not think this important, but this is in Europe's heartland and it is important that we in Europe are able to assess the situation and do something to help the people of that region.

Several hon. Members *rose—*

Mr. Deputy Speaker: I am sorry to have to intervene a second time on the issue of relevance, but if we pursue that line we will be moving away from the main theme of the debate. Enough has been said on that subject, so the Foreign Secretary should proceed with his speech.

David Miliband: Thank you, Mr. Deputy Speaker.

I was going on to say that the framework that Sir John Major agreed at Maastricht has, with some improvements, helped the European Union not just in the Balkans, but further afield, too. That is why I am clear that some of the amendments tabled by Opposition Members, which would attack the foundations of common foreign and security policy and European security and defence policy, put ideology before logic. In a world with shared challenges requiring co-ordinated responses, CFSP and ESDP are crucial aspects of our response.

Today, we work with or through the EU on many foreign policy issues. I and the Government believe that we are stronger for it and the world is better for it, too. In the last 12 months, for example, the EU has imposed sanctions on Iran and Zimbabwe beyond those imposed by the UN; mobilised more aid for Palestine than ever before; put 2,000 troops on the ground in the

Democratic Republic of the Congo in support of the UN; found €54 million for Iraq; provided financial backing for the African Union mission in Darfur; deployed a stabilisation force to neighbouring Chad to protect refugees from the crisis; delivered emergency aid in Pakistan; and shown genuine solidarity with us over Litvinenko, the closure of British Council offices in Russia and Iran's seizure of UK naval personnel.

Mr. William Cash (Stone) (Con): The Foreign Secretary referred to a number of amendments and I am happy to admit that I tabled some of them for a very good reason. Would he accept that, although proper co-operation can be achieved within the framework of an organisation such as the European Union, there is a world of difference between that co-operation and the degree of co-ordination being established within a legal framework, which has been accompanied by mistakes such as those seen in the disarray over a whole raft of matters from Iraq and Kosovo's standing to many others, where the EU is demonstrating that it cannot meet the challenges that he mentioned?

David Miliband: I believe that the legal framework is being established to strengthen the co-operation that the hon. Gentleman says he supports. Whatever our different views about Iraq, I do not think that the situation there can be put at the door of the European Union.

For the future, we need a European Union not as an alternative to UK foreign policy, but as one means for its implementation. That is why the Government have set out their vision for a global Europe and why we support aspects of the treaty that seek carefully to enhance the existing common foreign and security policy.

Mr. Greg Hands (Hammersmith and Fulham) (Con) *rose—*

Sir Malcolm Rifkind (Kensington and Chelsea) (Con) *rose—*

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab) *rose—*

David Miliband: I give way to my hon. Friend first.

Ms Smith: Is it not the case that the Lisbon treaty does not promise to develop any policy to rival NATO politically or militarily?

David Miliband: My hon. Friend is absolutely right. Some specific references have been added in respect of NATO, which give added assurance to those willing to look into the issue with an open mind that the development of European policy can complement NATO rather than rival it.

Sir Malcolm Rifkind: I agree with the Foreign Secretary that when western European countries genuinely agree with each other on some matter of vital foreign interest, it is highly desirable and beneficial that they should work together. However, will not he agree, on reflection, that his statement yesterday that the cobbled-together EU statement on Kosovo showed "clear political leadership" by the European Union was absurd? The issue of Kosovo showed the deepest division on a common foreign policy issue since the divisions on Iraq. He does no service to the genuine desire for European co-operation when he describes a failure to achieve European agreement as if it were a success.

David Miliband: I am surprised to find myself disagreeing on this point with the right hon. and learned Gentleman. It would only have been a failure if it were for the European Union to recognise the new country of Kosovo. There are divisions within EU countries about whether or not to recognise Kosovo, but it is a matter for individual countries to decide. The matter at hand for the EU is not about recognition and I am sure that he would agree with me that it would be quite wrong to move into a world where the EU starts recognising countries when it is in fact a responsibility of member states. In matters that are the responsibility of the EU—first, the deployment of a European mission; secondly, the partnership arrangements between all the countries of the western Balkans; and thirdly, the ultimate objective of EU membership—there should be and is European cohesion.

Sir Malcolm Rifkind: Does the Foreign Secretary not realise that he is compounding his own foolishness in this respect? How can he seriously argue that a coherent European policy on Kosovo can be achieved when many EU countries have recognised it as an independent state but the remaining EU countries still consider it to be part of Serbia? How can that provide the basis of a common European foreign policy?

David Miliband: Fifteen countries, including the UK, recognised the new country of Kosovo within 72 hours of its creation. I would be happy to lay a wager with the right hon. and learned Gentleman that in due course many more European countries will recognise it. We will see if one or two do not recognise it, but as I explained, it must be a matter for individual nation states to decide on recognition. He is only compounding his error, if I may say so, by confusing the responsibility of the European Union with the responsibilities of nation states.

Mr. Jenkin: I am grateful to the Foreign Secretary for giving way to me again, but on that basis, on whose authority did Javier Solana, the high representative of the European Union, visit Kosovo yesterday and announce that it is a good friend of the EU? Of course that does not constitute legal recognition of the independent status of Kosovo, but it is tantamount to it, and demonstrates the dynamic that the high representative gives the foreign policy under which, as he said, 15 states have recognised Kosovo. Is the Foreign Secretary in favour of qualified majority voting on that basis?

David Miliband: I am sorry that the hon. Gentleman, who studies these questions carefully, should destroy his own argument in seeking to make it. Mr. Solana's visit was on the back of the agreement of the 27 to the statement made at the European General Affairs and External Relations Council on Monday, and was all the better for that. Whatever one's view of the timing of

[David Miliband]

recognition, the idea that the European Union should not be a friend of Kosovo strikes me as very odd indeed.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Is it not bizarre that Opposition Members should first complain that European Union countries, including ours, are drilled and forced into agreeing with each other on some issue, and then complain that they are not being drilled in that way? Does that not demonstrate a huge absence of consistency and intelligence among that lot over there?

David Miliband: As ever, my right hon. Friend speaks with precision and accuracy on these matters, and I entirely agree with him. Unfortunately, the laughter of Opposition Members suggests that they do not recognise the ridiculous position in which they have put themselves.

Mr. Denis MacShane (Rotherham) (Lab): I had the privilege, if that is the right word, of being the Minister responsible for the Balkans for five years. We welcome the presence of European Commissioners, Mr. Solana and everyone else in Pristina and all the related lands, and the idea that there should be any criticism of that strikes me as absurd. However, ever since the treaty of Lisbon has been up for debate, I have been told repeatedly that it meant a common foreign policy that would wipe away the autonomy of the nation states of Europe. Spain has just said "Whoa! We cannot agree to recognise Kosovo." Where is this steamroller telling the nation states of Europe what their policies should be? The Conservative party is in Alice in Wonderland country.

David Miliband: My right hon. Friend is entirely right. Let me proceed with the details to show exactly why that is.

The treaty does not, repeat not, change the fundamental nature of common foreign and security policy co-operation. That continues to be covered in a separate treaty, subject—as is stated in the treaty for the first time—to "specific rules and procedures". The treaty includes an article—again, it appears for the first time—underlining those distinct arrangements: unanimity as the general rule so a veto for all countries, no legislative acts, and a limited role for Community institutions.

The Foreign Affairs Committee, whose Chairman, my hon. Friend the Member for Ilford, South (Mike Gapes), is present, has welcomed the fact that it is

> "highly likely that, under the Lisbon Treaty, the Common Foreign and Security Policy will remain an intergovernmental area, driven by the Member States."

He is right about that. The European Scrutiny Committee—its Chairman, my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), is not present at the moment—has said that

> "the largely intergovernmental nature of the CFSP and ESDP will be maintained, with no significant departures from the arrangements which currently apply".

What the treaty will do is enhance the efficiency, effectiveness and coherence of the current arrangements.

Mr. Mark Harper (Forest of Dean) (Con): Will the Foreign Secretary give way?

David Miliband: If the hon. Gentleman will let me make some progress, I shall be happy to allow him to intervene as I go through the details.

The treaty will make the European Council responsible for setting the EU's strategic priorities for all external action, thereby underlining member states' lead responsibility for setting the EU's foreign policy. It will strengthen the coherence of the EU's external action through a high representative, appointed by Heads of State and Heads of Government and straddling the work of the Commission and the CFSP.

Mr. James Clappison (Hertsmere) (Con): Will the Foreign Secretary give way?

David Miliband: I will give way to the hon. Gentleman when I reach the end of this passage.

The treaty will bring together existing Commission and Council officials, augmented by member state secondees, into a single external action service to support the high representative, whose work will be governed by 27 nation states, and it will set clear objectives to guide all areas of external action.

Several hon. Members *rose—*

David Miliband: I will go through each of those four areas. Members can intervene now, or they can intervene as I do so.

Mr. Harper *rose—*

David Miliband: It is up to the hon. Gentleman to decide whether he wishes to intervene now or later.

Mr. Harper: The Foreign Secretary said earlier that the EU's foreign policy would complement that of this country. I know he believes that our relationships with both NATO and the United States are key to our foreign policy, so why does the document presented by the Slovenian presidency and published by the Foreign and Commonwealth Office on the EU's external relations make no mention of either of those relationships? They were mentioned in the document produced by the last presidency, but have been expunged from this one. That does not sound very complementary to me.

David Miliband: I refer the hon. Gentleman to the details in the treaty that have been added precisely in respect of NATO, for example. For the first time, a treaty will be peppered with references to NATO, which I hope will bring a smile to his face as well as to mine.

Gordon Banks (Ochil and South Perthshire) (Lab): The Foreign Secretary has listed a number of aspects of security policy in the treaty. Will he tell us what is NATO's take on the ESDP, and also whether he considers European common defence policy or NATO to be the cornerstone of Europe's future defence?

David Miliband: Jaap de Hoop Scheffer, the Secretary-General of NATO, has made clear his welcome for the increased capability envisaged in the treaty, but also for the EU's ability to complement NATO activity. It is in those areas that we should see progress. Although the cornerstone of our defence is NATO, I believe the development and effect of the ESDP can help us to make that progress.

Several hon. Members *rose—*

David Miliband: May I deal with the details of those four areas before I give way? There will be plenty of opportunities for Members to intervene later.

Let me deal first with the establishment of the position of high representative. At present there are two separate roles. The high representative works for the member states, while the External Relations Commissioner works for the Council. In addition, the Foreign Minister of the member state holding the six-month rotating presidency—currently Slovenia, as was pointed out by the hon. Member for Forest of Dean (Mr. Harper)—is responsible for chairing the ministerial meetings. That can be confusing, so the Lisbon treaty merges the roles into a new job, which will give the EU a more coherent voice internationally.

Article 13a of the Lisbon treaty sets out the role and responsibilities of the proposed high representative. He or she will chair the Foreign Affairs Council and ensure effective implementation of the decisions made. He or she will also represent the agreed position of the EU on common foreign and security policy matters, conducting political dialogue—again, when there is unanimous agreement on an EU position—with third parties. He or she will also be able to set out the agreed EU position in international organisations and at international conferences.

Mr. Cash: Does the Foreign Secretary accept that the problems in practice begin to emerge when a joint action plan is agreed on the basis of unanimity, but that is followed by a move to qualified majority voting?

David Miliband: I will come to the relationship between a specific request from the European Council—the Heads of Government—and an implementing measure presented by the high representative. I assure the hon. Gentleman that I will address precisely that point, but this is not quite the right moment to do so.

As for what we said in the Convention, to which the Opposition motion refers, we make no apology for asking searching questions. We were right to do so, and moreover we received answers.

The high representative will be the servant of the Council of Ministers on CFSP matters. He or she will be appointed by national Governments, and will be responsible to them through the Council. The high representative will be able to propose new CFSP initiatives, but in addition to rather than instead of member states, and it will still be the Council—representing the 27 countries of the EU—rather than the high representative that makes decisions. In short, Britain will continue to decide on its own foreign policy, and where we agree with others in the EU, there can be a common European role in helping to deliver it.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Should not the House be given the details of the position taken by the Government in the European Convention on the constitution in respect of clauses that are identical in the Lisbon treaty? When I raised the matter with the Leader of the House during business questions about 10 days ago, she graciously appeared to accept the point. She said that she would contact the Foreign Secretary and ask him to table, for the purpose of future debates, the position taken by the Government in the European Convention on clauses that are now in the Lisbon treaty, which we are about to debate. Has he done that? Has he discussed the matter with the Leader of the House, and if not, why not?

David Miliband: I am sorry if this has not been transmitted to the right hon. Gentleman, but the details of all the Convention discussions are available on the Convention's website. There is no hidden agenda in this respect. I assure him that there is a very clear answer to his question.

Mr. Lilley: The Foreign Secretary is a comparatively new Member of the House. There is a convention that Government documents reflecting Government policy are tabled in this House, so that we do not have to go through the Convention website line by line and download them all.

David Miliband: Although I am extremely new to this House, I know that we table documents that are relevant to the treaty and legislation that we are discussing. We do not table documents to do with historic discussions and treaties that are no longer on the table.

Mr. Clappison: I think that the Foreign Secretary will find that the clear answer to which he just referred is that the Government did not want the two posts to merge. Apart from the change of name, is there any difference in substance between what was envisaged in the original constitution—a Union Minister for foreign affairs—and the high representative envisaged in the Lisbon treaty? What is the substantive difference, apart from the name change?

David Miliband: There are several differences. I hope that I will not bore the hon. Gentleman, but I want to read out two new detailed and important treaty articles that might directly address his fears.

Mr. MacShane: Slowly.

David Miliband: I shall read them very slowly, if that would help my right hon. Friend.

The following two articles are new text. New article 10C states:

"The common foreign and security policy is subject to specific rules and procedures."

That has never been said before. It continues:

"It shall be defined and implemented by the European Council and the Council acting unanimously, except where the Treaties provide otherwise. The adoption of legislative acts shall be excluded...The Court of Justice of the European Union shall not have jurisdiction with respect to these provisions".

[David Miliband]

New article 240a states:

"The Court of Justice of the European Union shall not have jurisdiction with respect to the provisions relating to the common foreign and security policy nor with respect to acts adopted on the basis of those provisions."

In other words, it is not just a matter of the name of the foreign Minister or otherwise; the treaty differs in a range of ways from the proposed constitution, which was abandoned by the 27 Governments of the European Union last June.

Mr. Clappison: I shall put this next question slowly for the benefit of the right hon. Member for Rotherham (Mr. MacShane). What is the difference between the posts of Union Minister for foreign affairs and high representative? Where is the difference in what the person is going to do?

David Miliband: The difference in the posts is that the precision with which the new treaty defines the role of the nation states in governing the Council's decisions addresses very directly some of the concerns about the original proposals that existed on both sides of the House. The hon. Gentleman will see in treaty language, clearly enunciated—

Mr. Mark Francois (Rayleigh) (Con): There is nothing different.

David Miliband: When I say there is something different and the hon. Gentleman says from a sedentary position that there is nothing different, I do not understand how we can come to a meeting of minds. The difference is that the treaty is different, and given that we are debating the treaty, I do not know how we can avoid recognising that.

Mr. Francois: The Foreign Secretary has lost that one.

David Miliband: No, I think that the hon. Gentleman has just lost the House. *[Interruption.]*

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The posts are different. They differ in the relationships in respect of the Council and the Commission. The Foreign Secretary is discussing the narrow treaty provision, so will he just help me a bit in relation to NATO, about which he says the treaty contains special mentions that were not in place before? If the talk about France rejoining NATO fully is correct, some people might be concerned that the new dynamics would be that the EU positioned itself in such a way as to have a right of veto over NATO decisions. Is there anything in the treaty that would allow that to happen?

David Miliband: No. NATO is rightly governed by the rules of NATO and the European Union is governed by the rules of the European Union. Although Conservative Members suggested in a rather mocking tone that I had been foolish to allow my hon. Friend to intervene, I agree with the first part of her remarks about the two posts being different.

Let me move on to qualified majority voting. As has been the case since Amsterdam, there is scope in this treaty to take some secondary and implementing decisions by QMV. In addition, when proposals are explicitly and unanimously requested by the European Council from the high representative, they can be decided by QMV, but the treaty makes it clear that there must be a specific request, by unanimity, from the European Council. It remains to be seen whether any of the provisions for QMV will be used—despite having had QMV for operational purposes in common foreign and security policy for 10 years, it has not been used once. In addition, the emergency brake mechanism can of course be used if the UK's vital interests are affected by a decision that is about to be approved by QMV.

Jeremy Corbyn (Islington, North) (Lab): The Foreign Secretary is discussing the general point about CFSP and the views taken by the Union. The Union has a relationship with Russia, which strongly objects to national missile defence being placed in Britain, the Czech Republic and Poland. That clearly has implications for the whole continent. What competence does the European Union have in this regard? Does it have any? Does he expect it to have any if it is to have a common foreign policy?

David Miliband: That goes to the heart of the difference between a European Union foreign policy that is complementary to national policies and one that substitutes for them. The issue of ballistic missile defence is a bilateral rather than multilateral one.

Common foreign and security policy remains intergovernmental and in a separate treaty. Importantly, as I explained to the hon. Member for Hertsmere (Mr. Clappison), the European Court of Justice's jurisdiction over substantive CFSP policy is clearly and expressly excluded. As agreed at Maastricht, the ECJ will continue to monitor the boundary between CFSP and other EU external action, such as development assistance. But the Lisbon treaty considerably improves the existing position by making it clear that CFSP cannot be affected by other EU policies. It ring-fences CFSP as a distinct, equal area of action.

Joan Walley (Stoke-on-Trent, North) (Lab): I would be grateful if the Foreign Secretary could give a little more clarification about how the new way in which policy will be defined links to the ideas put forward by the Oxford Research Group about sustainable security and the need to move from a paradigm of defence and control to one where we examine the issues of international development and, specifically, climate change. Will he tell us how that will be examined in the new Lisbon treaty arrangements?

David Miliband: I am afraid that my hon. Friend has all but floored me with her reference to the Oxford Research Group—I have not read its manifesto or recent research publication, although I clearly need to do so.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Cameron's outfit.

David Miliband: Perhaps my hon. Friend and I can both read the publication and then compare notes.

My hon. Friend the Member for Stoke-on-Trent, North (Joan Walley) will know that debates have taken place in this House about the changes introduced by

the treaty in respect of sustainable development. She will also be reassured when the national security strategy is published, because it will take a broad look at these issues, rather than a narrow one.

Mr. Cash: The Foreign Secretary referred to the exceptions where the ECJ has a role, and I accept, as the European Scrutiny Committee said, that the role is limited. Under the Bill he is excluding the CFSP from implementation into English law. How will he reconcile that with the fact that, in those limited circumstances, the ECJ will, through the European Communities Act 1972, have an impact on British law? Can he reconcile the two positions?

David Miliband: I want to do so. The hon. Gentleman caught me halfway through my explanation of the ECJ's role. The ECJ has a consequential role in respect of two aspects. It will monitor the boundary between CFSP and other EU external action, such as development assistance. As I was saying, the Lisbon treaty considerably improves the position by ring-fencing CFSP.

There is a judicial gap in a second area; it exists in respect of sanctions on individuals. Individuals subject to economic sanctions can already challenge them in court if they believe that their rights have not been respected. The treaty extends that provision to CFSP sanctions measures. That is an important part of ensuring that EU sanctions regimes are robust and credible. That consequential role of the ECJ does not infringe on our country's laws in the sort of way that the hon. Gentleman fears.

Mr. Cash: Unfortunately, the Foreign Secretary's Bill excludes CFSP from implementation into UK law. It follows that if the ECJ were to make decisions in the areas granted to it, it would be impossible to reconcile what the ECJ has the power to do under the treaties and what the Bill says.

David Miliband: I do not accept that those things are impossible to reconcile because they are doing different tasks. The treaty is clear about the limits on the ECJ's role, not least in respect of policy, but it recognises that the ECJ must have a consequential role in the two areas that I described. I am happy to correspond with the hon. Gentleman further about the issue—*[Interruption.]* It is suggested that I do not correspond with him further, but I would be happy to do so.

The Lisbon treaty also establishes an external action service to support the high representative. It does not alter the responsibility of member states or the nature of CFSP decision making, but it will reorganise Commission and Council secretariat staff and include seconded staff from member states. All of this can deliver benefits in terms of more effective co-ordination. It will improve the policy advice to the Council by aligning EU external spending with the political priorities set by the member states in the Council. In post-conflict situations, it offers the chance to improve the EU's ability to deliver coherently by improving co-ordination of a range of conflict prevention, crisis management and stabilisation tools.

Mr. MacShane: Since 1973, under successive Governments, Britain has sent some of its best brains from different Departments—not just the Foreign Office—to work in Brussels, and they have done a good job for Britain. I know that my right hon. Friend is under huge budgetary pressures, but I urge him to see what he can do to ensure that as the external action service develops Brits help to shape it, in both Europe's interest and British interest, which I believe genuinely coincide.

David Miliband: Mt right hon. Friend makes a good point. I can assure him that when it is in the interests of the individuals to gain experience from the EAS we will want them to do so. It is an important way forward.

Mr. MacShane: Send some Tories.

David Miliband: We are happy to send people of any political stripe to the EAS, although I do not know whether Tories would want to go. We can address that question another time.

I am happy to confirm the Government's continued commitment to UK presence on the United Nations Security Council. Like every hon. Member, I support that presence: we argued for clarity in the Convention and the treaty to safeguard that position, and nothing in the treaty will undermine it. Only sovereign states can hold seats at the Security Council and the EU is not a state, and will not become one. Under current arrangements, the President of the EU and the high representative sometimes already address the Security Council, if they are invited to do so, but that does not make them members nor negate our membership. As the Foreign Affairs Committee has said, the treaty

"will not undermine the position of the UK in the United Nations system nor the UK's representation and role as a Permanent Member".

For the sake of completeness, let me now turn to three aspects of European security and defence policy, on which we asked searching questions in the Convention to defend our position. The first is permanent structured co-operation. One of the UK's priorities on defence—in both the EU and NATO—is to get our partners to shoulder more of the international security burden and to get them to develop the right capabilities and provide the right sort of forces so that they can help to tackle the security challenges that we face. The treaty includes a new provision—permanent structured co-operation—focused solely on developing EU member state capability in line with those aims. To become a member of permanent structured co-operation, EU member states will need to commit to a higher level of capability development. The prospect of membership will, we hope, encourage member states to develop the sort of deployable, flexible and sustainable forces for which we have been calling.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Many of us who have served in the armed forces, including myself, are concerned about the development of a European defence force and how that would work in conjunction with NATO. Can the Secretary of State give an example of when NATO might be used or when a future European defence force might be used? In all the conflicts and theatres in which I was involved, there was no unanimous agreement on action in Europe. I can see a situation in which there is a call for a European force that cannot be answered, partly because the forces are double-hatting in NATO, but also because unanimity will never be achieved.

David Miliband: The hon. Gentleman makes an important point, but inherent in it is a significant correction to what some of his hon. Friends were saying earlier. He used the word "unanimously", and the troops would be deployed only on the basis of unanimous agreement. He raised the spectre that the EU would not be able to perform an important task because unanimous agreement would be required before any forces could be deployed under PSC. It is a significant point, but it is right that unanimous agreement should be achieved before forces are deployed, and I think that he would agree with that.

I do not wish to anticipate future conflicts, but the ESDP is involved in 13 missions at the moment, which gives some indication of where it is going. I know of the hon. Gentleman's service in the armed forces and it is, of course, respected on both sides of the House.

Mr. Ellwood: If I may illustrate my point from my own experience, the problem is the one that we had in Bosnia. The EU was there for peacekeeping and monitoring, but when things got tough no one was willing to do the fighting. My worry is that if unanimous agreement is required, we will not send troops anywhere, because the member states will discuss the issue and never come to a resolution. We will have to fall back on the United States as a back-up, which leads to the conclusion that we should retain NATO as the structure and not even try to play around with an EU defence force.

David Miliband: The hon. Gentleman will agree that the first step is to build up capabilities. The purpose of permanent structured co-operation is to incentivise capability development. When the capabilities are in place, the decision on how to deploy them can be made. I do not disagree that NATO should be the first resort for the sort of missions that he describes, but I disagree that we should not even try to develop a European capacity to complement the work of NATO.

Mr. Henderson: Is not the reality that there are some circumstances in which it will be far more appropriate for NATO to become involved, usually when there is a north American influence or interest? In other circumstances, where there is still a serious issue to be faced and with a specific European interest, as in Chad, for example—[HON. MEMBERS: "Chad?"] There is a serious situation in Chad that needs to be addressed and there are many European Union interests involved. It would be better for the EU to provide a combination of forces for that situation, rather than NATO.

David Miliband: Yes.

Mr. Nicholas Soames (Mid-Sussex) (Con): I am in favour of European co-operation on these matters, where possible, but will the Foreign Secretary acknowledge that whatever people may think is the case, the truth is that outside the NATO structures there is little capability for peacekeeping, almost no capability for peacemaking and no capability whatever for war fighting?

David Miliband: I think that the hon. Gentleman would agree that, beyond France—and we could debate exactly where it fits in his schema, although it does have those capabilities—which is outside NATO for these purposes, capabilities are severely limited.

I shall move to a conclusion with two final points about defence. There are changes to the mandate because the treaty expands the list of tasks that ESDP can undertake. The treaty also commits member states to offer assistance in the event that another member state is the

"victim of armed aggression on its territory".

That means that EU member states that are not members of NATO are now committed to the defence of their European partners.

The treaty is in Britain's interest because it will make the EU's common foreign and security policy much more efficient, and it will give greater coherence to our actions and those of our partners on the global stage. In short, it will make the EU a more serious foreign policy player, not to the detriment of British foreign policy, but to our advantage. I say to Opposition Members that it is no good supporting European action around the world and then tabling amendments that would make it more difficult. The European Union is vital to tackling the global issues we face today. A more effective European Union is in our interest, not contrary to it. The treaty acknowledges that, and gives us the tools to create a vital and effective common foreign and security policy. I commend it to the House.

2.8 pm

Mr. William Hague (Richmond, Yorks) (Con): I beg to move, To leave out from "House" to end and to insert instead thereof:

"disapproves of the Government's policy towards the Treaty of Lisbon in respect of provisions concerning foreign, security and defence policy; notes that those provisions are in large part identical to those in the European Union Constitution; further notes that the Government publicly opposed many of those provisions at the Convention on the Future of Europe; believes that the Government was right to oppose those provisions; regrets the Government's change of policy; and believes that the consequent increase of the European Union's powers over foreign, security and defence policy at member states' expense is not in the national interest;".

It was our contention, when the timetable for debating this Bill was discussed three weeks ago, that the vital areas of foreign policy and defence merited at least two separate days of debate, and I suspect that it will be clear, both from the uncertainty surrounding these issues and their importance, that far more time should have been given to them.

At the outset, let us be clear that the foreign, security and defence provisions of the EU treaty provide a classic illustration of how closely the treaty now before us mirrors the EU constitution, usually down to the smallest detail. The Foreign Affairs Committee, which has, of course, a Labour majority, concluded in its report that

"there is no material difference between the provisions on Foreign Policy in the Constitutional Treaty which the government made subject to approval in a referendum and those in the Lisbon Treaty on which a referendum is being denied."

No rational person could come to any other conclusion. The similarities are overwhelming: the existence of the high representative, the renamed Foreign Minister, and the simultaneous membership of the European Commission for the person holding that post; the appointment of the high representative by qualified majority voting; the extension of QMV to proposals made by the high

representative and the design of the EU diplomatic service; the creation of the new EU foreign policy fund; the requirement on Britain and France to invite the high representative to present the EU's case at the UN Security Council when a common position has been determined; the creation of a single legal personality for the EU; and a series of defence commitments, including a mutual defence commitment and so-called permanent structured co-operation.

All those points, which are the subject of our six-hour debate today, were in the EU constitution and are in the EU treaty. Indeed, some were among the aspects of the treaty that made it a constitutional treaty in the opinion of the former Foreign Secretary, who is now the Lord Chancellor, the right hon. Member for Blackburn (Mr. Straw). He told the House that the creation of an EU Foreign Minister, as well as an EU president, were points that were

"central to the European constitutional treaty, and of course I see no prospect of their being brought into force, save through the vehicle of a constitutional treaty." [*Official Report*, 6 June 2005; Vol. 434, c. 1001.]

It is as clear in foreign policy as it is in any aspect of the treaty that if the Government were possessed of any honour or honesty in living up to their manifesto commitments, the people of this country would be permitted the referendum that they want and deserve.

Gordon Banks: On that point, is the right hon. Gentleman still of the same opinion that he was in 1998, which was that referendums eroded the democratic process in the UK?

Mr. Hague: I am of the opinion that when all the parties in the House have committed themselves to a referendum, that referendum should be granted. That makes this case wholly different from any previous case from 1998, 1992 or whenever else. In the general elections that preceded those occasions, no party had committed itself to a referendum on the European treaty. In this Parliament, every party committed itself to a referendum on a European treaty. The Government cannot therefore mount any credible argument that a difference in the provisions in the treaty from the provisions in the constitution absolves them from their referendum commitment. They can argue instead only that the provisions are relatively unimportant or are small improvements—that would seem to be the gist of the Foreign Secretary's case—that would not merit a referendum in any case.

That argument, however, comes up against three major problems. The first is that it is generally agreed by observers who set out to be impartial that in this area the treaty makes important changes. The Foreign Affairs Committee of our own House noted that

"the Government risks underestimating, and certainly is downplaying in public, the importance and potential of the new foreign policy institutions established by the Lisbon Treaty, namely the new High Representative and the European External Action Service."

Last week, Mr. Andrew Duff, who is the leader of the Liberal Democrat MEPs, said:

"The Treaty has large potential and a dramatic impact in the field of common foreign and security policy."

Secondly, it has emerged that important decisions about how exactly the foreign and defence provisions will be implemented are being held back until ratification in this country, in particular, has been completed. The decisions, for instance, about the role of the president of the European Council in foreign policy and the roll-out of the EU diplomatic service, as well as those about the nature of the all-important structured co-operation in defence, will only be taken later, according to the leaked memo from the Slovenian presidency written on 16 January, when they will no longer be subject to the scrutiny of this Parliament, let alone the people of this country. Those decisions are clearly of huge importance. Indeed, there is a prospect that the scene is being set for a serious turf war between the president of the Council and the high representative—not a clever thing to build into any constitution, and not something that suggests that their roles will be unimportant.

The third difficulty for the Government in making their case is that the changes on foreign policy and defence brought in by the treaty were important enough for the vast majority of them to have been strongly opposed by the Government. The background to that is that for many years there has been instinctive agreement across the House about the relationship of the European Union to foreign policy. The Foreign Secretary gave voice to some of this in his speech. We have all been in favour of member states of the EU working together on foreign policy issues on an intergovernmental and consensus basis. The need to do so in the years to come—for instance, hopefully, in relation to the Balkans and in dealing with the foreign policy challenges presented by Russia—is clear. In common with the Government, we wish that there was a more effective and forceful unity of foreign policy approach from EU members.

Mr. MacShane: Will the right hon. Gentleman give way?

Mr. Hague: Let me complete this point first. An intervention from the right hon. Gentleman is always something to savour and look forward to, so I shall come to him in a moment.

Across the House, we wish that the approach to foreign policy of EU members had a more forceful unity in facing up to Iran's development of nuclear weapons capability and the crimes of regimes such as those in Zimbabwe and Burma. There is no hostility to the co-operation of member states as nation states on a wide range of important issues. As the Foreign Secretary rightly said, that can be a means of implementing our foreign policy here in Britain. The vast majority of us in this House, including the Government, have always opposed the introduction of treaty changes that increase the role of the EU at the expense of member states and of institutions that go beyond supplementing co-operation and supplant it with supranational decision making.

Indeed, there is almost British consensus that institutional change is not only irrelevant to an effective common foreign and security policy but can even be a substitute for it or a distraction from it. That was clear from the evidence given to the Foreign Affairs Committee on this subject, some of which makes interesting reading.

Mr. MacShane: I am grateful to the right hon. Gentleman, who stressed the importance of unity on the question of Russia. Will he explain to the House why the Conservative party and right hon. and hon. Members colluded with Mr. Putin and the Kremlin to

[Mr. MacShane]

try to install one of Mr. Putin's henchmen as president of the Council of Europe against the wish of all the other centre-right parties in Europe?

Mr. Hague: The right hon. Gentleman is making an extraordinary accusation when he says that we have been colluding with Mr. Putin, whom we have never met. I have to tell him that it was provided for in the arrangements for the presidency of the Council of Europe that the position would be taken by a socialist. One of the people who argued that the Russians should take the presidency was, as I understand it, the leader of the Labour delegation and former Deputy Prime Minister, the right hon. Member for Kingston upon Hull, East (Mr. Prescott). The right hon. Gentleman's accusations against the Conservative party are rather misplaced.

Mr. Edward Davey (Kingston and Surbiton) (LD): The right hon. Gentleman says that he is in favour of co-operation within the European Union on foreign policy, and that is clearly welcome. Does he propose any measures to ensure that co-operation is easier and that the potential for co-operation is enhanced?

Mr. Hague: That brings me exactly to the points that I wanted to make about the evidence given to the Foreign Affairs Committee. It is an interesting set of evidence for the House.

Professor Hill of Cambridge's centre of international studies told the Committee that

"institutional change has too often been a substitute for change at the level of policy and a willingness to grasp the nettle of difficult decisions...Whenever there is a problem in European Union foreign policy, the instinct is to say, 'Let's invent some new procedure'."

Professor Whitman of the university of Bath similarly said that

"historically a lot of effort has gone into the procedure rather than the policy."

He went on to tell the Committee that he thought that

"the CFSP could carry on working quite happily without the changes that are in that treaty."

A dazzling array of Labour Foreign Secretaries—past and present—drove that point home to the Committee. The noble Lord Owen expressed the view that the EU spent too much time on institutional development and press relations, whereas the best way to strengthen EU foreign policy was

"practical success on the ground."

The Foreign Secretary's predecessor, the right hon. Member for Derby, South (Margaret Beckett), dealt briskly with the argument that, as she put it,

"if the European Union cannot get an agreement"—

on the treaty—

"there will be a huge crisis and...the EU will no longer be able to function".

Not so, she said:

"the last few months have shown that that is not actually so. The EU is functioning and has, indeed, reached some quite far-reaching decisions".

I rather agree with those Labour Foreign Secretaries and academic experts that the concentration of EU and foreign policy should be on practical agreement and grasping difficult issues rather than trying to change the rules.

Mr. Davey: I am grateful to the right hon. Gentleman for giving way again. Does he agree that the treaty's changes on common foreign and security policy are so modest for the very reasons that he has just set out?

Mr. Hague: The hon. Gentleman had better take that up with his colleague Mr. Andrew Duff. As I mentioned a moment ago, he said that the treaty would have a "dramatic impact" in the field of common foreign and security policy. I know that the Liberal Democrats are having some disagreements about how to vote on some of these matters, so perhaps they can resolve that one at the same time as they resolve the others.

Ms Gisela Stuart: I am sure the right hon. Gentleman agrees that some changes need to be made. The history of the Iraq invasion shows that the Council of Ministers never talked about that country, which thus shows that there is a flaw in how the EU discusses foreign policy issues. Does he think that any of the proposed changes would be positive?

Mr. Hague: I do not think it would have been necessary to pass this treaty for the Council of Ministers to be able to discuss the situation in Iraq. I suspect that the Council did not discuss Iraq because it would have been too difficult for its members to reach any agreement on it. I recommend that the Council take the advice of the Labour party's illustrious former Foreign Secretaries and concentrate on reaching practical agreement rather than on changing the rules.

In fact, the present Foreign Secretary has said that the EU's actions on climate change have done more to show the relevance of the EU than any amount of institutional tinkering. I agree with him on that as well, and indeed the Opposition are in full agreement with that view. There is probably near unanimity in the House about it, so it is even less defensible that the Government, from the Prime Minister down, instead of standing up in the negotiations for their well-founded preference for practical delivery over increasing the EU's powers through institutional change, should have rolled over and agreed to the profound changes and increases in the EU's powers that we are discussing today.

That is why there was complete agreement in this country when the Government said that they had a "red line" and that there must be no intrusion into Britain's right to an independent foreign policy. The fact that Ministers have secured a "declaration" attached to the treaty that makes clear our rights in foreign policy shows both the importance that they attach to foreign policy and their belief that the treaty intrudes in that area. It as a pity, to say the least, that the legal adviser to the European Scrutiny Committee should consider the existence of that declaration, as opposed to a protocol, to be legally meaningless, but it is instructive that Ministers felt that a declaration had to be made.

It is an illustration of the consensus that has existed in the House for many years that almost every provision in the treaty that concerns foreign policy has been opposed by Ministers at one time or another. It is now the Foreign Secretary's job to put a positive gloss on everything that his predecessors opposed in the Government's name. He now says that they were asking "searching questions"—a phrase that recurred throughout his speech this afternoon—so let us look at some of the "searching questions" that they asked.

In the first place, the Government were opposed to the EU Foreign Minister or high representative also being a member of the European Commission. As the former Foreign Secretary, the right hon. Member for Blackburn, who is now the Secretary of State for Justice, said:

"We would have preferred to have explicit separation of those two posts."

That is a bit more than a question, although perhaps not very searching. At the same time, Ministers were trenchantly opposed to the idea that the proposals made by the EU Foreign Minister should be agreed by QMV. In December 2003, when he was still Foreign Secretary, the present Secretary of State for Justice also said:

"QMV on proposals made by the Union's Minister for Foreign Affairs is simply unacceptable".

Is "simply unacceptable" the tone of a searching question? I do not know what things are like in the former Foreign Secretary's house, but when my wife tells me that something is "simply unacceptable" it is not a searching question but something much more emphatic. The right hon. Gentleman also said:

"We made it clear that common foreign and security policy is an inter-governmental matter, and must be established unanimously."

Yet that "searching question" was cast aside. The article to which he was objecting is in the treaty, and it was in the constitution. The difficulty with it is obvious, as is the reason that the Government opposed it. The Council could unanimously ask the EU Foreign Minister to present a proposal, with Britain's agreement; but if the proposal was unsatisfactory to the British Foreign Secretary, the EU Foreign Minister would then find that that unsatisfactory proposal was subject to QMV. The Government evidently shared our fears about that, but they capitulated.

The Government capitulated again over the creation of the European diplomatic service, or external action service. When that service was proposed, the then Minister for Europe, the right hon. Member for Rotherham (Mr. MacShane), said in a written answer:

"We believe that it remains for EU member states to organise their respective bilateral diplomatic services at the national level."—[*Official Report*, 23 January 2003; Vol. 398, c. 226W.]

I am delighted that he is present to be reminded of his version of a "searching question". It clearly stated the Government's policy that they were not in favour of a European external action service.

Mr. Soames: Is my right hon. Friend aware that the Foreign Office has already nominated 25 people to work in the European external action service, even before the treaty has been signed?

Mr. Hague: Yes, although it is right that British nominees should take part if the service is established. When the right hon. Member for Rotherham referred to the "best brains" being sent, he was rather giving a hint that he would like to sent to one of the service's ambassadors, as the phrase is, one that he would certainly like to apply to himself. However, my hon. Friend makes a good point. The EU is sometimes in the habit of setting up institutions before it has the full legal authority to do so. The service should not be established or recruited to before the treaty has been ratified by Parliament.

Yet the Government have now agreed to the creation of such a service and to its rules on diplomatic and consular protection being determined by QMV, even though they used to be opposed to all of that. The Government's opposition was deep and long standing: as recently as last June, only days before the treaty was signed, the Foreign Secretary's immediate predecessor, the right hon. Member for Derby, South, fought a spectacularly unsuccessful last-minute rearguard action against the creation of the external action service. She reportedly said that the creation of such a service could be seen as "state building" and that Britain was opposed to it.

How can it be that the creation of the service was sufficiently alarming to the Foreign Office for the Foreign Secretary of our country to make every effort to stop it even at the final hour but, when the Government caved in and agreed to it, it became something that was no threat at all and a matter that Parliament did not need to worry about?

At the same dinner in Brussels at the Foreign Affairs Council that preceded the Lisbon summit, the right hon. Lady the former Foreign Secretary also made a last-ditch effort to prevent the EU Foreign Minister or high representative from becoming the permanent chairman of the meetings of Foreign Ministers. Again, if that is of no account, why did the Government go to such lengths to try to prevent it? Is it the present Foreign Secretary's position that his predecessor was wrong to try to prevent those things? Was she only asking "searching questions" when she declared her opposition at the last minute?

Then there is the matter of representation at the UN Security Council. Once again, the treaty carries the exact language of the constitution, saying:

"When the Union has defined a position on a subject which is on the UN Security Council agenda, those Member States which sit on the Security Council shall request that the High Representative be invited to present the Union's position."

The Government's approach to that was unambiguous. When the right hon. Member for Neath (Mr. Hain) put forward the Government's views to the European Convention drafting the constitution, he argued that that entire paragraph should be struck out altogether. He said:

"The UK cannot accept any language which implies that it would not retain the right to speak in a national capacity on the UN Security Council."

Another "searching question": the UK could not accept the paragraph and wanted it struck out. Having got nowhere with that argument, however, the Government instead proposed another amendment that suggested that the EU Foreign Minister could only make a request

[Mr. Hague]

to speak on behalf of the EU. Overruled on that "searching question" as well, the Government simply gave in completely.

To be fair, the Foreign Affairs Committee has said that the provision allowing the EU high representative to speak at the UN Security Council would make little difference to current practice, and the Government of course have stated their agreement with that view. However, if they were confident that it made no difference to current practice, why was their initial hostility to the idea so emphatic and repeated? Presumably it is because they saw it as the thin end of a wedge.

Subsequently, of course, it has turned out that, while the Government have been resisting that wedge, the Prime Minister has appointed to the Foreign Office a Minister who is the wedge himself. The noble Lord Malloch-Brown said on 2 October 2006 that the European Commission would eventually represent the EU and the United Nations as the voice of all member states, adding:

"I think it will go in stages...It's not going to happen with a flash and a bang",

but

"as quickly as possible."

That is not the Government's policy, but it is the policy of one of their members. As Lord Malloch-Brown sees himself, to use his own words, as

"the older figure, the wise eminence behind the young Foreign Secretary",

and as the Prime Minister saw fit to make him the Minister with responsibility for UN reform, who knows where it might lead?

Mr. Cash: My right hon. Friend is giving a brilliant exposition of the position. Does he agree that the context is legal personality? In the case of trade, the mechanics of trading arrangements are effectively made over to the EU. That is exactly the intention behind the arrangements with regard to foreign policy and the high representative.

Mr. Hague: I think that that is the intention of many of the drafters of the constitution that has become the treaty. It may not be the intention of members of the Government, although it is certainly the intention of one.

That brings me to paragraph 3 of article 48 of the treaty, which allows the Council to move to qualified majority voting in any of the remaining areas covered by unanimity, including foreign policy. That means that the extension of QMV to foreign policy embodied in the treaty could be taken much further without any other treaty having to be negotiated or ratified. It is almost needless to say that that provision, too, was opposed by the Government. The right hon. Member for Rotherham, if I may mention him again, said:

"We think that a self-amending constitutional treaty does not make a lot of sense",—[*Official Report, Standing Committee on the Intergovernmental Conference,* 20 October 2003; c. 20.]

but it turns out that that is now part of the treaty.

Mr. MacShane: The right hon. Gentleman is extraordinarily kind. We have Rotherham connections. In an article in the *Financial Times,* the Conservative MEP Caroline Jackson said:

"On the continent, the Conservatives now have a bad reputation (rapidly getting worse) for crass and offensive behaviour".

That is not true of the right hon. Gentleman in the House, although it is true of the Conservatives on the continent. Does he not agree that in the treaty, any move to the so-called passerelle depends, again, on unanimity? He is cherry-picking bits of the treaty but not reading them across. He is a great speaker, but a poor lawyer.

Mr. Hague: I am only pointing out that there are many aspects of the treaty to which the right hon. Gentleman was opposed. If I am picking cherries, they are cherries at which he took aim in the past and which he was happy to try to rip from the tree himself. He says that extension is subject to unanimity. Of course it is, and the Government have said that they will submit any such extension to a vote in Parliament, but the Foreign Affairs Committee drew attention to the inadequacy of that commitment, saying:

"We further recommend that all amendments to the Treaty, including extensions of qualified majority voting, should be done by primary legislation and not simply by a vote of the House."

That is right because the only restraint on Governments of either party in the agreement of European treaties has been the need to pass primary legislation through Parliament. That must apply to the amendment of treaties, too, unless the rights of the House are to be reduced yet again, in this case by reducing debate on changes in the governance of Britain to a matter of a few hours, instead of requiring the passage of legislation through all stages.

Ms Gisela Stuart: Do I therefore take it that any future Conservative Government would commit themselves to introducing a requirement that future moves to QMV be subject to primary legislation?

Mr. Hague: Yes, absolutely, although I hope that the hon. Lady will join Conservative Members in the Lobby to try to insert such a provision in this Bill, so that it is not for a future Conservative Government to carry that out.

It will be apparent from what I have said that the treaty's impact on foreign policy making is more substantial than the Government have conceded, and its potential impact dramatically so. I am conscious of the time, but let me give a final illustration of that—the creation of the new EU foreign policy fund under paragraph 47 of article 1 of the Lisbon treaty. The Government demanded that decisions about the fund should be taken by unanimity but, believe it or not, that was only a searching question. They capitulated, and such decisions will now be made by qualified majority voting, including decisions on what amounts will be contributed by member states. The matter links foreign policy with defence, as the new fund is seen by some to be the first step towards a common defence budget for the EU. My hon. Friend the Member for Woodspring (Dr. Fox) will of course wish to refer to the defence provisions when he winds up the debate, but I want to make clear now our concern about the extent, nature and implication of those provisions.

Mr. Davey: I am grateful to the right hon. Gentleman for giving way; he is being very generous. Can he point to any common foreign and security policy proposals in the treaty that the Conservatives support, or are they against every single one?

Mr. Hague: We think that there is no need for a treaty, particularly when it comes to foreign policy, as I pointed out earlier. The European Council should concentrate on making foreign policy work more effectively, not on changing the rules. The fact that we are against the treaty is clearly the foundation of our position.

Article 1, paragraph 49, of the Lisbon treaty states:

"The common security and defence policy shall include the progressive framing of a common Union defence policy. This will lead to a common defence".

It goes on to establish a new, mutual defence commitment quite separate from that of the NATO alliance. Mr. Deputy Speaker, by now you may not be surprised to hear that the Government opposed all those provisions, with the right hon. Member for Neath arguing:

"Common defence, including as a form of enhanced cooperation, is divisive and a duplication of the guarantees that 19 of the 25 Member States will enjoy through NATO."

It is serious enough to sign a treaty on common defence and a mutual defence commitment in an organisation that does not have the means to fulfil such a commitment, but it is more serious still to sign a treaty that could change the nature of the western alliance without sufficient national debate or forethought. The French Defence Minister has been perfectly frank about that; he said on 19 July last year that the new treaty

"will permit reinforced cooperation, notably in the area of defence, since defence"

in

"Europe will move forward by using a hard core of countries which want to take on their own Security."

The reinforced co-operation to which he refers is the "permanent structured cooperation" referred to in the treaty, designed to allow an inner core of EU members interested in taking forward military integration to do so without the rest.

Yet again, the Government initially opposed structured co-operation, saying that they could not accept the proposal and that it would undermine the inclusive, flexible model of European security and defence policy. Their reasons for being against it were good ones, since permanent structured co-operation would leave those European countries not included in it with even less incentive to improve their military capabilities. By creating what some would see as a European pillar of NATO, structured co-operation could change the nature of the NATO alliance in a way that, in the longer term, would weaken its essential transatlantic character.

Added to that is the introduction of qualified majority voting on the statute, seat and operational rules of the European Defence Agency, an institution already established but on a shaky legal basis—the basis that we discussed earlier. Article 2 of the relevant protocol requires participating member states to co-operate to

"bring their defence apparatus into line with each other"

and to achieve

"approved objectives concerning the level of investment expenditure on defence equipment",

among other things. It is surely part of our role as a nation to make our own decisions on our security needs and defence equipment, and to work in co-operation with European allies, the United States or others as we see fit. If such decisions begin to be circumscribed by the introduction of QMV into the affairs of the European Defence Agency, which will be headed by the EU high representative, who is also a member of the European Commission, there may one day be important consequences, including once again for transatlantic co-operation.

The eventual consequences of such changes will not become apparent until after the treaty has been ratified. The Government appear to be saying as little as possible about British participation in structured defence co-operation until after the treaty has been passed. They have done nothing to inform the nation of the consequences of the changes, or their future intentions. However, we are not talking about small matters. If there is a case for approaching something as vital as the defence of the nation in a different way, that case should be made openly and honestly. The former French Foreign Minister, Dominique Strauss-Kahn, has said:

"The Constitution lays the legal basis for a future European Army."

Romano Prodi has said something similar, yet there has been no such frank assessment from the Government of that or any other aspect of the treaty.

The French Government have said that European defence will be one of the priorities of their forthcoming presidency, so will the Foreign Secretary—or the Minister for Europe, when he winds up the debate—come clean on whether it is the Government's policy to participate in permanent structured co-operation on European defence? They should make that clear before Parliament passes the treaty.

Mr. Ellwood: Does my right hon. Friend agree that there is a difference between peacekeeping and war fighting, and that we heard it confirmed by the Foreign Secretary today that there is unlikely to be any agreement in the European Union on a European force that would be able to undertake either?

Mr. Hague: My hon. Friend is probably right about that. He made that point earlier in the debate to good effect.

Let me summarise the position. The provisions of the Lisbon treaty on foreign, security and defence policy are therefore not difficult to characterise. They are, by common agreement across the House, more substantial than the Government have acknowledged. Although they are described as limited in their implications, even a short analysis suggests that their future implications could be far-reaching. For that reason, they have been, almost without exception, opposed by Ministers during the negotiations on the treaty, and for the same reasons they are opposed by the Opposition today.

Yet the Government have at every opportunity tried to keep Parliament and the public in the dark about the treaty in general, and its provisions on foreign policy and defence in particular. They negotiated in secret. They have tried to cover up the importance of those provisions. Now they are delaying the crucial decisions about how they will work in practice until it is too late for MPs and voters to have any say on the matter at all.

[Mr. Hague]

If the treaty is ratified, only the passage of months and years will inform us whether the assurances of the Foreign Secretary today were to be relied upon, but I suspect that the judgment of time on Ministers, whose complacent advocacy of these proposals has replaced their virulent opposition to them in the recent past, will be very harsh indeed.

Mr. Deputy Speaker: I should remind the House that Mr. Speaker has placed a limit of seven minutes on Back-Bench speeches, which operates from now.

2.42 pm

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): It is a great pleasure to follow the right hon. Member for Richmond, Yorks (Mr. Hague), who demonstrated again today his ability to present a bad case well and with humour. We all listened carefully to what he said, but ultimately the case was not proven.

I begin with an act of apostasy. I am pleased to see that my hon. Friend the Member for Knowsley, South (Mr. O'Hara) is present. In 1975 I campaigned as part of the Huyton Says No campaign, which advocated coming out of the Common Market, as it was then. I arrived in the House in 1986, just after the single European market had been created. The Act had just gone through Parliament. Had I been able to vote on it, I would have voted against it. During the debates on the Maastricht treaty, for the most part I voted against the treaty, mainly on the grounds that it excluded the social chapter. I thought it was wrong to go along with all the treaty's provisions without including the social chapter. However—this is the act of apostasy—I am now minded to support the Government on the Lisbon treaty, and I shall give some of the reasons for that.

The first is that the right hon. Member for Richmond, Yorks and others on the Opposition Benches make a great deal about the similarities between the content of the treaty and the content of what was the constitution. I have no doubt that a large amount of the text was duplicated, but they repeatedly neglect to spell out the difference between a treaty and a constitution. Those are entirely different. A treaty is essentially a formal written agreement between sovereign states, whereas a constitution is a fundamental law—one that determines the fundamental political principles of a Government and the relationship between the branches of Government and individuals. The Lisbon document cannot be a constitution because it does not relate to a specific state. A treaty is an entirely different thing.

The right hon. Gentleman chose his words carefully when he spoke about the Community foreign and security policy. He said that some see it as a retreat from the protection of that under the pillar of the past, but no pillar has collapsed. The Opposition keep repeating their arguments as though they were true, but the truth is different. The right hon. Gentleman and those on the Opposition Benches may not do that deliberately. They probably genuinely believe their arguments, but they have convinced themselves of something that is not so.

The right hon. Gentleman made great play of the high representative for foreign affairs and security policy, but the holder of that position will not be a Union Minister for Foreign Affairs. My right hon. Friend the Foreign Secretary made that clear in his opening speech. Such an office is another fear that is being paraded around which does not exist in reality. It is strongly the case that common foreign and security policy remains the responsibility of member states.

I shall deal briefly with qualified majority voting. With a European Union of 27 member states, the use of QMV is necessary in order to make quicker decisions. Nobody disagrees with that. I do not see that any change that is about to take place in that is a bad thing. It simply reflects changes—

Bob Spink (Castle Point) (Con): The right hon. Gentleman thinks that no one disagrees with that. Is he aware of the ICM poll which shows that 80 per cent. of British people feel that Britain should retain total control of its defence policy, and only 15 per cent. think the EU should be allowed to dabble in that? Does he think those people are deluded or just stupid?

Mr. Howarth: If I have time, I intend to speak about what we can learn from opinion polls.

I welcome the eventual introduction of double majority voting by 2014, which is based on population size and will be much fairer.

I shall deal briefly with the topic that the hon. Gentleman raised. Opinion polls tell us a great deal. An interesting poll was commissioned by *The Sun* and carried out by MORI in September. The poll showed that a majority of people were unhappy about the treaty. Over 40 per cent. of the population were opposed to Britain's continued membership of the European Union. But when one analyses the breakdown by age ranges, those under 55 are less Eurosceptic, and the lower the age range, the less Eurosceptic they prove and the more enthusiastic Europeans they become. The Conservatives have some public support for their position, but they are playing to a segment of the population that is growing older, and younger members of the population do not agree with them at all.

The Conservatives need to think about that—*[Interruption.]* The hon. Member for Macclesfield (Sir Nicholas Winterton) says that that is rubbish. It is not. If he examines the polls, that is exactly what they show.

My final point—*[Interruption.]*

Mr. Deputy Speaker: Order. The right hon. Gentleman should not be disturbed by barracking from a sedentary position.

Mr. Howarth: It is always a pleasure to be disturbed by the hon. Member for Macclesfield.

My final point is that what those polls demonstrate is that instead of this debate, which for the most part has been exaggerated and prone to hyperbole, not least on the part of the right hon. Member for Richmond, Yorks, the debate that we ought to have is the one that the Liberal Democrats suggest. We need a national debate about whether we want to stay in Europe. I think we do. Once we have concluded that debate, the sort of argument taking place in the House will not need to take place on a regular basis.

2.50 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): The right hon. Member for Knowsley, North and Sefton, East (Mr. Howarth) began by parading his history of Euroscepticism; he then explained that he was going to support the Lisbon treaty. It would be better if we saw such open-mindedness in all parties in the House. He has made a judgment on the facts, not on the fantasy.

On the subject of fantasy, I should say that the speech made by the right hon. Member for Richmond, Yorks (Mr. Hague) reminded me of my old scout leader—

Mr. Jenkin: Will the hon. Gentleman give way?

Mr. Davey: No. My old scout leader had a great capacity for telling scary ghost stories around the camp fire, frightening the naive younger cubs, but amusing the informed and experienced. The right hon. Gentleman's speech fooled no one, especially when he was forced to admit that the Conservatives oppose every single measure on common foreign and security policy in the treaty.

A feature of our debates on the treaty has been that the Conservatives have sounded their opposition to everything with great tales of alarm. They have given warnings of doom, like a Dad's Army made up only of Private Frazers. Given our current position on European and foreign defence policies, the Conservatives are about as relevant and useful as Dad's Army—out of touch, not only with Europe, but with NATO and the United States of America.

Angela Browning (Tiverton and Honiton) (Con): I hope that the hon. Gentleman will reconsider his remarks about people, some of whom are still alive, who did this country a very good service during the second world war.

Mr. Davey: The hon. Lady has shown how out of touch she is; I was clearly talking about the programme "Dad's Army", which is a comedy.

As I will show, the Conservatives' position is far worse than merely outdated—it is astonishingly inconsistent and incoherent, as was manifestly obvious when one listened to the gaps between the jokes made by the right hon. Member for Richmond, Yorks. I am happy to make it crystal clear that the Liberal Democrats broadly welcome the treaty's modest changes on common foreign and security policy. Unlike the right hon. Gentleman, I stress the word "modest". Despite the hysteria being whipped up by some, the changes wrought by the treaty involve no new powers for Brussels, but a simple and sensible reallocation of powers between those responsible for that area of policy in Brussels.

Foreign and security policy remains in the control of member states, as it always has been. Britain retains its veto on all key decisions—that is how radical the treaty is on that point.

Ms Gisela Stuart: I urge the hon. Gentleman to be cautious when using the word "modest"; "modest" proposals have a rather strange history. He has talked about the coherence of policy. Will he confirm whether the Lib Dems in Westminster agree with the Lib Dems in Brussels, or whether there is a divergence of opinion?

Mr. Davey: We certainly agree with most of our colleagues in the Brussels Parliament. I am sure that there are members of the Conservative party in the Brussels Parliament who do not agree with those in the Westminster Parliament. However, we will come to that.

The modest changes see the abolition of one foreign policy bureaucrat, a change in the chairing arrangements of one committee and the rationalisation of the management of existing policy levers and staff—real harum-scarum stuff. That is not to say that the changes are not useful and necessary; they certainly are. Why? Because the EU has rightly been criticised, and not only within Europe, for having confusing, inefficient and sometimes even chaotic foreign policy and defence structures. The organisational changes are long overdue and we must hope that they address the problems.

Mr. Harper: On the subject of clarifying confusing matters, can the hon. Gentleman confirm what the leader of the Liberal Democrats has been reported as saying on Fraser Nelson's "Coffee House" blog? He apparently said that he has decided after all to allow his 65 MPs to abstain on the issue of a referendum. Is that true, or will they all be whipped to oppose it?

Mr. Davey: The hon. Gentleman will have to wait and see how we vote on the night. However, what is interesting—*[Interruption.]* One of the interesting things in the treaty in respect of EU developments and procedures is the proposal for constructive abstention; I think that that is a very good idea.

Let us look at the problems of EU foreign and security policy and at the reforms and their benefits more closely. First, there has been the problem that responsibility for driving the EU debates on foreign policy was divided between three people—the holder of the current post of high representative, the Commissioner for External Relations and the six-monthly rotating presidency of the Council of Ministers. Does anyone seriously wish to defend that system? It was confusing enough for Europeans, let alone others from the US or China who wanted to talk to a genuine voice.

The new arrangement is not without its problems; the new president of the Council may try to usurp some status from the newly titled EU high representative, for example. However, when member states collectively and unanimously decide a position, they can now at least entrust the implementation of that decision to a more permanent, professional and coherent bureaucracy—and therefore hold it to account far more effectively.

There was the crazy problem that the policy levers of sticks and carrots—mainly through aid and trade arrangements—were under the Commission and not readily available to the high representative. That created delays even when there was strong political will and consensus. Quick, effective decision making can be essential during crises and the new arrangements give EU Ministers, acting unanimously, the sporting chance of achieving that more easily.

There was also the bizarre situation of the high representative not controlling the Commission's delegations to non-member states, often having to rely on the embassies of whichever country held the presidency for that six months. It was a real hit and miss affair. The European external action service, although largely a rebranding of

[Mr. Davey]

existing EU delegations and offices, once again has the potential to assist the new EU high representative and ensure that the operations are fit for purpose for an integrated EU foreign policy.

We could, of course, talk about many other changes, although I believe that they are even less controversial or substantial. Other speakers have touched on them. I am thinking, for example, of the extension of the operational remit of the EU in common security and defence policy, to take on all the so-called Petersberg tasks—for example, humanitarian and rescue tasks and crisis management, including peacekeeping and conflict prevention. There is also the extension of qualified majority voting in some aspects of the implementation of foreign and common security policy decisions, themselves taken by unanimity. However, as the Foreign Secretary said, that is not in itself novel to the treaties.

Then there is the new article on the United Nations Security Council, which so perturbed the right hon. Member for Richmond, Yorks. The dramatic, the amazing, the quite extraordinary change that that treaty amendment makes is to ensure that when France and Britain have already agreed with our other 25 partners in the EU on a common position, we should, as a matter of course, always ask the Security Council whether the high representative can present the EU's common position. Does that "revolution" mean that Britain will have to stay silent? No. Will it mean that we forfeit our right to vote? No. Will we be excluded from all the back-room, corridor dealings that inevitably precede a meeting of the Security Council? No. It simply means that a policy position that we support gets presented again, with the force of a spokesman who represents 27 member states—only modern-day Conservatives would oppose that minor change that is in our national interest.

Mr. Simon Burns (West Chelmsford) (Con): If all the changes are so minor and modest, why is the hon. Gentleman breaking his pledge, made to his constituents at the last election, on a referendum? Why does he think some of his colleagues will not join him in abstaining or voting against a referendum, but will join the Conservatives to get a referendum?

Mr. Davey: I am not breaking my pledge, because I will be backing a referendum on whether we are in or out. That is the closest question to a referendum on a constitutional treaty.

The constitutional treaty will contain the treaties from Maastricht, from Rome, from Nice, from Amsterdam and from the Single European Act. A referendum on that treaty was in effect an in-or-out referendum, as we said at the time. We are keeping our pledge; the problem is that the Conservatives are trying to pretend that a pledge for a referendum on the reform treaty—a minor amending treaty—in any way meets their proposal. That is because the Conservatives are totally split on Europe. They would not be prepared to go to the people on the question whether Britain should be in or out.

Mr. Burns: Could the hon. Gentleman just for once, and uncharacteristically as a Liberal Democrat, be honest? In his election literature in 2005, did he say to his electorate that he would campaign for a referendum on whether to be in or out of Europe, or did he campaign for a referendum on the constitutional changes, which is a completely different thing?

Mr. Davey: I am not saying that they are exactly the same, and I did not say that. I campaigned for a referendum on the constitutional treaty, which is not the Lisbon reform treaty. Let us be clear about this. The two treaties are 90 per cent. the same. The genetic structures of a mouse and a human being are 90 per cent. the same, but the 10 per cent. difference is significant. If the hon. Gentleman cannot see that, he does himself a real injustice.

Mr. MacShane: Was the hon. Gentleman in the House when the shadow Defence Secretary, who was for about six months the shadow Foreign Secretary, said that, as a doctor, he recognised death when he saw it, and that after the French and Dutch no, the constitutional treaty, as then written, was dead? Now we have the miracle of Lazarus in front of us saying that it has been brought back to life and must be voted on again.

Mr. Davey: The right hon. Gentleman's interventions are always very amusing.

We broadly welcome the Lisbon treaty and the changes in it, but there are inevitably a number of unresolved issues that raise legitimate questions, and I hope that the Foreign Secretary—or his colleague, the Minister for Europe—can address them as they respond to the debate. In seeking those answers, he should not think that Liberal Democrat Members suspect some dark conspiracy is afoot—we just ask him in the spirit of genuine inquiry.

Perhaps the least clear element of the package before us is how the European external action service will work. I hope we can get some clarity on that, as I believe that it has the potential for delivering tangible benefits for UK citizens by increasing the availability of consular assistance while reducing costs to the taxpayer. What chance will this House have to scrutinise proposals for taking forward the European external action service? How will it be monitored in the future? For example, will the European Parliament, or this Parliament, have a role in the overview of its budget? What specific steps are Her Majesty's Government taking to ensure that our own diplomatic service—and the rest of Whitehall, from the Department for International Development to the Ministry of Defence, and so on—can engage fully with the newly structured European external action service, so that UK civil servants play their usual starring roles?

In terms of policy development in the UK now, how will the UK national security strategy be assisted by the new apparatus? Will the European security strategy, which received such a broad welcome, feature in whatever new domestic ideas are under consideration?

Finally, on defence aspects, do Her Majesty's Government have any plans to launch any particular initiatives under the permanent structured co-operation arrangements when the Lisbon treaty comes into force?

I partly single out those arrangements because I have been astonished by how hostile the Conservatives seem to be towards them. Their party argues for a multi-speed Europe; it invented the idea of opting out in Europe. Its

defence spokesman has had the brass neck to attack the proposals for permanent structured co-operation, saying that it

"will allow countries to 'opt-out' of any further defence integration and will create an 'inner-core' of Member-States interested in furthering military integration."

I thought that that was the Conservatives' approach to the European Union. It is simply breath-taking.

Then we come to the inconsistency of the position adopted by the shadow Foreign Secretary. I have been fascinated to see how often he demands or supports action by the EU on one day, but on the next opposes anything and everything that increases the EU's ability to act—he is always willing the ends, and never willing the means. So, on one day, he says, on Russia and the Litvinenko affair:

"We welcome the news that the Government have received strong support for their stance from European Union partners".

Then he says, in opposition to the proposed EU high representative in the Lisbon treaty:

"Our own voice in the world will be less important".

On another day, he says, on Darfur, that Britain

"should also seek to do more through stronger EU action"

but then on another occasion says that an EU diplomatic service is "unacceptable". On Iraq, on one day he will say,

"I am referring to the European Union, alongside the United States, taking measures that go beyond the measures agreed at the UN Security Council. It is time for EU nations to do more."

Yet back in his leadership days, he complained that the then Prime Minister had signed up at Nice

"to an independent and autonomous European identity, with only ad hoc arrangements linking it to NATO...Is it not the case that duplicate and conflicting structures are being set up?"

I am afraid that he is wriggling, writhing and, above all, wrong on those issues.

Perhaps it has something to do with the right hon. Gentleman having three former Conservative Foreign Secretaries sitting with him in Parliament, with 14 years of office between them, who support the Lisbon treaty's foreign and defence policy proposals, and having to reconcile their views with those of his Back Benchers and, often, his Front-Bench spokespeople.

Mr. Burns: On the question of inconsistency, what does the hon. Gentleman say to his senior colleagues, and some junior ones, who perhaps do not have the luxury of a leafy suburb constituency in London but represent seats in the south-west, and who may not be going into the same Lobby as him on a referendum on whether the treaty should be enacted?

Mr. Davey: I would say to them that they should ignore everything that the hon. Gentleman ever says.

It is interesting to read what the Conservative Member of the European Parliament, Caroline Jackson, said this week in the *Financial Times*, when she called the Conservatives' attitude to Europe a "poisonous fungus". She said that they are getting a reputation for bad manners towards their continental allies, and that the time warp of the party's European attitudes has two damaging effects, one being that the right-wing, "nasty" and dogmatic aspects of the party—so off-putting to voters from 1997 to 2005—are still alive; and she makes it clear that she thinks the Conservatives are unelectable until they sort this out.

We are sometimes told that the right hon. Member for Witney (Mr. Cameron) has been searching for his clause IV moment. Some said that he found it, then bottled it, over grammar schools. Yet the truth is that the Conservatives' real clause IV is Europe, and the fact that so few of them realise that shows how far away they are from power. When Lisbon is ratified, as it will be, the debate on EU foreign and defence policy will move on, leaving the Tories beached once more. Yet that debate is crucial. Take Kosovo. Whisper it for now, but the EU may be the secret that unlocks sustainable peace in the western Balkans, with many nations acting together—yes, with their differences, but still able to act together peacefully to help other people on our shared continent through the largest civilian European security and defence policy mission to date.

Take the relationship between the EU's defence initiatives and NATO—one of the Conservatives' bêtes noires. Here President Sarkozy, with his rapprochement with Washington and his clear desire to return France to NATO's structures, is showing leadership that Britain should surely respond to and encourage. The choice that the Conservatives say that we must make in defence policy—either the US and NATO or the EU—has always been a false one, but the new incumbent at the Élysée palace is making that ever clearer. Then take what is perhaps the EU's most significant new strategic relationship for this century—that with China. There is now a steady stream of works attempting to divine what the Chinese think of Europe. Inevitably, it is hardly conclusive, nor should it determine our policy. However, from the perspective of a country the size of China, with the diversity of China, the view that Europe needs to get its act together and speak and act more coherently comes across loud and clear.

In the debates on the amendments, I hope to say more about defence, particularly missile defence, but let me now touch on the most crucial EU relationship of all—that with the US. When we look at the rapidly reducing field of candidates for US President, we can clearly see that the days of a White House full of unilateralist neo-cons have gone. The next US Administration will not seek to conscript a coalition of the willing—it will seek to coax a co-operation of colleagues. Europe must prepare for that.

The many failings of Europe in foreign, security and defence policies in the past need to be addressed, so that we can renew and strengthen Europe's relationship with the US. Yes, that does mean challenging others about their investment in military capacity, but it also means building trust, commitment and structures, so that Europe can be a better partnership. Of course, NATO is essential to that process, but the experience of Afghanistan must surely make those who thought NATO was the unique answer to an EU-US partnership want to review their position. An EU that can agree common positions on foreign and defence policy will be a bulwark and a bolster to NATO.

Indeed, it is through close relationships developed throughout the policy arena within the EU that the chances of building more effective and sustainable alliances will be made stronger, not weaker. The most anti-American

[Mr. Davey]

thing one could do is to reject the proposals before us, and retreat into a balkanised bilateralism that has often failed us in the past.

3.11 pm

Mr. Edward O'Hara (Knowsley, South) (Lab): It is a pleasure to share in the poignancy of the act of apostasy of my right hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth)—a poignancy that perhaps only two lads from Huyton could fully appreciate. I shall do two simple things in this short address: set out what I see as necessary and beneficial developments in European foreign, security and defence policy in the past decade or two, and then move on to the difference that the Lisbon treaty makes.

Even bitter opponents of the European Union will recognise the advantages of being part of the Common Market. What opponents do not always recognise is the corollary: the extent of the commonality of interest that that implies. It extends to responsibility for the protection of those at risk within our sphere of influence and to the defence of common interests.

The Balkan wars of the 1990s demonstrated how weak European Governments were when acting alone, and so the need for a common European foreign policy was perceived, in order to address future crises better. Following the St. Malo agreement of 1998, we saw the agreement of European defence policies at Helsinki in 1999 to support the common foreign policy, particularly through the development of the rapid deployment capability. That is why Europe was able to take over responsibilities from NATO in Bosnia, and to continue work in Congo, Sudan, and the other places in that impressive list of interventions for good cited by my right hon. Friend the Foreign Secretary in his opening address.

In December 2003, the agreement on European security strategy spelled out the main threats to European security, which were terrorism, the proliferation of weapons of mass destruction, regional conflicts, failed states and organised crime. None of those issues is purely military. They all require more than a military response, and they demand a complete rethink of how we deploy civil and military resources to address future threats. Also, importantly, they require maximum collaborative effort, because such threats do not confine themselves to national frontiers.

Such matters give rise to the consideration of defence procurement, rationalisation of the European Union defence industry base and, importantly, interoperability between our forces—hence the formation of the European Defence Agency to break down barriers, to encourage cross-border trade in military equipment and to harmonise the process of research, development and production of weapons and equipment. Such considerations have been made all the more necessary by reductions in defence budgets following the end of the cold war. As previous speakers have pointed out, the divergence of interests between the EU and the USA meant that we could not continue to depend entirely on NATO for European defence and security needs.

We are witnessing a transformation of European forces in terms of their purpose, their equipment and their operation. I was at a conference on this transformation of European forces in Paris about a fortnight ago, and much high praise was given to the European Defence Agency by European defence procurement Ministers and by high-ranking military officers. Indeed, much praise is due to Nick Witney, a Brit—the director who got the EDA off the ground.

What does all this have to do with the Lisbon treaty? Quite a lot. I am one of those who says that the treaty is emphatically not constitutional. It reforms institutions that need reform, specifically in the context of today's debate. The current EU institutions for making foreign policy are inadequate for the collaborative approach. The rotating presidency means a lack of continuity and expertise, which frustrates our American colleagues, for example. The institutional split between the Council of Ministers, which is diplomatic, and the Commission, which is economic, is counter-productive and inhibits partnership work. The reform treaty will improve the situation in a number of ways to allow for positive, more effective action, such as the merging of the jobs of the high representative and the Commissioner for External Relations, and the downgrading of the rotating presidency. It is a myth that the rotating presidency will take away powers from the UK. As was said by a previous contributor to the debate, if that were so, how could Spain and Greece go their own way on Kosovo?

I put the case that collaborative effort is needed to promote and defend common and individual interests arising out of the successful development of the EU, which we all share. I commend the treaty to the House.

DEFERRED DIVISION

Mr. Deputy Speaker (Sir Michael Lord): I now have to announce the result of the Division deferred from the previous day.

On the draft Shropshire (Structural Change) Order 2008, the Ayes were 257, the Noes were 164, so the motion was agreed to.

[The Division Lists are published at the end of today's debates.]

Treaty of Lisbon (No. 5)

Question again proposed.

3.18 pm

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): I must begin with a confession. When I addressed the House on Second Reading, I sought to reassure colleagues who were concerned about the proposed powers of the president of the European Council that they would be exactly the same as those of the current President. In fact, I was wrong: there will be fewer. The President of the European Council currently has a vote, as he is a Head of Government. The new president of the European Council will have no vote in the European Council, so whether we are talking about foreign policy or any other area, the suggestion that the creation of this post will somehow have a new, dramatic and sinister consequence is difficult to substantiate. The individual concerned will not even be able to vote on the matters before the European Council.

The post of high representative is similar. The high representative, like the president of the European Council, will, of course, have influence, but will not be able to vote. Only Foreign Ministers will vote and make the decisions. That must be borne in mind when we try to work out the implications and the overall consequences of the treaty.

Mr. Lilley: The commissioners have no vote when they are in a Council meeting, but I am sure that my right hon. and learned Friend acknowledges that they have immense power, not only to propose measures but to withdraw them and hold them on the table. No one else has that power.

Sir Malcolm Rifkind: I am not referring to the commissioners, but to the president of the European Council. If one seeks a comparison, it would be with the Secretary-General of the United Nations, who has often been handicapped by the Security Council's failure to provide the mandate that he wishes and has therefore been unable to deliver policy.

Mr. MacShane: I agree with the right hon. and learned Gentleman, but does not he realise the damage that he does to the case of Conservative Front Benchers, who for six months or more have been telling us about an all-powerful president of Europe and an all-powerful European Foreign Minister? The *Daily Mail*, *The Sun* and *The Daily Telegraph* report that such monsters are approaching. Yet the right hon. and learned Gentleman claims that, like the Wizard of Oz, they may try to pull the levers but not much will happen unless we, as nation states, agree with them. He needs to have that discussion with his Front-Bench colleagues.

Sir Malcolm Rifkind: I must have that discussion with the right hon. Gentleman, too, because one of the problems that has bedevilled the European Union is that its enthusiasts and its critics resort to hyperbole on almost every possible occasion, thereby damaging both sides of the argument and confusing the British public. That must be borne in mind.

As one tries to work out the claims and counter-claims about the treaty, the British public are entitled to know whether it will fundamentally impede the pursuit of our foreign policy. It is reasonable to ask whether, if the powers had been available in the past 10 years, any of the most fundamental matters on which British policy diverged from that of most of our European colleagues would have been affected. Rightly or wrongly, we went to war over Iraq. Britain would not have been prevented from carrying out that policy if any of the powers had been in force at the time.

Policy on Kosovo divided Europe 10 years ago as it does today, but Britain was not impeded from making its judgment about what the national interest justified. Although we have differences with European colleagues about Afghanistan, our policy would not be impeded if the powers existed. It is important to make that point, or we confuse our electorate, whichever side of the argument we choose to present.

However, my comments are valid only if the Government are frank about not only the European Union's achievements but its failures on foreign policy. Kosovo is highly relevant in that context. Nine years ago, we had agreement, not on going to war but at least on the objective of restoring autonomy to Kosovo. That was the purpose of European policy. The then Foreign Secretary, Robin Cook, was clear about the matter. He said that, after the war in Kosovo,

"nearly everybody inside Kosovo wants independence and absolutely everyBody outside Kosovo does not".

President Clinton said on behalf of the United States that he believed that "autonomy not independence" was required and that

"independence could actually spur more instability".

That was effectively the basis on which the United Kingdom went to war.

I therefore find it unimpressive that the Foreign Secretary spoke this week about a common European position, Europe realising its ideals and Europe working positively, when the emergence of Kosovan independence destroyed the whole basis on which this country entered into combat. I want to make a couple of other comments about Kosovo and relate them to whether there should be a common foreign and security policy.

There is a fundamental difference between a single and a common foreign and security policy. We all know that there will not be a single foreign policy for many generations to come, if ever. However, a common foreign policy is different. Let us assume that the European Union did not exist and that we were not constrained in any way by the EU or its institutions. Notwithstanding that, it would be highly desirable for the countries of Europe to try to find common positions if there was genuine and substantive agreement—not artificial agreement—between them. Whether it was on the middle east, Zimbabwe, Iran, Russia or energy policy, it would be highly desirable, from the point of view of the United Kingdom's national interest, to have allies with whom we could work and present a common position if we were to influence the US, Russia and other parts of the world.

I have no doubt about that, but there are two important caveats if we wish to pursue a common foreign policy. The first is obvious: it must be based on

[Sir Malcolm Rifkind]

unanimity and not on any form of qualified majority voting, not only because that is undesirable in principle and would conflict with our national sovereignty—vital though those points are—but because it would not work. One cannot force a country to pursue a foreign policy that is contrary to its perception of its national interest. The French, the Germans, the Spanish and the Cypriots will not do it, any more than the UK would do it. That goes without saying.

The second point has not yet been made today and it is important. If the Government rightly want to advance common foreign policy, they must do that only when there is agreement on substance, not simply on form. There has been a tendency, not only under this Government but for many years, to go for the lowest common denominator in Europe so that the European Union can say, "We have a common position." We end up with documents, statements and policies that do not add up to a row of beans because they constitute an attempt to create a spurious unity. I fear that the Foreign Secretary's statement yesterday on Kosovo falls in that category.

We all know that Europe is deeply divided about Kosovo. We may disagree about the proportions and how many countries will ultimately recognise Kosovo's independence. However, today almost half the European Union refuses to recognise Kosovo's independence. A statement was produced, and our Foreign Secretary said,

"What you've seen here is clear political leadership from the European Union".

Would not it have been more sensible for the Foreign Secretary to say, "It is disturbing and sad that Europe is deeply divided on this issue, but we've at least established some points of agreement, and we might build on that in the future"? That would correspond to reality. However, instead he fell into the trap that catches people on both sides of the argument: anything European has to be 100 per cent. correct or totally wrong. Consequently, the national interest is not well served.

Mr. Jenkin: Is not the problem the fact that the institutional frameworks that have been created for a common foreign and security policy have led to the expectation that there should be agreement when that is unlikely? We thus end up with charade policies.

Sir Malcolm Rifkind: My hon. Friend may be correct, but the point of aspiring to have statesmen rather than politicians is that they can get beyond that and consider genuine national interest. Whatever the institutional arrangements that may have been created, no one can persuade me—they should not try—that we should require anything other than unanimity on foreign policy. As long as that remains the case, and it must, if we have statesmen governing our affairs, not only in this country but in other European countries, and they want to argue for a common foreign policy on any matter that is important to this country, it should be based on substantive agreement on genuine issues, not on cobbling together some form of words that pretend to a spurious unity.

Mr. Douglas Carswell (Harwich) (Con) *rose—*

Sir Malcolm Rifkind: I am sorry, but I am running out of time and therefore cannot give way to my hon. Friend.

Foreign policy goes to the heart of national sovereignty, which common policy does not preclude. However, common policy must be based on substance, not form. The Government, as well as others, have failed that important and relevant test.

3.28 pm

Sir Stuart Bell (Middlesbrough) (Lab): I am grateful to follow the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) and I share his view on the hyperbole heard from all parts of the House and outside. He rightly spent time on Kosovo and referred to the situation nine years ago, when he may have been much closer to the scene. However, the situation nine years ago is not the situation now. That is the important point that we have to understand and accept, and which has indeed been accepted, not only by the Foreign Secretary yesterday, but by the right hon. Member for Richmond, Yorks (Mr. Hague) in his response.

I agree entirely with the view of the right hon. and learned Member for Kensington and Chelsea on a common foreign policy. It is not possible—it is not in the treaty, nor is it anywhere stated—to have foreign policies based on qualified majority voting. The qualified majority voting principle was introduced in Amsterdam in 1997, on the basis of secondary considerations. The fact that Romania, Spain and Cyprus have not recognised Kosovo shows that it is perfectly right, in respect of unanimity in foreign policy, that each individual state can and does go its own way. I also agree with him on the question of the lowest common denominator. As someone who supports the European Union and has done for many years, I find it sad that it is the lowest common denominator that unites member states.

One subject that has not been mentioned today—I am happy to be the first to get into it—is that it is almost 10 years since 4 December 1998, when the UK Prime Minister Tony Blair met French President Jacques Chirac at St. Malo in what became a defining moment in the development of defence policy. We have had a great debate today, with concerns expressed by the Opposition, on the role of NATO. However, at that summit in 1998 the two leaders resolved the dilemma of the Union's relationship with NATO, declaring that Union security would rest with NATO.

It has been pointed out that President Sarkozy has made some statements about NATO and France getting closer, which would be beneficial. However, Prime Minister Tony Blair and President Chirac agreed at St. Malo not only that NATO would be the defence of Europe, but that there should be some institutional and practical arrangements, to act militarily where NATO chooses not to act. The hon. Member for Bournemouth, East (Mr. Ellwood) made some interesting points about that when he was here, but did not feel that that could happen under the European Union.

However, it was agreed at St. Malo that there would be—and could be—humanitarian and rescue tasks. They could include peacekeeping operations or crisis management, under principles already laid down in

what were known as the Petersberg tasks, to which the Foreign Secretary and the hon. Member for Kingston and Surbiton (Mr. Davey) have referred. The Petersberg tasks were agreed at the Western European Union ministerial meeting in June 1992.

Mr. Cash: My concern is that the hon. Gentleman is forgetting that there is, effectively, a mutual defence clause in the treaty, which prescribes that where one member state is attacked, the others are obliged to provide it with

"aid and assistance by all...means in their power".

That takes the St. Malo position much further. Furthermore, just as, for example, the Germans are not doing the right thing in relation to article 5, with respect to what is happening in Afghanistan, so I fear that duplication with NATO will produce exactly the same kind of results that my right hon. and learned Friend the Member for Kensington and Chelsea mentioned, namely that things will start fragmenting and people will start breaking up the arrangements, which will affect NATO and undermine our overall commitment.

Sir Stuart Bell: There are 21 member states in the European Union that are also members of NATO. In the situation that the hon. Gentleman described, of one member state not coming to the defence of another that was attacked, if he is saying that that is what we should do, that would not go down well elsewhere. He also widens the debate when he talks about NATO in Afghanistan and the relationship with Germany, which is a separate issue. However, I agree that there ought to be stronger representation of NATO forces in Afghanistan from countries other than ours.

Let me return to my central theme and refer again to the points made by the hon. Member for Bournemouth, East, who served in the Army, and the comments by Lord Owen about success on the ground. The European Union's missions over the past few years, to which my right hon. Friend the Foreign Secretary referred, have included police missions—it must be stressed that they were indeed police missions—in Macedonia, Bosnia-Herzegovina, the Democratic Republic of the Congo and Chad. When Chad was mentioned, there was some protest from the Opposition Benches from a sedentary position. Actually, the intervention in Chad, by way of a police mission, was to secure refugee camps. I am sure that the refugees in those camps would not have appreciated the kind of reaction that we have heard in the Chamber today. Also, there have been police missions in Moldova and Ukraine, so the EU has had some positive effect in various parts of the world.

Yesterday, the Foreign Secretary referred to the work of the group of three Union Foreign Ministers, who have been holding talks with Iran on its nuclear enrichment programme. That, of course, had the support of the right hon. Member for Richmond, Yorks. This is another element on which the Union can work together. The point made by the right hon. Gentleman, which is perfectly valid, was that the relationships between the Foreign Ministers of France, Germany and the United Kingdom come from intergovernmental action. That is perfectly right.

There are still pillars within the EU—and the defence policy and the foreign policy—that allow member states to act together, as we have done in relation to Iran. I have already made the point that Spain, Cyprus and Romania declined to recognise Kosovo on the ground that they are independent states within the Union that have their own foreign policies.

Mark Pritchard (The Wrekin) (Con): The hon. Gentleman's example of Iran is not a good one. In fact, it underlines the disunity within Europe on a lot of foreign policy areas. Some EU member states want to extend the sanctions against Iran to financial sanctions while others do not.

Sir Stuart Bell: That is true, but the point I made about Iran was that the actions taken by the three Ministers were intergovernmental within the Union framework. The question of sanctions on Iran is significant, and the time may come—I hope it comes quickly—when the EU and the United States act in concert, because the situation in Iran in relation to uranium enrichment is extremely important. The Foreign Secretary has already made that point.

I want to make a few final points. The foreign policy of the EU has to have certain pillars, and one is to be an ally of the USA and not to see it as a competitor. A lot has been made of relations with Russia in respect of gas and oil, its reaction to the anti-missile missiles, which are coming into Poland and the Czech Republic, and Kosovo. Those important issues must be dealt with between the EU and Russia, but interdependence with Russia must be a major policy plank of the EU.

The EU must not be afraid to seek influence in the continent of Africa, where we have been a colonial power, but where we must seek to use our influence in the interests of the people of Africa in education and health. We must also use our influence with China, which has a role to play in Africa, so that it, too, understands the well-being of the African people and the need for it to play a part in that.

This amending treaty and this foreign policy are seeking to give clear emphasis as to what the direction of the Union is, how other nation states may see the Union and how they may understand that the Union's foreign policy is based on the rule of law, justice and democracy. Those are our values and principles, which we want to project into the wider world.

I hope that the time comes when we can have a debate of the kind that the right hon. and learned Member for Kensington and Chelsea referred to, in which we can see the EU in the round, accept its policies in the round and see that the EU is in the interests of the British people. It is not opposed to those interests, and together we can make for a better world.

3.38 pm

Mr. James Arbuthnot (North-East Hampshire) (Con): I take a simple view on European matters: we are asked to adopt a treaty that brings about a constitution—not just for Europe, but for this country—and we were promised in advance a referendum on that treaty, so it is utterly shameful that the Government should now deprive us of that referendum.

It is all perfectly simple stuff. When politicians make promises, they should keep their word. If they do not do so, there is no point in their speaking at all. Worse,

[Mr. James Arbuthnot]

that brings into discredit the very process of government. Why should people turn out to vote in elections on the basis of manifestos to which, they believe, the very people who wrote them will pay no attention? This is absolutely shameful.

I also take a simple view on defence matters. First, defence is the most important duty of the Government. I find it hard to understand that a duty so crucial should be funded by slightly more than 2 per cent. of our gross domestic product. I shall return to that point. Secondly, the cornerstone of our defence is NATO. Thirdly, if the EU wants to add to the defence provided by NATO, I have no intrinsic objection to that—provided that it does not thereby weaken NATO in any way.

The Defence Committee is conducting an inquiry on NATO and European defence. I have to warn the House that, although everything else that I have been talking about is very simple, the Lisbon treaty is so far from being simple that I doubt whether we shall be able to conduct a deep forensic analysis of its effect on defence, and if we did, I suspect that it would unbalance our report on the future of NATO. We intend to publish that report shortly in advance of the Bucharest summit.

In evidence to the Committee, the Secretary of State said that the Lisbon treaty would not undermine NATO and that its provisions make it quite clear that NATO remains the foundation of the collective defence of its members. That is very good news indeed. The question is, will it turn out to be true? I welcome that assurance, because it is essential that nothing in the treaty adversely affects the very effective military alliance that is NATO, but I hope that the Minister winding up the debate will repeat that assurance unequivocally to the House.

Clearly, the ambition of many in the EU is to give the EU a stronger defence role, and it is true that, in some respects, the EU might be able to bring something to the party that NATO could not—for example, I believe that intervention in Lebanon was much more appropriate for the European Union than for NATO. What I do not understand, however, is why the European Union is so intent on building up a defence role for itself when it is so reluctant to pay for it, to build its capabilities or to deploy troops to Afghanistan, which many EU members voted for.

One of the main problems that NATO has encountered is the huge disparity in spending between the United States and the European members of NATO. Put simply, Europe does not spend anywhere near enough on defence. As a result of that lack of spending on defence, there is now a huge and growing capability gap between the United States and Europe. If we are to continue to be able to operate with the United States and to be a worthwhile ally, we need to address that as a matter of the highest priority. Any means of bridging the gap and encouraging Europeans to invest more in defence and to develop greater military capabilities can only be welcomed.

We are told that the provisions in the treaty on permanent structured co-operation will enable more effective military capabilities to be developed. Will they? I doubt it. What seems to be lacking in Europe is not structures, but the political will to commit to defence. If the Secretary of State or the Minister who winds up this debate could explain to the House how permanent structured co-operation will work in practice and how those provisions will enhance European military capabilities, I would be delighted.

Perhaps the Minister could also explain his understanding of qualified majority voting on permanent structured co-operation. Some people who take a close interest in these matters—after 21 years in the House of Commons, this is my maiden speech on European affairs—believe that it will deprive the United Kingdom of our veto in defence matters. I do not ask for an assurance on that because I do not know how worth while such an assurance would be. It will play out in the fullness of time.

Finally, on European Union-NATO co-operation, the Government have said that the Lisbon treaty will ensure that the European security and defence policy is NATO-friendly. That is jolly good, but at the moment there is little co-operation between the EU and NATO. In fact, there is little communication between them. That is damaging, inefficient and ridiculous. It does not seem to me that the Lisbon treaty adds anything that will improve co-operation between the EU and NATO.

We are discussing defence and security provisions. In practice, the tests will be these: what difference will the treaty make to the practicalities of European defence? Will it improve the military capabilities of the European countries, which lag so starkly behind the United States? Will it assist with the deployability of European forces? Will it lead to greater co-operation between the EU and NATO? These are the key tests, and I have to say that, on each of them, my own answer is: I doubt it.

3.45 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): For the record, I should like to reaffirm my belief that we ought to have a referendum on this matter, because all three parties have promised that we would. My right hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) was trying to explain why the treaty and the constitution were different, and why that made a difference. In answer, I would simply say that, after 30 years of various treaties and something that may once have been called a constitution, we have seen a considerable shift in our relationship with the European Union. We now have a presumption that the majority of our policies will involve a Community method—that is, that the European Parliament will have a role. For that reason, too, a referendum is appropriate.

It is interesting that so many of the treaty provisions on security and defence are enabling measures, because that makes it difficult to have an informed debate on the issues. The hon. Member for Kingston and Surbiton (Mr. Davey) thought that the objections to the treaty were simply scaremongering. When I was listening to the right hon. Member for Richmond, Yorks (Mr. Hague), I suddenly discovered a new emotion. We all know about the Jeremy Paxman test, when he is talking to a politician and wonders why this fatherless creature is doing certain things to him. Listening to the right hon. Gentleman, I found myself wondering why he was making me laugh. He does so not only because he is a very funny speaker, but because he manages to hide the total emptiness behind what the Conservatives are trying

to achieve. I have no idea whether they think that the present arrangements on defence and foreign policy are perfect, or whether there is anything in the proposals that they agree with. All I know is that, whenever he gets up to speak, I find him incredibly funny. That serves a purpose, but we should be cautious, because nothing concrete is coming from that side of the House.

Sir Stuart Bell: Did not the right hon. Gentleman give the game away when he said that he did not want the treaty at all?

Ms Stuart: Indeed, but there are still questions for the Conservatives to answer.

I want to raise a couple of issues about future capabilities, and about the ability of the treaty to achieve certain things. I have some concerns in that regard. When the Foreign Affairs Committee took evidence, one idea that emerged was to acknowledge that foreign policy was now in a separate pillar, that we recognised the intergovernmental nature of the arrangements and that there were certain provisions for movement towards qualified majority voting. For quite a few of us, however, the provisions stretch it to the limit of what I find just about acceptable. We were promised votes in the House on any further changes, but I do not think that single votes will be sufficient. We all know how any Government can just whip through a single vote. I hope that the Government will make a commitment to introducing primary legislation, as a safeguard, should there be any further movement towards QMV in foreign, security and defence policy.

That brings me to my next issue, which is parliamentary oversight. Let us take as an example the external action service. I again refer hon. Members to the Foreign Affairs Committee's report, in which we list a number of questions that have so far gone unanswered. Where is the accountability for the further movements? Will there be parliamentary oversight of those movements? I suspect that there will be European parliamentary oversight, because there is an increased movement towards the European Parliament exercising such oversight, but not oversight by national Parliaments. We need to be careful about what is being done in our name, and to take part in shaping these changes at the time, rather than responding to them afterwards.

This thing is currently called the external action service. It does not have a very catchy name, and before long it will be called what was intended to begin with—the European Union's diplomatic service—just as the high representative will in time be called the Foreign Minister. To anyone who says that that is scaremongering, I would say that I recall sitting here in 1997 when we created a Scottish Parliament and it was made quite clear that there would be a "Scottish Executive", not a "Scottish Government". But what happened when the right hon. Member for Banff and Buchan (Mr. Salmond) came to power in Scotland? The first thing he did was unscrew the plaques of the Queen from any Scottish buildings and he then started referring to himself as the Scottish Government. It did not take long for the BBC also to refer in its news to the Scottish Government. Language is important, so when a name does not sit easily, we should be careful that it does not become certain other things.

Another aspect of the treaty provisions that worries me tremendously is that we are creating more opportunities for power, but very few opportunities for added responsibility. A number of earlier speakers picked up that theme in relation to defence. We commit ourselves to peacekeeping and military police training, which are very important, but what is singularly lacking—the problem seems to be getting worse—is combat troops. Who within the EU is providing the combat troops? There is no increased commitment in the EU to provide them.

I recall a wonderful moment during a European Convention when an Austrian MEP got up to say that he did not give countries who provide soldiers the right to determine how they should be deployed, in response to which I got up to say, "Precisely those who provide the soldiers have the right to determine how they are deployed." We need to be much clearer about how those ambitions can be fulfilled. My key point, however, in respect of those positions, is how Parliament relates to them; there must be no move to qualified majority voting without primary legislation. We also need to look into our own procedures for scrutinising the expansion of some of these activities.

3.51 pm

Ann Winterton (Congleton) (Con): It is a pleasure to follow the hon. Member for Birmingham, Edgbaston (Ms Stuart). May I suggest to her a third reason for holding a referendum on the constitutional European Union (Amendment) Bill—that people much younger than me and perhaps just slightly younger than her have never had an opportunity to vote on these matters in this country? It is also a pleasure to follow my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot). Like him, I believe that the defence of the realm is the first priority of any Government, and I would like to pick up one of the themes about defence mentioned at the end of the excellent speech of my right hon. Friend the Member for Richmond, Yorks (Mr. Hague).

The only real teeth offered by the Lisbon treaty concerning defence are the incorporation of the European Defence Agency—it was, of course, a key part of the European Union constitution—into that treaty. That is reinforced by the administrative measures being developed within the framework of the existing treaties, chipping away at the national interest provisions of the treaty of Rome while at the same time incrementally increasing the scope of procurement directives to cover more and more military expenditure.

Thus, the main thrust of EU military integration is still being directed through the Monnet method, by which I mean slow and steady integration through economic means with the aim of Europeanising defence equipment. The idea is that the use of common equipment, allied to common foreign policy objectives from which common doctrines evolve, will eventually lead to European military forces being drawn together, resulting in due course in total integration.

Also key to that integration process is the European rapid reaction force, which espouses among other things the doctrine of specialisation. The idea is that single nations, and especially smaller nations, need not provide balanced forces—that is, complete functioning

[Ann Winterton]

formations—but simply components of a larger multinational force, thus fielding truly integrated European forces rather than national forces working together. The thinking behind that stealthy policy objective ensures that, while each member state has military components, only the European Union could actually field a complete, functioning military force.

However, the grit in the oyster is Britain's insistence on maintaining its own balanced force which, at a certain level, is capable of carrying out self-sustaining operations in a multinational environment, thus defeating the object of integration. Furthermore, because the United Kingdom is fighting a real war alongside the Americans, it is driven by operational imperatives when it comes to the procurement of equipment, rather than by the notional, theoretical equipment profiles recommended in the headline goals specifying the equipment needed for the European rapid reaction force.

After a round of spending in the last decade aimed at "meshing in" with the ERRF, and the last Prime Minister's European contribution within the St. Malo agreement, the United Kingdom is now diverging from, rather than converging with, EU military structures and ambitions, moving closer to United States forces as it becomes more deeply embedded in Afghan operations. Therefore, practically speaking, UK involvement in EU military integration is at its lowest ebb for some time.

What the Lisbon treaty seeks to do is add to earlier treaties small steps of politically rather than operationally driven integration, but for the Commission that does not go far enough. The very first full-scale attempt at military integration within the European defence community took place in 1950, preceding the treaty of Rome. That inspired the first attempt at a European constitution to bind the European political community, and was set up to control the European army. The raison d'être of the European Union suddenly becomes very clear.

Thus the main conclusion to be drawn is that the original ambitions of the integrationists are not satisfied by the treaty, and that they will have to come back for more. That puts us—and by "us" I mean the people on the opposite side of that argument—in the unsatisfactory position of warning about what can be dismissed as ifs, buts and maybes, rather than attacking hard, concrete proposals. It is all very woolly, nebulous and difficult to grasp: the typical nightmare for those of us who are fighting a project nine tenths of which—as with an iceberg—is hidden from sight.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Will the hon. Lady give way?

Ann Winterton: I will not, because of the time.

What we can be sure of is that the last Prime Minister lost interest in an integrated European Union defence policy, as he developed a separate foreign policy from the European Union that, together with mistakes made by previous Governments, resulted in the loss of billions of pounds—more than £8 billion, according to my calculations—in cancelled, altered or failed projects, and the provision of equipment unsuited to today's conflicts.

Is it not ironic that the very subject of defence, which could be said to have begun the European Union project, should bring about its eventual downfall? The drift, muddle and confusion over the past few years about where the United Kingdom was going has been brought to a head by the Iraq and Afghan wars, in which, through operational necessity, Britain is heading in a different direction. If our armed forces are to succeed, the United Kingdom must continue to take its own line in regard to military thinking and the procurement of equipment.

In true Monnet fashion, however, while recent events have delayed the advancement of defence integration in the Lisbon treaty, further integration will be implemented in future treaties, for the simple reason that full European integration can never take place while national Governments still hold the competence to control their own armed forces and engage in their own security and foreign policy.

3.59 pm

Mr. Denis MacShane (Rotherham) (Lab): I am content to follow the speech of the hon. Member for Congleton (Ann Winterton). I shall read it very carefully in *Hansard* tomorrow, when I am sure I shall manage to understand it.

We have had a very good debate. We heard a remarkable speech from the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), who, in effect, punctured the bubble of Conservative party rhetoric and the rhetoric of the anti-European tabloids over the past year or so which suggested that we were to have an omnipotent President. We all remember the remarkable speech about the President of the European Union made by the right hon. Member for Richmond, Yorks (Mr. Hague) on Second Reading, and there behind him sits an elder statesman from past Conservative years saying that that is all hooey.

Mr Graham Stuart (Beverley and Holderness) (Con) *rose—*

Mr. MacShane: I shall not give way, because I have only four minutes in which to speak.

The right hon. and learned Member for Kensington and Chelsea also went on to say that the high representative would not be the overarching controller of European Union foreign policy. He made the important distinction between a common foreign policy, which we should work towards and co-operate within, and almost the impossibility of a single foreign policy. I think that I understood his metaphor correctly—I hope I did, because I wrote that article in the *Financial Times* in June 2003. It is good to have my words reflected back towards me.

The right hon. Member for Richmond, Yorks is one of our most powerful parliamentary speakers. He can make us think and laugh, and he holds every audience in thrall. He has a clear enemy and he goes on and on. Sadly, the President of Cuba has announced his retirement, but the deputy maximum leader will continue condemning Europe and making us laugh despite being, like the maximum leader in Havana, utterly wrong.

The treaty contains something quite different from the constitution, which a former shadow Foreign Secretary declared dead. Every other Government in Europe have

declared the two things not to be the same. That is why the pledge offered during the 2005 election is null and void. People may, by all means, make the argument for a referendum—the right hon. Member for North-East Hampshire (Mr. Arbuthnot) certainly was not making such an argument 10 years ago when he was a Minister and sternly against referendums—but they should do so by being honest and saying that the Conservative party has adopted the position of my former right hon. Friend Mr. Tony Benn that referendums should settle Britain's international treaty obligations. I do not think that that is the right way forward.

This debate is about defence. I very much agreed when the Chairman of the Defence Committee said that Europe should get its defence act together, but we should be careful before patronising all the other countries of Europe. Many funerals have taken place in the past two or three years as a result of events in Iraq, Afghanistan and other parts of the world. As has happened in families in this country, men and women have grieved for people who died trying to protect our common security. I wish that there was more commitment, but it will not be secured unless there is engagement in Europe. The trouble for our country, which we are proud to represent, is that we walk with one hand tied behind our backs in Europe, because the Conservative party has entered into the most rejectionist, isolationist position on partnership in Europe of any party in the history of this country and of any other party except the extreme fringe elsewhere in Europe.

Reference has been made to the remarkable article by Caroline Jackson, the Conservative Member of the European Parliament, published in the *Financial Times* on 18 February. It stated:

"What continental politicians cannot understand is why one of the major parties of Europe should walk out of the broad church of their present group…Conservatives are getting a reputation for bad manners towards their continental allies. Recently, Daniel Hannan, a Conservative MEP, likened the European Parliament's German Christian Democrat president to Adolf Hitler…in the Council of Europe, Conservative MPs sit in a politically mixed group, chaired by a Russian MP from Vladimir Putin's party."

The shadow Foreign Minister tried to wriggle his way out of that problem by citing my right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott). Had the right hon. Gentleman been with me in Washington on Sunday he would have heard Mr. Edward Lucas of *The Economist* promoting his new book "The New Cold War". He denounced the Conservative indifference to co-operation and partnership in Europe, saying that it was a national disgrace that the Conservative party, far from standing up to Russia's bullying, was colluding to ensure that the Russian henchman of Mr. Putin became President of the Council of Europe. Had the right hon. Gentleman been there, he might have paused to think.

That is the difference. Tonight, I hope that we will again vote to ratify part of the treaty. The Conservative party will remain isolated, and isolated it does nothing but damage to Britain's national interests.

4.4 pm

Dr. Liam Fox (Woodspring) (Con): Meanwhile, back in this universe. *Laughter.]*

It is easy in debates of this nature to get caught up in detail and to miss the big picture, so let us be clear what we are talking about today. This treaty proposes giving the EU a defence capability that will duplicate many of the functions of NATO. Worse, it will potentially compete with, rather than complement, NATO. Why does that matter? It matters because we believe that NATO, which has been the cornerstone of our defence for 60 years, should continue to have primacy. We believe that the transatlantic bonds with the United States and Canada should not be weakened. It is the Americans and Canadians who are fighting alongside British troops on the front line in Afghanistan while—with a few honourable exceptions, most notably the Dutch—it is not the majority of our EU partners.

So let me set out what we believe to be the instruments of this treaty that could undermine the NATO alliance. Under the Lisbon treaty, there is further duplication of NATO's article V, with the solidarity clause, and no change to the duplication of NATO structures that already exists with the EU military staff, EU battle groups, the European rapid reaction force, the ATHENA mechanism and certain aspects of the European Defence Agency. There is no mention of NATO's right of first refusal for all military missions pertaining to European security. There is no mention of NATO's primacy. There is no change to the discriminatory attitude that the EU takes against non-European Union NATO member states, such as Norway and Turkey. That is especially true regarding the financing of EU military operations and Turkey's "administrative agreement" with the EDA, which has been continually blocked by Cyprus.

We also have concerns regarding the democratic legitimacy of the ESDP under the Lisbon treaty. The newly created high representative will serve as a vice-president in the Commission and have a right of initiative for proposing military operations. That will bring supranationalism into EU defence planning for the first time. Consequently, foreign and defence policy in the EU will no longer be strictly intergovernmental. An unelected EU president will have a direct role in shaping the military budget for EU military operations by chairing the ATHENA special committee and will have a direct role in approving the new high representative.

The treaty formally creates the European Defence Agency, which will be headed by the high representative, who is also a vice-president of the Commission. That is just the foothold in defence procurement that the Commission has so long desired, as my hon. Friend the Member for Congleton (Ann Winterton) correctly pointed out.

Even though the EDA exists today as a part of the ESDP, it has never been part of an EU treaty that has been ratified by all member states. Originally in the constitutional treaty, European integrationists decided to go ahead with the creation of the EDA, even though it failed to be ratified in France and the Netherlands. That was an act of contempt for the citizens of Europe. Consequently, the inclusion of the EDA in the Lisbon treaty is an attempt by the EU retrospectively to justify the existence of an organisation that was created despite being originally part of the failed constitutional treaty.

The EDA sets out to develop defence capabilities and to promote armament co-operation between EU members, but what we need is greater armament co-operation with the military forces that we will be fighting alongside on the ground. We need better interoperability with the United States. We need more joint procurement projects with the United States, such as the joint strike fighter.

[Dr. Liam Fox]

There is no point participating in joint procurement projects with countries whose defence spending levels are too low to purchase the end products and, in any case, it should be done between sovereign nation states and not on an EU, supranational basis.

Mr. Cash: Does my hon. Friend agree that the essence of this problem is not a question of isolationism, but the fact that performing independent tasks in a voluntary agreement with other member states requires an alliance? To try to railroad everybody into uniformity and mutual solidarity and to place that in a legal framework is a prescription for disaster and division. It will lead to chaos, as we see in the situation evolving in Afghanistan.

Dr. Fox: My hon. Friend makes an important point. In today's debate, several elements have been mentioned that are not themselves problems—such as the EU's operations as a delivery mechanism of NATO under Berlin-plus, or the example of what has happened in humanitarian missions. None of those is a problem in itself. The problem is the incremental nature of what is happening and the creeping competence of the Commission and the EU structures in all those areas, which gradually erode our ability to be masters of our own destiny. That is what is so unacceptable in the treaty.

The EDA offers the UK no tactical, strategic or technological advantage that NATO, bilateral or multilateral agreements, or the UK defence industrial base do not already provide. The idea of a joint market for defence equipment is all now featuring largely at EU level, with the Commission pushing for a deal that could secure more efficient spending among all the bloc's member states. Internal market rules are not currently applied to the defence market, allowing member states to exclude defence contracts from EU procurement rules. Moreover, national licensing procedures make the transfer of defence material between countries difficult.

According to the Commission, a common defence market would significantly improve the military capabilities of member states magically without increasing defence expenditures. That is nonsense and it is in the same accounting league as double-hatting troops and pretending that that creates greater capability. All the measure does is to increase Commission competence in an area where it has no business to be, as my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot) pointed out in his excellent speech.

The Government claim to share our affinity for NATO and they claim the treaty will not undermine it, but that is not what they said before. During the 2003 European Convention, the Government were opposed to many aspects of the Treaty that they have now accepted. In fact, permanent structured co-operation and the mutual defence commitment are two sections of the text that the Government wanted completely totally deleted from the treaty.

On the mutual defence clause, the right hon. Member for Neath (Mr. Hain) said in 2003:

"Common defence, including as a form of enhanced co-operation, is divisive and a duplication of the guarantees that 19 of the 25"

member states

"of the enlarged EU will enjoy through NATO."

So why the change of heart? On permanent structured co-operation, the Government said during 2003:

"the UK has made clear that it cannot accept the proposed ESDP reinforced cooperation provisions."

However, they have now caved in to European pressure and accepted permanent structured co-operation in the Lisbon treaty. It is nothing but integration in defence common policy by stealth.

Our suspicions have been reinforced by the noises coming out of Paris in recent days. The defence spokesman for the UMP—the Union pour un Mouvement Populaire party—Pierre Lellouche made it clear that France will push the limits of permanent structured co-operation to the maximum and create a six-nation hard core of EU members who want to further EU defence integration and a common procurement market for defence, and ultimately to establish an EU pillar in NATO. That is absolutely unacceptable.

At the Munich conference on security policy last week, the French Defence Minister Hervé Morin said that NATO was primarily a defence organisation and should not operate as a global policeman. He said that that was the role of the United Nations, and added that the EU must not simply become the civilian arm of NATO. To use new Labour-speak, that is a very clear direction of travel. I expect that, unlike France, the Government will publicly support using permanent structured co-operation in that way only after the treaty's full ratification. That is no doubt yet another reason why the Prime Minister wants to avoid the public scrutiny of a referendum in this country.

We should welcome France into the integrated command structure, but not with an EU pillar of NATO as a quid pro quo. Integration ought to mean removing NATO duplication and continuing to operate under the Berlin-plus arrangement that has worked so well in the past. Under those conditions, we could easily sort out the potential problems we have with the French position.

With their support for the treaty, as with so many other things, the Government are heading down the wrong path when it comes to Britain's security. With the threat of global terrorism, problems with energy security and a resurgent Russia the stakes are too high for some of the policy gambles that are being taken today. However, at least the Government have the advantage of clarity, which is more than we can say for the Lib Dems. First, they could not agree to agree. Then they could not agree to disagree. Now they praise constructive abstention, but it may not be unanimous—in other words, they cannot even agree not to have an opinion on the subject. These decisions are far too important for the current Liberal Democrat leader's frivolous whipping arrangements and lack of authority.

I have spent 15 years in this House of Commons being told that every EU treaty put in front of us was more benign than it seemed and that there was therefore nothing to worry about. Enough is enough. The Lisbon treaty threatens to undermine the defence assumptions that our nation has had for 60 years, and to drive a wedge between us and our transatlantic allies. Britain cannot have two best friends when it comes to defence. The treaty asks us to make a choice, but the Conservative party will not support the weakening of our transatlantic bonds.

We want the EU to work in partnership with NATO, not compete with it. The provisions of the treaty move in the wrong direction—for Britain, for the EU and for NATO. That is why we oppose them.

4.15 pm

The Minister for Europe (Mr. Jim Murphy): I am delighted to have another opportunity to wind up a debate on the Lisbon treaty. Today's debate has been genuinely interesting and occasionally fascinating. It has concerned an issue that I believe should command cross-party support, although it is clear that it does not.

The EU's common foreign, security and defence policy is a key instrument with which Britain can influence what happens on our continent and beyond. It helps us to project British values around the world, and the Lisbon treaty will enhance the efficiency and effectiveness of the current intergovernmental arrangements. I shall give some recent examples of what that approach has helped to achieve.

First, I refer to the comprehensive EU sanctions against the vile regime in Zimbabwe—*[Interruption.]*. The hon. Member for Congleton (Ann Winterton) makes an intervention from a sedentary position. She has fought against the European project, and I shall be happy to give way to her.

Ann Winterton: From a sitting position, I said that the EU approach has not been successful in Zimbabwe in any way. In fact, the EU has been completely impotent when it comes to bringing about change there.

Mr. Murphy: Britain is much more able to exert influence on Zimbabwe when we work with 26 other member states. The sanctions imposed by the EU against the Zimbabwean regime are stronger than the UN's. I understand that the hon. Lady would like to leave the EU altogether, so the logical conclusion of her approach is that she must extend her criticism to every international institution.

As a member of the EU, Britain is in a position to shape the agenda, although of course I accept that we have not yet been able to deliver on that in the way we would want. However, the fact that we have not been able to bring about the change in Zimbabwe that we all want is no reason for us to give up altogether and lose the possibility of having any influence at all through the EU, yet that is what the hon. Lady advocates with her fight against what she calls the European "project".

The EU continues to play a crucial role in arenas other than Zimbabwe. I agreed with the vast majority of the speech made by the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), although we must agree to disagree about the EU's role in what is happening in the Balkans. I consider it to have been deeply constructive, both in ensuring that the leadership in Kosovo protect the rights of the Serb minority and in ensuring that the Serbs see a European future for themselves. The EU has helped to influence the behaviour and attitude of Serbia's authorities, political parties and civic society in an important way. It did the same during last year's elections in the Democratic Republic of the Congo.

In addition, Britain has had the support of our EU partners in our recent bilateral disagreements with Russia. All hon. Members should accept that our relationship with Russia and our influence in that country are much stronger when we speak as one of 27 voices that share the same message. The Opposition seem to demand more European action, tougher European words and greater European input in the relationship with Russia, but today they oppose the means by which we can achieve that. They have done the same over recent months, and I suspect that, unfortunately, they will continue to do so into the future.

I give way to the chairman of the all-party Russia group.

Mark Pritchard (The Wrekin) (Con): I was not asking the Minister to give way, but he has kindly offered. The position as regards Russia does not underscore his point; it undermines it. There is a complete difference of opinion across the European Union with regard to Russia, particularly on energy security and, as far as topical debates are concerned, in relation to Serbia and Kosovo, and indeed the Balkans as a whole.

Mr. Murphy: I acknowledge that the hon. Gentleman was not seeking to catch my eye, but I have made a habit of trying to give way to him in every debate on the Bill as he takes a great interest in Russia. We have managed to get European Union statements on Russia. Such statements have much greater effect if they come from the European Union as well as the United Kingdom.

Mr. Desmond Swayne (New Forest, West) (Con): The weakness of the Minister's argument is that even if he is right about speaking with 27 voices, that has been achieved without the treaty. That completely undermines the case that he is making.

Mr. Murphy: Not at all. The case I am making is that the European approach has often lacked momentum and has occasionally been disjointed: an example is the rotating presidency. When we sought a statement on Litvinenko, we had to go to the Portuguese presidency—the route to an EU statement was through Lisbon. By the time of our disagreement with Russia over the British Council, the presidency had moved to Slovenia because of that ridiculous charade—that game of musical chairs with European diplomacy—and the route to a European statement on Russia was through Ljubljana. We are more effective when we work through the European Union, but we could be made much more effective still by some of the reforms in the treaty.

Mr. Swayne: Will the Minister give way?

Mr. Murphy: I want to make a little bit of progress; I will give way again if time allows.

I strongly believe that member states should support the Union's external and security policy actively and unreservedly, in a spirit of loyalty and mutual solidarity. Member states should

"refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations."

Ann Winterton: Who wrote that for you?

Mr. Murphy: I will happily give way again to the hon. Lady if she wishes. I was actually quoting the Maastricht treaty. I did not write it; her party took it through Parliament when it was in government. *[Interruption.]* I know that. The shadow Defence Secretary and the shadow Foreign Secretary both supported the treaty text that I have just shared with the House.

Mr. Cash: It is a measure of Conservative party unity that we all agree that the way things are being done under the treaty—which merges all the existing treaties, including Maastricht—demonstrates that those of us who took a certain position at the time of the previous treaties were correct in our assessment. The Conservative party is now completely right in its united opposition to the reform treaty.

Mr. Murphy: The Conservative policy on Europe reflects two things: how consistent the hon. Gentleman has been, and how isolationist and ludicrous the lurch to the right has been—among the Front Benchers, at least; that does not extend to all Back Benchers—on the issue of Europe in recent years.

I would like to make some progress in the time available. The issue has again been raised of the UK's position on the United Nations Security Council. It was floated in the media last summer, and the shadow Foreign Secretary had much to say about it. The treaty text is clear and much more authoritative than the shadow Foreign Secretary. The Select Committee on Foreign Affairs concluded that

"the new post of High Representative of the Union for Foreign Affairs and Security Policy has the potential to give the EU a more streamlined international presence...We conclude that the Lisbon Treaty provision for the new High Representative to speak at the UN Security Council will make little difference to current practice. It will not undermine the position of the UK in the United Nations system nor the UK's representation and role as a Permanent Member of the Security Council."

Mr. Clappison *rose—*

Mr. Murphy: I will give way, for the last time.

Mr. Clappison: The Foreign Affairs Committee, which the Minister has just quoted with approval, also says that the position of high representative is identical to that of the EU Foreign Minister. Did the Committee get it completely wrong on that?

Mr. Murphy: My right hon. Friend the Foreign Secretary dealt with that earlier. The Foreign Affairs Committee also said:

"We further conclude that the High Representative is there to enact agreed foreign policy"—

that is, foreign policy agreed by unanimity.

Let us look at the practice, not just the observations of the Select Committee. The European presidency spoke at the UN on eight separate occasions on issues such as Sierra Leone, Bosnia, climate change and the middle east. On each of those occasions we did not sit on our hands. We did not leave the room. We did not have to seek permission to speak. We, as an independent, sovereign, proud nation, also spoke on each and every one of those occasions. That will remain the case under the Lisbon treaty.

I congratulate the right hon. Member for North-East Hampshire (Mr. Arbuthnot). I am just disappointed that the House had to wait 21 years for his maiden speech on Europe, but it was worth the wait. It was an extremely thoughtful speech in respect of NATO. I offer the observation that both the United States and NATO support the provisions of the Lisbon treaty. Jaap de Hoop Scheffer, the NATO Secretary-General, has stated clearly:

"And no one today would still seriously assert that NATO and the EU are rivals whose aim is to drive each other out of business. Such discussions are now altogether obsolete if they ever existed in the past."

The shadow Foreign Secretary was asked in interventions from my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) and from the hon. Member for Kingston and Surbiton (Mr. Davey) whether he supported any of the provisions in the treaty, and his response was no—not a single foreign policy and security provision in the treaty, such as an end to the rotating presidency, for the first time making it explicit in treaty articles that the responsibility for setting the strategic objectives for all EU external action lies with member states.

The ring-fencing of common foreign and security policy on intergovernmental policy is opposed by the Conservatives. Expansion of the list of ESDP tasks is opposed by the Conservatives. They also oppose the rational and sensible introduction of a high representative. Today's debate has not been about Europe; it has been about the Conservative party's isolationism within it. The shadow Defence Secretary has said previously:

"There's only one party that's going to take Britain in the direction that those who vote UKIP would like to see. . . That's the Conservative party."

He also said back in 2005 that we should recognise death when we saw it, and that he saw it as a constitution that was dead—

It being three hours after the commencement of proceedings, MR. DEPUTY SPEAKER *put forthwith the Question already proposed from the Chair, pursuant to Order [28 January and this day].*

Question put, That the amendment be made:—

The House divided: Ayes 156, Noes 346.

Division No. 87] **[4.28 pm**

AYES

Afriyie, Adam	Burrowes, Mr. David
Amess, Mr. David	Burt, Alistair
Ancram, rh Mr. Michael	Butterfill, Sir John
Arbuthnot, rh Mr. James	Campbell, Mr. Gregory
Atkinson, Mr. Peter	Carswell, Mr. Douglas
Bacon, Mr. Richard	Cash, Mr. William
Baldry, Tony	Chope, Mr. Christopher
Barker, Gregory	Clappison, Mr. James
Baron, Mr. John	Clark, Greg
Bellingham, Mr. Henry	Clifton-Brown, Mr. Geoffrey
Bercow, John	Cormack, Sir Patrick
Binley, Mr. Brian	Cox, Mr. Geoffrey
Bone, Mr. Peter	Davidson, Mr. Ian
Boswell, Mr. Tim	Davies, David T.C. *(Monmouth)*
Brady, Mr. Graham	Davis, rh David *(Haltemprice and Howden)*
Brazier, Mr. Julian	Djanogly, Mr. Jonathan
Brokenshire, James	Dodds, Mr. Nigel
Browning, Angela	
Burns, Mr. Simon	

Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall, Mr. David
Mates, rh Mr. Michael
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Osborne, Mr. George
Ottaway, Richard
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Brooks Newmark and James Duddridge

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, Andrew
Gibson, Dr. Ian
Gidley, Sandra
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gummer, rh Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan

Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Siobhain McDonagh and Mr. Sadiq Khan

Question accordingly negatived.

Main Question put forthwith:—

The House divided: Ayes 337, Noes 163.

Division No. 088] **[4.42 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David

Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, Andrew
Gibson, Dr. Ian
Gidley, Sandra
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gummer, rh Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Siobhain McDonagh and Mr. Sadiq Khan

NOES

Afriyie, Adam
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Binley, Mr. Brian

Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Marshall, Mr. David
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. Brooks Newmark and James Duddridge

Question accordingly agreed to.

Resolved.

That this House approves the Government's policy towards the Treaty of Lisbon in respect of provisions concerning foreign, security and defence policy.

Mr. Bernard Jenkin (North Essex) (Con): On a point of order, Mr. Deputy Speaker. Within the constraints laid down by the business motion, which the House has agreed to, may I, through you, enter a plea to colleagues in all parts of the House?

There are before us important groups of amendments on three subjects, and it would be extremely unfortunate if the Committee were to spend all its time discussing external relations and we were not to get on to at least the defence amendments. Are there any entreaties that you can make to Members of the House to move the business forward so that we may discuss what the Government clearly would like to discuss—all parts of the treaty?

Mr. Deputy Speaker (Sir Michael Lord): The hon. Gentleman is quite correct. All the amendments before the Committee are extremely important. I would urge all hon. Members to bear that very much in mind as the debate in Committee proceeds. All that the Chair can do is make entreaties of the kind that he is asking me to make, and I do so most seriously. The speed with which we progress depends entirely on the length of the contributions made by hon. Members—Back Benchers and Front Benchers—and they ought to bear that in mind.

Orders of the Day

European Union (Amendment) Bill

[5TH ALLOTTED DAY]

(Any selected amendments to clause 2 relating to foreign, security and defence policy)

Further considered in Committee.

[SIR MICHAEL LORD *in the Chair*]

Clause 2

ADDITION TO LIST OF TREATIES

4.57 pm

Mr. Mark Francois (Rayleigh) (Con): I beg to move amendment No. 258, page 1, line 12, after 'excluding', insert—

'(i) Article 1, paragraph 16, inserted Article 9B TEU, paragraph 6 so far as it relates to the role of the President of the European Council in external representation of the Union; and

(ii) '.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): With this it will be convenient to discuss the following: Amendment No. 253, line 12, after 'excluding', insert—

'(i) Article 1, paragraph 24, inserted Article 10B TEU, paragraph 2, on joint proposals to the Council for recommendations to the European Council on the strategic interests and objectives of the Union; and

(ii) '.

Amendment No. 156, line 12, after 'excluding', insert—

'(i) Article 2, paragraphs 170 to 174, inserted Title V and Articles 188L to 188O TEC (TFEU) relating to international agreements; and

(ii) '.

Amendment No. 254, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 173, inserted Article 188N, TEC (TFEU), on the procedure for international agreements between the European Union and third countries or international organisations; and

(ii) '.

Amendment No. 157, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 175, inserted Title VI and Articles 188P and 188Q TEC (TFEU) relating to the European Union's relations with international organisations and third countries and European Union delegations; and

(ii) '.

Amendment No. 262, line 12, after 'excluding', insert—

'(i) Article 1, paragraph 175, inserted Article 188Q TEC (TFEU), relating to European Union delegations; and

(ii) '.

Amendment No. 93, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 19, inserted Article 9E TEU relating to the High Representative of the Union for Foreign Affairs and Security Policy; and

(ii) any other'.

Amendment No. 103, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 30, inserted Article 13a TEU relating to the role of the High Representative of the Union for Foreign Affairs and Security Policy; and

(ii) any other'.

Amendment No. 263, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 30, inserted Article 13a TEU, paragraph 3 relating to the European External Action Service; and

(ii) any other'.

Amendment No. 106, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 33, inserted Article 15a TEU relating to questions on the Common Foreign and Security Policy; and

(ii) any other'.

Amendment No. 109, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 37, amendments to Article 18 TEU relating to the role of the Presidency in the Common Foreign and Security Policy; and

(ii) any other'.

Amendment No. 110, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 38, amendments to Article 19 TEU relating to Member States' coordination of action within the Common Foreign and Security Policy; and

(ii) any other'.

Amendment No. 1, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 38(b)(iii), relating to Member States which sit on the United Nations Security Council and the presentation of the European Union's position; and

(ii) any other'.

Amendment No. 111, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 39, amendments to Article 20 TEU relating to diplomatic and consular missions; and

(ii) any other'.

Amendment No. 112, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 44, amendments to Article 25 TEU relating to the Political and Security Committee; and

(ii) any other'.

Amendment No. 264, line 12, leave out 'any' and insert—

'(i) Article 1, paragraph 45, in respect of the repeal of Article 26 TEU relating to the role of the High Representative for the common foreign and security policy; and

(ii) any other'.

New clause 3—*Common foreign and security policy*—

'The Secretary of State shall, not later than 1st January 2009, lay before both Houses of Parliament a report setting out the role and powers of the High Representative and External Action Service and how they differ from those of the proposed Foreign Minister and External Action Service in the Treaty establishing a Constitution for Europe.'.

Mr. Francois: I begin by saying that I hear the entreaty made by my hon. Friend the Member for North Essex (Mr. Jenkin) in his point of order. I briefly remind the Committee that when the business motion was debated we pushed strongly for two days of discussion—one for common foreign and security policy, and one for defence. It was unfortunate that, due to the rigged manner in which the Government have allowed the treaty to be debated, when we finished our first three hours of debate, a number of Back Benchers, particularly on the Opposition Benches, were still rising and attempting to catch the eye of the Chair. Mindful of that, I shall do my best to be relatively brief in laying out the position that I wish to advance.

The treaty of Lisbon would have numerous and profound effects on foreign, security and defence policy—effects that would tend to enlarge the powers of the European Union at the expense of member states. Potentially, one of the most powerful agents of that change is the new president of the European Council, so our amendment No. 258 would remove the president's foreign policy role.

The relevant provision in the treaty states:

"The President of the European Council shall, at his"

or her—

"level and in that capacity, ensure the external representation of the Union on issues concerning its common foreign and security policy, without prejudice to the powers of the High Representative of the Union for Foreign Affairs and Security Policy."

The first fault with that provision is that it is definitely ambiguous. What is

"at his level and in that capacity"

to mean? That is nowhere absolutely specified in the treaty. Indeed, it is why it is now reported that the former Prime Minister, Tony Blair, has been raising queries about what the post might mean in practice. Is it not extraordinary that the man who, as Prime Minister, helped to bring the post into being never bothered to find out what it would mean in detail in reality?

Nevertheless, as my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) showed so memorably last month when we began to debate the treaty, in the hands of a skilful politician, that post could prove powerful indeed. Over time, he or she could be presented as a counterpart to the American or the Russian President. He or she would have the chief role in determining what the European Council discussed, and would presumably have the Council secretariat at his or her disposal, although that is one of the matters that is yet to be finally determined. In contrast, the current system of rotating Heads of Government holding the presidency would end. No more would each member state have a turn at the EU's helm, helping to give each country a vital sense of ownership of the EU's business; instead, we would have this powerful central figure. So—

Mr. Kenneth Clarke (Rushcliffe) (Con): Will my hon. Friend give way?

Mr. Francois: Let me finish my sentence, then I will be delighted to give way. So because that article in the treaty, in our opinion, represents something of a blank cheque, which is likely to have a large amount written on it, we call for that article to be left out. Now, my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), as a former Chancellor, knows a lot about large amounts, so I gladly give way to him.

Mr. Clarke: I have great respect for my hon. Friend, although I know we do not agree. He was suggesting to his constituents and mine that there is a danger that the president of the European Council of Ministers will be equated with the President of the United States. Of all his arguments, is that really a sound one, given that all foreign policy will be made by unanimity among the Ministers of the member states and the president of the European Council of Ministers will have no executive or policy-making powers of his own? People sometimes describe the presidency of the United States as a rather weaker institution than is sometimes imagined, but to say that the European presidency is likely to be equivalent to the presidency of the United States is surely to take his otherwise interesting arguments to the lengths of extremism.

Mr. Francois: I thank my right hon. and learned Friend for his comment. I have two things to say in response. First, he will have noticed that I used the phrase "over time". I was not implying that what I described would happen overnight. Drawing an historical analogy, one can see how in our own country the Prime Minister was originally one of a number of Ministers, but gradually took over the agenda of the Cabinet and began to drive policy. That happened over a period of time and is something that our right hon. Friend the Member for Richmond, Yorks has written about in great detail in some of his very good books. I am asserting that such a development could take place over time, not overnight. Secondly, my right hon. and learned Friend said that the new president would have no executive authority, but if, in effect, the president controlled the agenda of the European Council, that would be a powerful tool. Perhaps he and I have a different perspective on the matter, but I have tried to answer his point in detail.

Mr. Desmond Swayne (New Forest, West) (Con): Will my hon. Friend give way?

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Will the hon. Gentleman give way?

Mr. Francois: I would like to make a little progress, because I promised to try to speak briefly. I shall take two interventions, but I hope that the Committee will forgive me if I then try to press on.

Mr. Swayne: My hon. Friend will recall that when the then Foreign Secretary, the right hon. Member for Blackburn (Mr. Straw), came to give a rather phlegmatic explanation of why the Government had reversed their position from opposing a referendum to favouring one on the previous treaty, he said that it was because there was going to be a permanent president of the Council. It was clearly a matter of importance to him.

Mr. Francois: My hon. Friend partly anticipates me, and he is entirely right to remind the Committee of that point.

Mark Lazarowicz: May I pursue this interesting analogy with the Presidents of the United States and Russia? The President of the USA is, I believe, commander in chief of the US military—that was one of his functions right from the start of the formation of the United States. I am not saying that the hon. Gentleman is suggesting that the new European president would command some military force at this stage, but that parallel between the US President and the new role now being proposed is absurd. In suggesting that something might happen in future—many, many treaties hence, if it were ever proposed—he is presenting an Aunt Sally. The reality is nothing like what he suggests is in the treaty.

Mr. Francois: I thank the hon. Gentleman for his intervention, and I am glad to hear that he was not suggesting what he thought I was suggesting. He used the phrase "at this stage". Such points are the reason why we wanted two days, not one, to debate these matters in detail. I repeat, I used the phrase "over time".

Mr. John Redwood (Wokingham) (Con): Does my hon. Friend agree that there will be a common position in Europe on most of the important issues? Let us say that there is a common position on the middle east. Who would the Prime Minister of Israel or one of the Arab leaders wish to see if both the president of Europe—the custodian of the common position—and the British Prime Minister wanted to visit?

Mr. Francois: My right hon. Friend's point is well made. He mentioned a common position. If it is true that Tony Blair is going to apply for the job, I would be interested to know whether there would be a common position in the Labour party on whether he ought to get it. We await the answer to that question with genuine anticipation.

Amendments Nos. 262 and 263 deal with the new EU diplomatic service and, in particular, with the high representative's authority over it. The external action service—to give it its technical name—is a new institution in the treaty whose role has yet to be determined. Indeed, a leaked note from the Slovenian presidency makes that explicit. The Government are again asking the House and this country to sign a blank cheque. The post of high representative is a powerful one in itself, but with the diplomatic service at his beck and call, we should be in no doubt that the EU would tend not to supplement member states' foreign policy so much as try to supplant it. Our amendments seek to address that possibility.

Amendment No. 1 is also important because it would amend the crucial clause relating to the high representative's right to speak for the European Union at the United Nations Security Council when a common position is reached. As my right hon. Friend the Member for Richmond, Yorks said at the beginning of our earlier debate, its provisions—with a superficial change to the Foreign Minister's job title—are identical to those in the EU constitution. As such, they were repeatedly and publicly opposed by the Government's representatives in the negotiations on that document. As they put it at that time:

> "The UK cannot accept any language which implies that it would not retain the right to speak in a national capacity on the UN Security Council."

Yet that is exactly what the Government have agreed to, the change having won the satisfied approval of the wise, eminent and noble Lord Malloch-Brown.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Will the hon. Gentleman give way?

Mr. Francois: In a moment.

It should be totally unacceptable for any British Government to accept any treaty imposing such an obligation on us at the United Nations Security Council. It is patently obvious to everyone—not just Opposition Members; it was obvious to Ministers only a couple of years ago—that this represents the thin end of the wedge in the move towards an EU seat on the Security Council. That is potentially very damaging to this country's national interests, and it is astonishing that the Government did not seek to change the provision in this measure, the latest guise of the constitution. We therefore oppose it. Having said that, I shall gladly give way to the hon. Member for Newcastle upon Tyne, North (Mr. Henderson), whom I remember from the day on which I made my maiden speech in the House.

Mr. Henderson: The hon. Gentleman's predecessor was my pair, in the days when we had such things in Parliament.

The hon. Gentleman has misunderstood the situation at the United Nations. If the European Union is represented by the Council of Ministers in a contribution to either the Security Council or the Assembly, there is absolutely nothing to prevent other members of the Security Council or other members of the Assembly from making an independent contribution. That is the current position, and it will not change.

Mr. Francois: I disagree with the hon. Gentleman. The key word in the treaty is "shall". When a common position is agreed, the EU "shall" request that the high representative speak for it at the UN Security Council—

Mr. Henderson *rose*—

Mr. Francois: If the hon. Gentleman will forgive me, I have answered his point. The key word—the difference—is "shall". That is why we object to the proposal.

Amendment No. 264 will—

Mr. Edward Davey (Kingston and Surbiton) (LD): Will the hon. Gentleman give way?

Mr. Francois: I should like to get on to amendment No. 264, but I will give way in a moment.

Amendment No. 264 relates to the role and powers of the EU's high representative, which are identical to those of the Foreign Minister proposed in the original EU constitution—a point that the Foreign Secretary failed to address in his speech a few hours ago. I remind the House that the post was one of two crucial aspects of the treaty, along with the new EU president, that the former Foreign Secretary—the present Lord Chancellor—identified as essential to the last proposed treaty's constitutionality, thus providing the need for a referendum. I told my hon. Friend the Member for New Forest, West (Mr. Swayne) that he had anticipated my making this

[Mr. Francois]

point; it is definitely a point that is worth reiterating. A senior member of this Government's Cabinet has said that if this provision were in the treaty, we would deserve a referendum. Well, it most certainly is, so what has happened to the referendum that we were promised? On that point, I shall gladly give way to the Liberal Democrats, who, as of today, have not got a clue whether they want a referendum or not.

Mr. Davey: Can the hon. Gentleman say what the Conservatives object to should the EU high representative make a presentation to the UN Security Council of a position that the UK Government have agreed to, and which in no way would prevent the UK representative at the Security Council from speaking and voting? What possible objection can the hon. Gentleman have to that?

Mr. Francois: I do not know whether the hon. Gentleman was listening to what I was saying, but I have already argued that that represents the thin end of a wedge. That is our view—*[Interruption.]*

Mr. Davey *rose—*

Mr. Francois: Do not ask a question if you do not like the answer!

Several hon. Members *rose—*

Mr. Francois: I give way to my hon. Friend the Member for Hertsmere (Mr. Clappison).

Mr. James Clappison (Hertsmere) (Con): Is not the assumption of the hon. Member for Kingston and Surbiton (Mr. Davey) wrong when he says that the UK will have agreed to the position? Is it not a fact that, like it or not, the treaty provisions open the door for qualified majority voting under article 32—*[Interruption.]* Read it, anyone who does not believe me. It opens the door for QMV now and even more QMV in the future as a result of the special passerelle clause. That means that the EU would speak for this country on the Security Council, even if this country disagreed with the stated policy.

Mr. Francois: My hon. Friend, a member of the European Scrutiny Committee, brings considerable expertise to these matters. I would remind him, the hon. Member for Kingston and Surbiton (Mr. Davey) and, indeed, the whole House, that the Committee looked into these matters in detail and came to the conclusion that the red lines, including the foreign policy red line that the Government like to triumph, do not hold up. Indeed, the Labour Chairman of the Committee, the hon. Member for Linlithgow and East Falkirk (Michael Connarty), said on the "Today" programme that those lines would "leak like a sieve".

Mark Pritchard (The Wrekin) (Con) *rose—*

Mr. John Gummer (Suffolk, Coastal) (Con) *rose—*

Mr. William Cash (Stone) (Con) *rose—*

Mr. Francois: I am spoilt for choice. I will give way first to my hon. Friend the Member for Stone (Mr. Cash), then to my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) and then to my hon. Friend the Member for The Wrekin (Mark Pritchard)—*[Interruption.]* At some point, I will speak briefly and allow some Back Benchers to speak in the debate.

Mr. Cash: Does my hon. Friend agree that when a Foreign Minister walks like a duck, and talks like a duck, then he is a duck—and that in this particular context, it is the high representative who is doing it? Does my hon. Friend recall when Javier Solana said on Radio 4 that he was meeting Hamas at a very crucial moment—on the back of existing arrangements that were not then authorised? Is that not the sort of evolving, dynamic and dangerous situation that my hon. Friend is identifying and is exactly what will happen in practice? It is not just a matter of drawing strict legal lines; it is a question of how the whole system will function in practice. That is the larger problem that we are concerned about.

Mr. Francois: I thank my hon. Friend for that observation. Everyone knows that he reads these documents in very considerable detail. I agree with him, so let us see whether I also agree with my right hon. Friend the Member for Suffolk, Coastal.

Mr. Gummer: I just ask my hon. Friend how can it possibly cause a difficulty if a spokesman for a common position of the European Union makes that position clear—in present terms, it would relate to something for which we had voted because of unanimity, irrespective of what is true about the details in the future—and the British representative then makes his points? That seems to me to be an extremely good way of getting the same point said twice. I do not understand the difficulty with that.

Mr. Francois: My right hon. Friend may know that there have been one or two occasions in this debate when the same point has been made twice, but I offer him the thought that if there is nothing to worry about, why did the Government oppose the change so adamantly in the negotiations in the Convention?

Mr. Gummer: They got it wrong!

Mr. Francois: Well, they argued vehemently against that change and then, as with so much else in this treaty, they rolled over.

Mark Pritchard: I am not a conspiracy theorist and I want to be fair to the Government, but might not an unintended consequence of these measures be the de facto abandonment of the UK's permanent seat on the Security Council?

Mr. Gummer: No, it would not.

Mr. Francois: I am not claiming that it would lead to the abandonment of our seat, but I am saying that it could lead over time to the power vested in our seat being compromised because of the EU's role—*[Interruption.]*

Mr. Gummer: How?

Mr. David Heathcoat-Amory (Wells) (Con) *rose—*

Mike Gapes (Ilford, South) (Lab/Co-op) *rose—*

Mr. Francois: I shall give way to my right hon. Friend first, then to the Chairman of the Foreign Affairs Committee. Perhaps I can then be allowed to make a little progress.

5.15 pm

Mr. Heathcoat-Amory: As the Government's speeches and amendments in the Convention are hard to come by, my hon. Friend may not be aware that it is a matter of record that at the time of the Convention the Government also said that the obligation to ask the Union Foreign Minister to speak

"could in certain circumstances contradict the Security Council's Rule of Procedure."

They therefore wanted the obligation to be removed. Does my hon. Friend not think it very unwise to write into a treaty an obligation that would conflict with the standing orders of the United Nations? Is that not another reason for looking at the treaty requirements again, in the light of our more important, wider, global obligations?

Mr. Francois: My right hon. Friend, who also serves on the European Scrutiny Committee, makes a valid point. It has already become apparent, after a few minutes of debate on the amendments, that this is a contentious issue.

Mike Gapes *rose—*

Mr. Francois: I will give way in a moment. Clearly the Government cannot sweep this under the carpet. I repeat: if there is nothing to worry about, why did the Government object so vehemently?

I will now give way to the Chairman of the Foreign Affairs Committee. I thank him for his patience.

Mike Gapes: Perhaps I can deal with this canard once and for all. Our Committee went into the issue in some detail, and spoke to Dr. Solana about it as well. Paragraph 157 of our report states:

"Dr Solana confirmed that he has spoken at the Security Council in his current capacity, always following an invitation to do so by EU Security Council members. We conclude that the Lisbon Treaty provision for the new High Representative to speak at the EU Security Council will make little difference to current practice. It will not undermine the position of the UK in the United Nations system nor the UK's representation and role as a Permanent Member of the Security Council."

Mr. Francois: I thank the Chairman of the Committee for that. I also thank him for the Committee's report, which stated that in foreign policy areas the treaty of Lisbon was almost exactly the same as the original constitution, and pointed out that we had been promised a referendum on the first and not on the second. I read the report in some detail, and I am grateful to the Committee for its work, but I have already responded to the hon. Gentleman's point several times, not least when it was put to me by my right hon. Friends. However, I thank the Committee for the report, because it provided us with some great quotations with which to embarrass the Government.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Will my hon. Friend give way?

Mr. Francois: I will certainly give way to a former leader of my party.

Mr. Duncan Smith: In fact, the intervention by the hon. Member for Ilford, South (Mike Gapes) has helped my hon. Friend. If he thinks about it carefully, he will realise that what the treaty has done is formalise practice that was not necessarily formal or acceptable before. The hon. Gentleman's intervention makes the point about progression in the European Union. What happens is that the EU takes a bit more, the next treaty formalises the position, and it moves on. That is exactly what has happened here.

Mr. Francois: I am grateful to my right hon. Friend. A key part of the argument is the question "What is the direction of travel? Where is this all going?", and I think it is fairly clear to the House what the direction of travel is.

If parliamentary scrutiny is to mean anything, it is vital for the role and powers of the new institutions to be subject to the examination and judgment of the House. We have already heard—and the relevant cross-party Committees have reported—how at every turn Ministers have sought to minimise scrutiny of the treaty, and it is not right that the House should allow Ministers to continue to do so in the future. If Ministers mean any of what they say about allowing the legislature to hold the Executive to account, they should support new clause 3.

The new clause would also force Ministers to do something that they have been extremely reluctant to do, and set out in detail how the treaty compares with the constitution. That is something that the Foreign Affairs Committee and the European Scrutiny Committee—both Labour-dominated and both with Labour Chairmen—have felt able to do, and there is no reason why the Foreign Office should not be able to do the same. That would provide the basis for an honest and detailed debate, which is more than we are being allowed in the House owing to the rigged methodology that the Government have imposed on us.

Mike Gapes: I was unable to take part in the earlier debate because I was chairing a Select Committee meeting and we had an important report to agree. Therefore, while discussing the terms of the amendments, I shall take the opportunity to make some points that I would have made earlier.

In the European Union's dealings with other countries and its foreign policy, it is represented by a so-called troika: a representative of the presidency; the high representative for the common foreign and security policy, who is currently Mr. Solana; and the European Commissioner for External Relations, Mrs. Ferrero-Waldner. The arrangement is wasteful, confusing for our foreign partners and inefficient. The present system also contains the absurd rotation of the presidency every six months. That undermines both the European

[Mike Gapes]

Union's ability to pursue consistent priorities and positions, and the ability of the individuals involved to build the long-term relationships with other countries necessary for effective diplomacy.

The Lisbon treaty will address both those problems. It will do so first by having the high representative take over the job of the European Commissioner for External Relations—that post will be abolished—leaving both functions united in a single person and reducing the number of people involved in European Union foreign policy making. It will do so secondly by abolishing the rotating presidency in favour of, potentially, a five-year post—it will be a two-and-a-half year post that can be renewed—of president of the European Council. That is the body comprising the Heads of State or Heads of Government.

The Lisbon treaty will therefore streamline and stabilise the EU's external representation and make the Union a much easier and more coherent partner for foreign countries to deal with and have a relationship with. That is long overdue, necessary and, in a European Union of 27 countries, essential if we are to have effective coherence in our role in the world.

Mr. Mark Harper (Forest of Dean) (Con): In a way, the hon. Gentleman is making the point for my hon. Friend the Member for Rayleigh (Mr. Francois), because he is saying that the EU's external position is not coherent, and that the changes in the treaty will make it more coherent and easier to represent the EU's view to the outside world. In effect, a position will be built over time—exactly the point that my hon. Friend made—that will become the view of the EU around the world and will undermine our independent foreign policy.

Mike Gapes: The hon. Gentleman has missed the point. Let me give an example. The German presidency decided to give great emphasis in its presidency document to work in central Asia. That was not the position in the previous presidency and it was not continued afterwards. The Portuguese presidency has taken up something in the British presidency's remit—the priority of Africa—but there was a gap inbetween. We thus need the coherence of the longer-term approach, which is more efficient and more effective. The six-monthly rotation includes the small countries that have very small diplomatic representations. Slovenia has only one embassy in Africa and it uses the French diplomatic service, as it must, for many of its functions as part of its presidency of the European Union. That is absurd.

Mark Lazarowicz: Unlike me, some Members of this House are somewhat Francophobic. They are opposing a proposal that gets away from the current situation, whereby, as my hon. Friend points out, Slovenia is very much dependent on support from France.

Leaving that point aside, does my hon. Friend agree that the proposal for a coherent five-year term should help Britain's national interest, because it would allow Britain, with its presence in the European institutions in Brussels, its connections and its influence, to have an ongoing relationship with the presidency? By contrast, under the present arrangement, every six months Britain has to build a relationship with whichever country and individual happens to assume the presidency.

Mike Gapes: I agree with my hon. Friend. The need to develop that coherence is also in the interests of the larger countries in the European Union, because we will then not be dependent on countries with small diplomatic services which may not be able to cope with the sheer volume of contacts. How could the Maltese or the Luxembourgers provide the necessary back-up for engaging with China or the countries in Latin America? We need coherence, which the bigger countries can provide, alongside the European Union's collective institutions.

Mark Pritchard: The hon. Gentleman mentions Africa. Will he condemn the fact that of 53 African nations, 23 no longer have any form of professional British diplomatic representation? That has a real impact on the welfare of British citizens. For instance, the lack of an embassy in Equatorial Guinea has an impact on the case of Mr. Simon Mann.

Will the hon. Gentleman also condemn the fact that, prior to the treaty's ratification, the European Union has set up its first embassy—so-called—in Addis Ababa in Ethiopia?

Mike Gapes: I will come to the external action service issues in a moment. On the specific point, I refer the hon. Gentleman to the report of the Foreign Affairs Committee on choices made by the Foreign and Commonwealth Office to close, for example, the high commissions in Lesotho and Swaziland and to concentrate representation in Pretoria. It is not only in Africa but in some of the Pacific Commonwealth countries where we no longer have diplomatic representation. The Chinese, however, are all over the place.

The Committee has raised that issue consistently in recent years. It is wrong that we no longer have that level of representation, and that is a matter for the Treasury, which needs to provide more resources to the FCO. It also reflects the difficult choice that the FCO has to make on resources to provide greater security and more posts in certain countries. For example, we have a big new embassy in Afghanistan.

The other change is the development of the role of the high representative—now correctly named. The role was never that of a European Union Foreign Minister. That was always an absurdity, because the EU is not a state and it does not need the terminology of a state. We do not have a Foreign Minister or a Foreign Ministry: we have the external action service and a high representative for foreign affairs and security policy. It is important that all hon. Members and people who write about our proceedings use the correct terminology. If those people who oppose the development of a "European super-state" start using the wrong language, they may mislead people into thinking that something exists when it does not. We have, as the Foreign Affairs Committee pointed out clearly in its report, an intergovernmental approach to foreign policy, and it is clearly stated that such matters are dealt with on the basis of agreement between the 27 member states.

We can go further. The Committee concluded that the changes in the Lisbon treaty do not risk undermining the common foreign and security policy's intergovernmental nature. Indeed, there is a greater shift towards the member states, not away from them, in some aspects of foreign policy.

Mr. Peter Bone (Wellingborough) (Con): I am listening with interest to the hon. Gentleman's powerful argument for more centralisation of the European Union. Is not the point that the argument that he has just made does not apply to the presidency? If the approach is intergovernmental, why do we need a permanent, fixed president? That is what states have.

Mike Gapes: For the hon. Gentleman's information, the presidency will not be a permanent post but an agreed post appointed by the 27 countries for a period of two and a half years, subject to a further term, and it will have to be made on the basis of agreement between the member states. It certainly will not be a permanent post, as the hon. Gentleman suggested.

The role of the high representative obviously relates to the work on external policy that is currently done by the External Relations Commissioner, whose role will be abolished. It is therefore important to recognise the way in which it will work. There is currently a division between the aspects of EU external policy that are handled by the European Commission under the so-called Community method, such as aid-trade development, and those that are handled within the common foreign and security policy, such as the diplomatic statements, sanctions and security policy developed in the European Union, including matters that were referred to earlier about the deployment of civilian and military security missions outside the EU.

5.30 pm

During the preparation of the Select Committee's report, we heard evidence from witnesses, including EU officials, that that division has bedevilled the effectiveness of the EU's external activities. Mr. Solana told us that the link between his high representative job and the Commission was "loose" and that the separate nature of Council and Commission decision making

"sometimes creates problems and even contradictions."

Work on achieving greater co-ordination between the Council and the Commission, for example on energy security, is already under way. In that sense, the Lisbon treaty brings together aspects of the Council and Commission's external relations functions in a single person, which will be more effective and will move things further in the direction in which they have already begun to try to move. The mere fact that there are two posts at the moment makes it very difficult, even if the individuals get on very well personally. That was the case with former Commissioner Chris Patten, who got on very well with Mr. Solana—he told us that. Nevertheless, the institutional division leads to inefficiency and a lack of coherence. The treaty deals with that problem effectively.

Mr. Redwood: Does the Chairman of the Select Committee agree that he is arguing that a common European position is a lot better than a separate British foreign policy and that he would want a British Foreign Minister to try to accommodate the views of colleagues so that there was always a common foreign policy position? Is not the divide in the House tonight about the fact that some want a common European position on everything while others think that we are better off with a British position?

Mike Gapes: I take it from that intervention that the right hon. Gentleman wants inefficiency and incoherence between the Commission and the high representative. Frankly, I would agree that he and I have a different view about whether we want an effective European Union that is coherent and efficient. He presumably wants an ineffective European Union—or perhaps no European Union at all. We will no doubt have a chance to debate that in future.

The need to bring together all the possible instruments for action abroad is one of the most important lessons for us to consider internationally. We have had comment in other contexts about the difficulties of co-ordinating all the different agencies that work in Afghanistan. Work in the Balkans—in Serbia and Kosovo, for example—has involved a lot of incoherence, because there are so many different offices, individuals and players. The EU has been trying to co-ordinate the signing of the stabilisation and association agreement with the Government of Serbia in Belgrade, and it has to engage with the European Commission, the European security and defence policy mission to Kosovo and other agencies in the EU family. Having one person, a high representative with overall responsibility for all such matters, would make that co-ordination and effectiveness easier to achieve.

The Lisbon treaty also gives the high representative explicit responsibility for ensuring the consistency of the EU's external action. For the first time, it brings together a single set of principles and objectives that will govern all the EU's external activities, both in Community areas and in its common foreign and security policy. Linked to that is the high representative's role in respect of the European external action service, which will be under the representative's control.

As the FAC noted, many aspects of the new service remain to be worked out in practice. Until it is established, there will naturally be some ambiguities, but it is already clear that it will be made up of officials from existing departments of the Council secretariat and the European Commission, as well as people seconded from national diplomatic services. Moreover, although the treaty does not spell it out explicitly, it is likely that EU representation outside the EU will be integrated into the new service.

Unless a member state wishes the EU to take on the role, the EU missions and representations will not replace individual member states' diplomatic posts abroad. I referred earlier to Slovenia's lack of diplomatic representation in Africa, and that should be compared with the very large diplomatic footprint that countries such as France, the UK or Germany have around the world. However, as was noted in an earlier intervention, that footprint does not extend everywhere.

How can the UK use other countries' diplomatic missions—something that, to an extent, we already do in some parts of the world? There are countries where the British are not present but the Germans or French are, and the EU's external action service might, in time, develop a similar role, but that will not mean that it determines UK foreign policy or that we cease to be an independent state. All the myths to that effect must be laid to rest, one by one: they are scaremongering, and they bear no relation to the reality of the world as it is, or to what it will be after the Lisbon treaty is ratified and comes into effect.

[Mike Gapes]

The creation of a single EU external action service that will support the high representative and operate alongside national foreign offices and their staff should encourage the development of a more unified EU approach to foreign policy. It should also reduce the amount of duplication in the European Council and European Commission bureaucracies in Brussels. For those reasons, I believe that it is very important that we support the foreign policy elements of the Lisbon treaty, and that we reject the amendments before us today.

The best way to protect our national interests is to have high-quality British people from our diplomatic service working at all levels in the EU's institutions, including the external action service. That should be regarded in our Foreign Office as a good career move for the people involved, who should be able to improve their promotion prospects by putting their EU work on their CVs. As happens with officials from other EU countries, our people will be able to have an input into the EU system and to influence the policies that are adopted collectively. The result will be that the EU will be more effective and coherent, and that it will work more in Britain's interests.

Mr. Davey: I rise to speak primarily because the Liberal Democrats have concerns with every amendment in this group. In that regard, we have something in common with Conservative Front Benchers. They confirmed today that they are against every single measure in the common foreign and security policy; I can confirm that we are against every single one of their amendments. They would undermine a sensible and modest package of proposals.

Amendment No. 258 would delete the proposal relating to the president of the Council. The hon. Member for Rayleigh (Mr. Francois) seemed to think that that would become a powerful position; he suggested that it would be akin to the presidency of the United States in due course, and that the proposal was a stalking horse for a new presidential element to the European Union. He skirted some of the facts, such as that the president of the Council will be accountable to all the Ministers from all 27 states and will be able to act only when all 27 states have agreed and given the president a remit, as well as that the president will not have a vote. If he really thinks that such a position is equivalent to the presidency of the United States, he is living in cloud cuckoo land.

Mr. Redwood: A long time ago, the British people were asked to vote on whether they wanted a Common Market, and they voted yes. They have never been asked whether they want a common defence, foreign and security policy; why would the hon. Gentleman not put that to the British people?

Mr. Davey: I believe that the British people should have a referendum on the whole European Union to encompass that matter and many others. It is time to have an in/out referendum so that the British people can put the anti-Europeans to flight. I believe that the vast majority of the British people do not share the Euroscepticism clearly evident in some Conservative Back-Bench Members—

Mr. Gummer *rose—*

Mr. Davey —although not the right hon. Gentleman.

Mr. Gummer: The hon. Gentleman should be a bit careful about the issue. The House is elected by the British people to make decisions as a Parliament. That is the basis of the British constitution. There is no question but that we have that job and that duty. People know how we voted, and we must stand by our votes. Referendums are always the refuge of those who are not prepared to stand up for what they believe and vote as they should. The fault of this Government is to have promised a referendum and not delivered it, but their fault is double. They should not have promised it in the first place, and having promised it, they should have delivered it.

Mr. Davey: The right hon. Gentleman's position on the matter has been consistent; I do not disagree that he fought on that position during the last election. I fought on the position that there should be a referendum on a constitutional treaty. The best way to honour that pledge is to have an in/out referendum, because it is the question closest to that of a constitutional treaty.

Anne Main (St. Albans) (Con): I am pleased to hear views being expressed by the Liberal Democrats in the House. When my local paper wished to know where all the political parties stood on the issue, I was the only one who responded. There was a resounding "no comment" from the Liberal Democrat and Labour parliamentary candidates. Perhaps the hon. Gentleman shares my view—I should like his comments on it—that people would like to engage in the debate. That debate is stifled not only within the Chamber but outside it, and that is part of the problem. People cannot debate the arguments, because they are not being put.

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. I remind hon. Members that a debate on whether to have a referendum will take place later, in the next few days.

Mr. Davey: I am certainly happy to abide by your ruling, Mrs. Heal, and to talk to the hon. Lady outside. I know the Liberal Democrat parliamentary candidate for St. Albans, and I am sure that he will want to comment; he is not normally a quiet candidate.

Amendment No. 1 deals with the United Nations Security Council. When challenged on it, the hon. Member for Rayleigh had absolutely no answer. He must accept that the treaty proposes the most timid, modest, small change that could possibly be made to the relationship between the European Union and the United Nations Security Council. The idea that the British Government or a serious political party should be against the European Union speaking with all the authority of 27 member states and backing a policy that we have agreed is absurd.

Amendment No. 156, which I believe was tabled by the hon. Gentleman or his colleagues, would prevent the European Union from signing any international agreement. The EU would not be able to sign a trade agreement, an agreement on climate change or any agreement that was in the interests of our people. That shows what an absurd position he is adopting.

Mr. Francois: Amendment No. 156 was tabled by my hon. Friend the Member for Stone (Mr. Cash), and I am sure that he will make the case for it.

Mr. Davey: If I made a mistake, I apologise to the hon. Member for Rayleigh, but I say to the hon. Member for Stone (Mr. Cash) that the amendment is still absurd.

5.45 pm

Mr. Henderson: I refer to amendments Nos. 1 and 258. I am slightly unfamiliar with Committee stage discussions these days, and I am not sure whether the Opposition intend their amendments as probing amendments or whether they have a more serious purpose. Perhaps the hon. Member for Rayleigh (Mr. Francois) could clarify that.

I am not sure whether amendment No. 258 deletes the concept of a president of the Council from the treaty or whether it prevents a president of the Council from having a view on external affairs. I suspect that it deletes any reference to the president, which implies that the current situation would continue, whereby there are potentially three different spokespeople for the European Union on external affairs matters.

Those who have been in regular contact with the European Union know that the current position is untenable with 27 members. With six members of the original Community it may have been possible, as the presidency came round every three years and there could be some degree of continuity. With 27 members it becomes almost impossible to conduct business in the long term. Particularly in relations with outside bodies and other international bodies, there is a need for administrative consistency so that people know whom they are speaking to, what kind of person they are and whether they can trust them. That is crucial in international negotiations, which is why a presidency is needed.

That brings me back to the question whether the amendment was intended as a probing amendment. Was it meant to probe whether the presidency would be like the President of the United States? Clearly, that is not the case. The president of the European Council would have very limited powers and would have to be extremely careful to stick closely to the mandate that that person was given. There would not be a huge amount of discretion, if I anticipate correctly the future relationship between the president and the Council. That may be a point that Tony Blair is examining. I do not know whether he is a candidate or not, but he would be wise to work out what the job description was if he wanted to put his hat in the ring.

With regard to amendment No. 1, there is a myth that must be killed off. There are many legitimate and credible reasons to argue against the treaty and the foreign affairs and defence aspects of it, but the idea that it will in any way deny Britain access to the United Nations at the Security Council, the Assembly or any of the intermediary committees is just not realistic. The president will be there to represent a common position of the European Union in whatever is being discussed. If there is no common position, the president will not be there; the president could not be there unless originally there was unanimity—or, as my European friends say, consensus—on the issue under consideration.

Rob Marris (Wolverhampton, South-West) (Lab): I agree with my hon. Friend's description of the situation. Does he agree that there is no downside? If there is no consensus, the United Kingdom will go alone to the United Nations, as would happen if there were no treaty or arrangements. If there is consensus, the United Kingdom will go with 26 allies in its pocket, as it were, via the high representative—to the United Nations.

Mr. Henderson: My hon. Friend is absolutely right. If there is a common position, the United Kingdom or any other of the 27 can decide how loquacious to be in reinforcing that position at whatever United Nations committee it happens to be. If there is no such position—that will happen on occasions; it would have happened in the original debates on Iraq, for instance—the United Kingdom will have the same access to the United Nations as at the moment. If the Opposition's amendments are more than probing ones, their arguments will have to be better than those put forward by their Front Benchers.

Mr. Redwood: Why do we need the complication of a possible right of audience at the United Nations for a representative of the EU? If there was a common position, surely the French and British representatives, who have seats, could pray that in aid as part of their case if we thought that that would help.

Mr. Henderson: I do not understand the right hon. Gentleman's point. The European position will be stated if there is one. If any nation wanted to reinforce it, they could do so. If there were no European position, any nation that wished to express a view could do so. That is the framework.

Mr. Redwood: The point is that that would not have to be done three times. Doing it twice would be quite enough—we would already have two representatives around the table.

Mr. Henderson: The right hon. Gentleman and I go back a long way on these matters. He knows about some of the issues. I would have thought that he would recognise that if there is a common European position it will be more influential in UN committees if it is put forward as such, and not by the French or British or whoever happened to have the presidency in a 27-unit cycle. In the larger committees, the position would be far more effective coming from the European presidency—normally from the president himself. That would not prevent any other nation making a point if it wished to. If there were no common position, any nation wishing to make a point could do so. We cannot get away from that; that is the position of the UN. It will not change its constitution to accommodate the EU or its member nations. The Conservatives need to have another look at the issue.

The right hon. Member for Wokingham (Mr. Redwood) raised a point in response to my hon. Friend the Member for Ilford, South (Mike Gapes); he said that it was better to have a British than a European position. That is a matter of horses for courses. In some circumstances—for example, the situation in the Congo or Chad in respect of external affairs—it is better for Britain to express its view alone, knowing that it does not have to have a lead-nation role, but that it can still very much influence the direction of the EU. In other situations, however,

[Mr. Henderson]

Britain would have a direct role. For instance, because of our history we have a closer and deeper interest in the diplomatic discussions on Zimbabwe than some other European Union countries. It is a matter of considering the issues and dealing with them as they come forward.

Mr. Kenneth Clarke: The amendments bear on the common foreign and security policy, which I have always supported as an aspect of the European Union; it is very much in British interests that it should develop further. So I look at the amendments and ask whether they will enable us to make better progress than we have made already in developing a common foreign and security policy on issues for which it is in British interests to do so. Those are issues on which our interests coincide with those of other member states and on which we can reach unanimous positions on matters of great importance to us all. In the earlier debate, Members referred to our relationships with the Russian Federation. I can think of no more important area where the European Union should make faster progress towards having a coherent common foreign policy that enables us to establish good, but proper, relationships with the very important superpower that is almost a near neighbour of ours to the east.

The structure on which the amendments bear is fairly long-standing. There is no great substantial change in this treaty from the Maastricht treaty, which we debated at considerable length in the past. Unfortunately, I was divided then from some of the colleagues who are present now, who still do not agree with me. A lot of these arguments are extremely familiar. At that time, we debated amendments claiming that the proposals would be the end of British foreign policy, that we would be handing over to a new European superpower, that we would lose all our power to represent ourselves abroad, and so on. None of that ever happened. Unfortunately, since the Thatcher Government led on the whole idea of a common foreign and security policy and the Major Government supported that, we have not gone far enough in the direction towards what we need—a union of nation states collectively being able effectively to put into practice representations on their mutual behalf in the areas that matter to them.

I agree with, and will not repeat at length, the arguments in favour of a single presidency for a period and an end to the rotating presidency. I am surprised that my party has tabled amendments challenging the idea of the new presidency. The Conservative party was always unanimous on the question of enlarging the Union—apart from my right hon. Friend the Member for Wokingham (Mr. Redwood); I am sorry that I have attributed to him a moment of deviation from his very firm position on these matters. Certainly, the official policy was all in favour of enlargement. Indeed, most of us view it as a triumph that the Union has succeeded in enlarging and taking democratic and liberal values across into central and eastern Europe. I always gained the impression that it was assumed that once we had enlargement, certain treaty amendments would be required, including getting rid of the rotating presidency. I will not labour the argument, but the hon. Member for Ilford, South (Mike Gapes) was entirely correct in what he said.

There are two arguments about the presidency that must be refuted: first, that it is, as my hon. Friend the Member for Rayleigh (Mr. Francois) suggested, a tremendously powerful position that could eventually, over time, rival the presidency of the United States as a position in world affairs. I have to tell my hon. Friend that I do not see how that can be seriously argued while keeping a straight face. One thing that is retained in this treaty is the idea of unanimity in forming foreign policy—unanimity, that is, of Ministers in the Council of Ministers, each of whom comes from their democratically elected Government in each member state and is individually answerable to his Parliament and the electorate to whom his Government answer. The president will represent the Union once a common policy has been arrived at, and only then. The president of the European Council of Ministers—that is the best way of describing him, rather than the president of Europe—will not be the commander-in-chief of the forces of Europe. When we discuss later amendments, we will no doubt hear the old Maastricht stuff about European armies and so on, which have always been phantoms. The president will not have any policy-making power—that will reside with the Ministers drawn from the member states, and his duty is to represent a common position when they have arrived at it.

Secondly, it is argued that the presidency will somehow threaten our position in the United Nations. Again, I will not labour the arguments that have already been made, other than to say that we are continuing a practice that has already become well established, and that has not yet happened. The fact that the president of the Council can sometimes go to address the United Nations does not mean that the United Kingdom will lose its place on the UN Security Council, any more than the French will. I strongly believe that the British should retain their position on the Security Council for as long as possible. We are a very valuable influence there, and it is obviously in our interest that we stay there.

We have had difficulty in maintaining that presence in modern times because the permanent members of the present Security Council were the victorious allies in the second world war. As the world steadily changes, that situation is getting quite difficult to defend. It is not the best defence of the British position to say that we will rely on that historical case, or even to bar the quite harmless practice, which has become quite well established, of the president of the European Council addressing the Security Council when there is a common position.

6 pm

My right hon. Friend the Member for Wokingham, with his usual sensitivity to the political world of Europe, says that the other 25 countries should put up with being represented by either the British or the French. He asks why there is a need for the European president to be able to turn up and put their views. Quite apart from the generally undiplomatic nature of that suggestion, such an approach is not the best way of defending the United Kingdom's seat on the UN Security Council in the longer term. With the greatest respect to my right hon. Friend, such near xenophobia about the desire of other powerful countries to be able to put forward a collective European view in the UN will simply arouse more pressure for reform, and most

proposals for reform suggest that there should not be so many European countries individually represented on the Security Council. I resist that view, but we have to be sensible and flexible, and we should not raise such extraordinary fears about what has been a successful practice since Maastricht.

I know that others want to go on to the subject of the European army, so I shall conclude by relating something to my hon. Friends in a way that is in order. These debates, which I have attended quite regularly, largely seem to involve an extraordinary series of exchanges about what the treaty means. In my opinion, although I respect the views of my colleagues, there has been an attempt to extract from the wording of the treaty extraordinary meanings that I simply cannot see there. It is exactly like Maastricht. Everybody said that similar things would happen after Maastricht. We debated it at interminable length then because we were not confined by such a dreadful timetable as we are now—despite our best efforts to get one. All those fears were raised, none of them were realised, and now everyone is coming back to say exactly the same thing.

Mr. Cash: My right hon. and learned Friend referred to the Maastricht treaty and to the meanings that people gave to the words in that treaty, and are giving to the words in this one. Can I get rid of a canard, one way or another? I think that he once said that he did not actually read the Maastricht treaty. I have the greatest difficulty in understanding how he could put a meaning on words that he had not read.

Mr. Clarke: I knew more about the Maastricht treaty than most of the Maastricht—

The First Deputy Chairman of Ways and Means: Order. I really do think that we ought now to return to the subject matter under discussion, which includes external representation.

Mr. Clarke: I am sorry, Mrs. Heal. I shall therefore not rehearse my claim that I understood the Maastricht treaty and knew more about it than the Maastricht rebels at the time. I shall leave that for another occasion. The canard has been repeated, and will one day be properly put to rest.

If today's debate includes assertions about the president of the European Council of Ministers becoming like the President of the United States, our loss of our seat on the Security Council, a loss of our ability to have an independent foreign policy, and—in a few moments—our Army being subordinated to a European army, I cannot see how a referendum can be sensibly conducted. My opposition to a referendum is the same as that of my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). The effect of this process on the public is bewildering. People say that they do not understand the treaty, and having listened to this debate, I am hardly surprised. There is not even the faintest agreement among Members about what the treaty means.

I am afraid my response to the amendments is that they raise fanciful fears, no doubt genuinely held by my right hon. and right hon. Friends, that are based on an interpretation of the language of the treaty that it simply will not bear. For that reason, I continue to hold the views I did when we debated Maastricht. I will vote against any of the amendments that are pressed, and I will try to persuade my constituents that the fears raised in support of the amendments are delusions. The experience of our membership of the European Union so far, particularly since Maastricht, has shown that they were delusions then and they are delusions now. They do not reflect the way that anyone sensible in the EU, in any member state, intends to travel in future.

Rob Marris: Like many others, I want to discuss amendments Nos. 258 and 1. I do not know whether those who tabled amendment No. 258 intended it to be a probing amendment or whether they wish to press it to a Division, but they have overblown the consolidated text resulting from the treaty. Article 15(6) states:

"The President of the European Council shall, at his or her level and in that capacity, ensure the external representation of the Union on issues concerning its common foreign and security policy, without prejudice to the powers of the High Representative of the Union for Foreign Affairs and Security Policy."

Those in the Chamber could hear the inflexion of my voice, so for the benefit of *Hansard*, I point out that I stressed the word "common". The president of the European Council will be involved in the common foreign and security policy and

"ensure the external representation of the Union".

Other hon. Members may interpret that wording differently, but to me, ensuring the external representation does not mean being the external representative. That interpretation is confirmed when the article goes on to refer specifically to the high representative of the Union for foreign affairs and security policy.

The president of the European Council will be elected by the European Council, which can finish the term of office before the end of the two and a half years in

"the event of an impediment or serious misconduct".

I am not sure what "impediment" means, but in lay terms, I think it means that someone who is naughty or falls out with their mates will be voted out by the Heads of State and Heads of Government of the 27 member states in those circumstances. The president of the European Council is therefore on some sort of leash, albeit that it depends on the interpretation of "impediment or serious misconduct".

The president will not make foreign and security policy for the European Union; the European Council will do that, and it will be a common foreign and security policy. I stand to be corrected, but I understand that that would be done by unanimity; that is where the word "common" comes in. If the United Kingdom took a fundamentally different position on an issue of interest to the European Union, such as on Zimbabwe, which my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) mentioned, there would be no common foreign policy and the UK could properly pursue its own path.

Mr. Bone: I am following the hon. Gentleman's argument, but what would happen if the United Kingdom were in a minority of one in its view of a foreign matter? What would the high representative do? Would he do nothing and simply sit around in his office?

Rob Marris: Strictly speaking, the high representative would have to do that. In practice, he or she would make matters clear to his or her interlocutors. I do not expect the European Union to fall out over Zimbabwe, but let us take it as an example. If 26 member states took one position and the UK took another, the high representative would have to say, "My hands are tied. I am the high representative for a common foreign policy and, as I've indicated to you, my interlocutor, there is no common foreign policy because one member state doesn't agree with the others." That is what a common foreign policy means. As I said in an intervention on my hon. Friend the Member for Newcastle upon Tyne, North, in such circumstances, standing up for what we believe in as a single country would not put the UK in a weaker position than we would have occupied if we had never joined the Common Market and then the European Union.

Before we joined the Common Market on those terms—we were, of course, in the European Free Trade Association, but in foreign policy we were alone—if we were in a minority of one on what would otherwise be a common foreign policy of the European Union, we would again be on our own, so we would not be in a weaker position. However, we would potentially be in a much stronger position if 27 member states were taking their lead from the United Kingdom on, for example, Zimbabwe, which is a more likely scenario, but not a definite one, because of our history with that country and our knowledge of it, as has been mentioned. On the one hand, we might be alone, which is not a weaker position than we would have been in, were we not involved. On the other hand, the upside is that we could be in a considerably stronger position. That seems to me a pretty good each-way bet.

Mr. Harper: There is a slight inconsistency between the hon. Gentleman's position and that of the Chairman of the Foreign Affairs Committee. The Chairman was arguing that the development of having a president who served a term would improve the external representation of the European Union's common policy, but the hon. Gentleman is suggesting that the president would be constrained in the policy that they represented and would have to follow narrowly the instructions of the European Council. However, I am at a loss to see why a president serving for a period of two and a half years would be any more capable of representing that narrowly constrained common policy than the Prime Minister, President or Foreign Minister of one of our European partners.

Rob Marris: The president of the European Council will not be representing that policy—that is the point that I am trying to make. The president of the European Council's role is to

"ensure the external representation of the Union on issues concerning its common foreign and security policy".

I see no inconsistency between my position and that of my hon. Friend the Member for Ilford, South (Mike Gapes), and no doubt he will intervene on me if he thinks that there is one. What I was referring to, in the vernacular, is an each-way bet—sometimes we will be alone, sometimes we will be stronger. That is good.

I entirely agree with the comments that the right hon. and learned Member for Rushcliffe (Mr. Clarke) made about the United Kingdom's position at the United Nations. Historically, we are in a somewhat anomalous position, whereby our country is a permanent member of the United Nations Security Council, but has a round population of 60 million, albeit with a fantastic history and the goods and bads of the British empire. At the other end of the spectrum is India, which has a population of 1.1 billion, but is not a permanent member of the UN Security Council.

Mr. Redwood: The point about membership of the Security Council is that it is held by the major military powers of the world that are prepared to commit men, women and treasure to United Nations expeditions when force is needed to back up policy. We have more than earned our keep around the table. We are assured that there will be no European army, so how could there be a European Union seat?

Rob Marris: I do not want to get diverted too far down that path, but the right hon. Gentleman is not quite right. The five permanent Security Council members are in fact the original declared nuclear powers. That is where it comes from.

Canada, for example—a country of which I am a citizen and for which I have a great deal of affection—was one of the victors in the second world war. It has a long and proud history of contributing to UN security forces throughout the world; indeed, it argues with some justification that it has the proudest history, in terms of proportional contributions. In fact, the Canadian losses in Afghanistan per capita are far higher than the United Kingdom's. However, Canada is not a permanent member of the UN Security Council and, as far I know, neither Mike Pearson nor anyone else ever suggested that it should be. However, as I was saying, we are in the strange and historically anomalous position of having two countries of 60 million people—the United Kingdom and France—that are permanent members of the Security Council, whereas India, which has a population of 1.1 billion or whatever it is today, is not a permanent member. Membership comes from history, and, quite understandably, that history is being questioned, not least by countries such as India.

If we wish the United Kingdom to remain a member of the UN Security Council, as I am sure all hon. Members would wish, we have to look at how we interact with it. The changes brought about by the treaty include reinforcing the way in which the United Kingdom, as a member of the European Union and a permanent member of the UN Security Council, interacts with the United Nations, at both the General Assembly and the Security Council level. The treaty and the changes that it would effect are helpful, in respect of preserving this country's position as a permanent member of the UN Security Council. Paragraph 2 of article 34, on page 25 of the consolidated text, says:

"Member States which are also members of the United Nations Security Council will concert and keep the other Member States and the High Representative fully informed. Member States which are members of the Security Council will, in the execution of their functions, defend the positions and the interests of the Union, without prejudice to their responsibilities under the provisions of the United Nations Charter.

When the Union has defined a position on a subject which is on the United Nations Security Council agenda, those Member States which sit on the Security Council shall request that the High Representative be invited to present the Union's position."

6.15 pm

I think that that strengthens the position, principally of the United Kingdom and France, although—again, I stand to be corrected—at a given time, another EU member state could be a non-permanent member of the UN Security Council, so the EU, with 27 member states and a population of about 400 million people, might have three members of the Security Council, two permanent and one elected on rotation.

The EU is a body of 400 million people, so it seems to me reasonable for the high representative to be invited to the UN. The member states, under the treaty, would be beholden to request that the high representative be invited to present the Union's position—again, if there were a Union common position. If there is no common position, quite properly and in the interests of our country, our position could be presented to the Security Council, of which we are a permanent member.

The provisions of the treaty seem to me an each-way bet. We might be alone at the UN Security Council—there would be no change there, then, if we had never been in the Common Market and in the EU—but we might not be alone; we might have the strength of being able to say that, at the UN Security Council, we have a common foreign policy on a particular issue, which might be Darfur or whatever, and that it is supported by the UK. Perforce that common position would be supported at the UN by France, which is an EU member state. Another EU member state might also be present as a rotating member of the Security Council.

Mike Gapes: May I add a point to my hon. Friend's argument? There have been occasions over recent years on which the high representative, representing the EU or negotiating on its behalf, has been closely involved in trying to resolve some issue of conflict. Iran is the obvious example, but there are others. Mr. Solana has played that role, and it would surely be helpful to the collective influence of the UK and the EU within the UN system if someone who had been engaged day to day in trying to resolve some of the most difficult international issues could appear before the Security Council and give it his take on those issues.

Rob Marris: I entirely agree with my hon. Friend. That issue is to do with expertise, but also many hands make light work. We should get more hands on the pump.

If a delicate issue were being considered by the Security Council and if it were clear that the EU had a common position, as evidenced by the fact that the member states that were members of the Security Council at the time were asking for the high representative to be invited, and if that invitation were extended and the high representative attended, other UN member states around the world would know of the solidity of the common position of the EU, of which we are a member. Therefore, our bargaining power would, in a sense, be given leverage, and the treaty helps in that respect.

The proposal is an each-way bet, as I have termed it. That is why I oppose amendments Nos. 258 and 1. They would strip out things that are advantageous to us. Were we to strip out those things, there would be a serious downside, whereas if we leave them in there will be an upside but no downside.

Mr. Heathcoat-Amory: I shall be as brief as I can, because I hope that the Committee gets on to the other groups of amendments. It is one of the major scandals of this entire procedure that not only does the Committee not have the opportunity to go through the treaty line by line, but that often, owing to the short time allotted, we do not even have an opportunity to debate whole groups of amendments. That is particularly important given the significance of the subject before us tonight.

This policy area contains some of the worst drafting, and it is one in which the Government sustained some of the heaviest defeats in the negotiations leading up to the drafting of the text. My right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), who spoke before me from the Opposition Benches, put the most optimistic complexion on the treaty provisions. I disagree with him, but we have always managed to conduct our disagreements at a fairly genial level. In this case, however, he is at variance with the Government's position. We know that the Government do not like the text, so we have the odd situation whereby my right hon. and learned Friend is defending a text which was rejected by the Government. We know that because of the many amendments that the Government tabled during the Convention on the Future of Europe.

I had the honour of representing this House and I witnessed the Government's then representative, the right hon. Member for Neath (Mr. Hain), tabling and speaking to scores of amendments, very few of which were successful. It is difficult for hon. Members and this Committee to find out exactly what those amendments were; we have to trawl through a Commission website. There is no consolidated version of those amendments, but they do exist and I have a copy. There is no doubt that the Government talked tough in advance about their position, but caved in under pressure; they were not successful in amending the text and are now making the best of a bad job.

The problems were compounded by the procedures in the first half of last year when, following the defeat of the constitution, it was resurrected by the German presidency and the resulting negotiations did not even take place in public. At least in the Convention on the Future of Europe, there was parliamentary and public input; in the early part of last year, the negotiations were conducted entirely by officials in secret. Member states were shown the text only 48 hours before it was all agreed in the June European Council. That is one of the reasons why we have a treaty that is virtually incomprehensible. My right hon. and learned Friend said it would be inappropriate now to put the treaty to a referendum because no one would understand it, but the reason no one can understand it is that it was negotiated by officials, without any parliamentary or public involvement. There being no obligation to make it comprehensible, of course we have a text that is ambiguous, contradictory and misleading. The situation has not been helped by the partial and selective way in which Ministers have presented the outcome to this House.

Our amendments are designed to reinstate the position that the Government wanted during the early negotiations, or at least to make the treaty better. Earlier today, we heard a lot from the Foreign Secretary about the role of the European Council and how that will now be the intergovernmental body that will direct, at least strategically,

[Mr. David Heathcoat-Amory]

common foreign and security policy. It is true that the European Council's role has been enhanced to some extent, but the treaty does not strengthen the intergovernmental nature of the process. Instead of being led by a serving Head of Government of a member state, the Council is now to have a full-time, permanent president who will be supranational.

What we have done in the treaty is create more presidents—that is really what happened during the Convention. Not only are we to have a full-time president of the European Council, but we will still have a President of the Council of Ministers—in some respects, that role will continue to circulate among member states—as well as the President of the Commission, the President of the European Parliament, the President of the European Court of Justice, the President of the European Central Bank and the President of the European Court of Auditors. We have a Europe of presidents, but what we were seeking in the Convention was a popular Europe—a Europe for the people. That was the instruction given to those involved in the reform process, and we failed. If one adds together all the presidents and the vice-presidents enumerated in the treaty, one has something that is even more remote from the lives and concerns of ordinary people.

Of course, what we did not know at the time was that the then Prime Minister, Tony Blair, was actually writing his own job description. However, to repeat a point that has already been made this evening, he might have looked a little more deeply into exactly what the job entails. One of the conclusions of the European Scrutiny Committee was that there are ambiguities surrounding all the jobs of most of these presidents. The search for clarity and certainty in the text has failed.

Another defect has been identified. If we are to have a more powerful, strategic European Council, why are its proceedings still to take place in secret, with no written minutes of any kind? This was the subject of a recent report by the European Scrutiny Committee, which rightly pointed out:

"The Conclusions of the European Council have an important influence—sometimes, a decisive one—on the future of the EU and the 500 million people who live in it."

The Committee points out that no one knows what goes on. There is apparently a recording of the proceedings, although that was denied by the previous Foreign Secretary. It was confirmed, however, by Sir Stephen Wall, who was an ambassador to the EU. If there is an accurate recording, though, it is certainly not presented to Parliament or to the outside world.

The Committee recommended that

"the Government discuss with other Member States the options for improving the process and removing its present inefficiencies and eccentricities; and, in particular, whether a clear, definitive and accessible record of the proceedings of the European Council should be made as a matter of course."

I strongly agree with that. If we are to have a supreme decision-making body that is going to set the strategic direction of the foreign policy of 27 member states, we are entitled to know what it is discussing, and who agrees and disagrees when a vote is taken. We need to know what is going on. All we have at the moment are the conclusions, which are circulated before the European Council meets but are never discussed as minutes. A statement is made to the House by the Prime Minister afterwards to tell us what has happened, but there is no clear, definitive record of what actually took place.

If the treaty goes through, this provision will have big implications for the democratic right of this House to scrutinise foreign policy. There is nothing in the treaty to reform those secretive proceedings. Amendments were tabled in the Convention to correct that, but there was no appetite for such reform. There was a desire to keep these matters at European Union level, deliberately to avoid the tiresome habit of member states' Parliaments inquiring exactly what their Ministers are doing on their behalf.

We can add to that the fact that there is confusion over the roles of the president of the European Council and of the high representative. It has been mentioned several times today that the high representative will be entitled to speak at the United Nations on behalf of the European Union when there is a common position. This is not what the United Kingdom Government wanted at the time, however. The Minister who is going to respond to the debate does not appear to be in the Chamber at the moment, but if he would kindly return before the debate concludes, I should like to ask him whether it is still the Government's position that the obligation on permanent members to request the high representative to speak on our behalf contradicts the rules of procedure of the United Nations. We are entitled to an opinion on that. That is certainly what was asserted at the Convention on the Future of Europe, and it would be wrong to write into a treaty something that conflicts with the rules of procedure of an international organisation of which we are a member.

6.30pm

The Foreign Affairs Committee carried out a comprehensive study of the roles of these various posts, and concluded that it was

"concerned by the current degree of uncertainty which surrounds the role"—

that is, that of the president of the European Council—

"and by the potential for conflict with the High Representative in representing the EU externally".

We are being invited to agree to a text—the Chairman of the Foreign Affairs Committee, whom I see in his place, did not mention this in his very good report—when we are entitled to an explanation of whether the Government believe that these ambiguities have been sorted out before we pass the Bill.

The high representative will have at his disposal not just what amounts in most respects to a foreign ministry—although it is to be called an external action service—but more than 100 delegations, which to all intents and purposes are embassies. It has been calculated that more than 7,000 members of staff are working for these overseas delegations and for the Commission in Brussels on foreign and security policy and external matters. It is certainly clear to me that the new high representative's staff and the ministry at his disposal, as well as the overseas delegations, will be heavily dominated by the Commission. Yet the exact role of the Commission is another ambiguity in the treaty, so one of my amendments is designed to remove from it the quite unnecessary confusion over whether the high representative or the Commission can table proposals on foreign policy matters.

The Commission's role is further enhanced by the fact that the high representative will also be a vice-president of the Commission. Such double-hatting was a matter brought up in the Convention and subsequently as something that the Government did not want. In trying to clarify and simplify the roles of EU institutions, it makes no sense to leave such ambiguities in the text.

Another problem relating to the Commission's role and how it will interact with that of the high representative is the fact that the European Council and its president will have to practise "mutual sincere cooperation" with the Commission, as written into the text in article 9. If the UK or any other state seeks to assert its independence in foreign policy, it will run up against the problem that the European Council—the decision-making body—and its president will be obliged mutually to co-operate not with member states or the UK but with the Commission. I find that to be a distortion—once again, the Government did not like it in the negotiations—and it should have been removed.

The melancholy fact remains that, regardless of the text, the momentum and the internal dynamic of the EU will sweep away the Government's red line defences in any case. The clearest example of that are the numerous loyalty and solidarity clauses in the text. Even if we manage to take out some of the specifics through the amendments, we are still left with member states' obligation to seek an "ever-increasing degree of convergence" of their actions, as in article 11. That is an echo of the existing treaty obligation for member states to seek "ever closer union". At great political cost, the Government managed to get some of that taken out of the existing text, only for it to re-emerge in the new form of seeking an increasing degree of convergence in foreign policy.

Moreover, it is the high representative who will have a new power to ensure compliance with the obligation—again, a new obligation—for member states to support the European Union action. If there is a change of Government after a general election and the new Government seek to take a new angle on foreign policy and form some new alliances, they will not be able to do so if the policy is the subject of a pre-existing position to which the previous Government signed up.

Mr. Bone: It is slightly worse than that, is it not? A Government may have agreed a common position on a foreign issue to start with, but foreign issues change. We might take a different view from the rest of Europe after agreeing initially to a common approach. Will the high representative say, "I will not say any more about that now"? I fear that he will continue to side with the majority view in the European Union.

Mr. Heathcoat-Amory: Yes, These developments are, to all intents and purposes, irreversible, and undermine one of the basic constitutional tenets by which we live: that no Parliament can bind its successor.

Mr. Bernard Jenkin (North Essex) (Con): I hesitate to advertise some of the demons whose existence some of our colleagues refuse to accept, but if the Council invited the high representative to formulate a proposal on the basis of a resolution of the Council, that proposal would be subject to qualified majority voting. It is possible that a newly elected Government who did not even agree to the initial invitation for the high representative to make a proposal would be stuck with qualified majority voting on its implementation.

Mr. Heathcoat-Amory: My hon. Friend rightly mentions a new provision in the treaty which extends qualified majority voting in the way that he has described. It means that once the high representative has been invited to present proposals, qualified majority voting will apply. Any member states must veto at a very early stage even the proposal to request a proposal from the high representative. That is a significant extension of qualified majority voting. Again, the lack of clarity in the relevant clause was criticised by the Foreign Affairs Committee, but to no avail.

Rob Marris: The right hon. Gentleman seems to be reading the provisions in a very different way from the way in which I am reading them. The second paragraph of article 24 (1) on page 19 of the consolidated texts states:

"The common foreign and security policy... shall be defined and implemented by the European Council and the Council acting unanimously"

—end of quotation. *[Interruption.]* I will complete the quotation if Members want me to. After "unanimously", it continues

"except where the Treaties provide otherwise."

End of quotation. Perhaps the right hon. Gentleman could tell us where the treaties provide otherwise. It seems to me that what I have read out suggests it is a question of implementation as well as defining.

Mr. Heathcoat-Amory: Characteristically, the hon. Gentleman did not complete the quotation, which continues

"except where the Treaties provide otherwise."

[Hon. Members: "They do provide otherwise."] My hon. Friend the Member for North Essex (Mr. Jenkin) will probably try to find the exact point in the text.

Mr. Clappison: The words "where otherwise provided" refer to article 31(2). If the hon. Member for Wolverhampton, South-West (Rob Marris) looks at that paragraph, he will find a list of examples in which qualified majority voting applies.

Mr. Heathcoat-Amory: That was a good answer from my hon. Friend. It is true that a new provision in the texts extends qualified majority voting if the European Council, acting on the basis of unanimity, requests a proposal from the high representative. Once that request has been made, qualified majority voting applies, even when the proposals are not implementing measures. That is a significant advance in qualified majority voting.

Let me end by referring to a solidarity clause that I do not think has been sufficiently ventilated. It gives the European Union the ability to require member states to make available military resources to prevent a terrorist attack. Hon. Members who wish to look it up will find the reference in article 188R, which is a new provision in the treaty. As far as I can tell, it is judiciable by the European Court of Justice. In other words, there is no voluntary spirit involved. If a request is made, member states, including Britain, would have to give military assistance or make military assets available. That would be done not in response to an actual attack, but possibly to prevent a terrorist attack. That is a significant extension

[Mr. Heathcoat-Amory]

of European Union power and a restriction on the freedom of action of all member states. How it can be asserted that British independence of thought, policy and action is uninhibited by this treaty is mystifying.

Perhaps the best demonstration of that point is the fact that, yet again, the provision was opposed by the Government in the negotiations. I hope that the Minister for Europe, who has now returned to his place, will spend less time arguing against amendments that the Government promoted at an earlier stage of the negotiations. Instead, I hope he will start to find the spirit that the Government at least partly found during the Convention—standing up for British interests in complex negotiations, although there was a failed outcome.

My amendments and those of my hon. Friends will help to rescue this treaty from where it has ended up, although they will not do so comprehensively because of the solidarity and loyalty clauses, which have an overarching effect. In my view, they will erode British independence in foreign policy to the stage where we will become exclusively a continental power, whereas we are partly continental and partly what General de Gaulle called "maritime". We must retain the ability to choose in foreign policy. Sometimes we have chosen the continent—sometimes we have had to rescue the continent—but at other times we have chosen a global role, a maritime role and a role that perhaps associates us more closely with the Anglosphere. If the treaty and these provisions go through in their current form, that choice and destiny will be denied us.

Mark Lazarowicz: The right hon. Gentleman's contribution, with respect, seems to exemplify the type of approach that the right hon. and learned Member for Rushcliffe (Mr. Clarke) described, whereby the Conservative Front-Bench team and the majority of Conservative Back Benchers present choose to read into the treaty proposals the most alarmist outcomes possible. Such outcomes could only possibly come about after further treaty changes had been agreed upon by all the member states and, in any event, they could not in any sense be regarded as inevitable. Certainly such outcomes are not at all comprehended in the proposals.

I am sure that some Conservative Back Benchers from the Eurosceptic majority—that is what it now appears to be—believe that the treaty will bring about such consequences, but I have difficulty in believing that the Conservative Front-Bench team really believes that such things could happen. Nevertheless, its approach to the amendments and to the substantive policy debates on the issue since we began our consideration a couple of weeks ago has been to set up a series of Aunt Sallies and to try to frighten the public with scenarios that, when pressed, the hon. Member for Rayleigh (Mr. Francois) has had to concede, even today, were only theoretical possibilities rather than inevitable consequences of the treaty proposals.

One example, which we discussed earlier, was the attempt to parallel the new president post with that of the Presidents of the US and Russia. I do not want to make too much of it, but it is quite instructive that Conservative Front Benchers have chosen to make that parallel. The purpose of trying to suggest, entirely erroneously, that the five-year presidency was in any sense parallel to the US presidency could only be to put into the public's mind the suggestion that an EU president would be akin to President Bush or other American Presidents and that the treaty brings in that sort of constitutional change. Anyone who reads the proposals knows that that is not the situation, but it is an example of how the Conservatives are trying to frighten the public.

6.45 pm

Another example is the way in which the high representative—an important and welcome reform—is being promoted as being, in effect, an EU Foreign Minister, when the proposal has in fact been hedged about with many restrictions and limitations. Indeed, the proposal could be criticised for not going far enough. If anyone is in any doubt about that, they need only refer to the words of former French President Valéry Giscard d'Estaing, who said that in the revised proposals Britain has already weakened all attempts at further European integration, including rejecting the title of Minister for Foreign Affairs. The reality is that the high representative will be nothing like the EU Foreign Minister that the Conservatives suggest is being created.

Those are two examples of the fairly extreme, but at least rational criticisms of the proposals that we have heard from some members of the Conservative party. There are even more extreme proposals from some sections of the party represented in this House. I had the great fortune last night of being here until 2 am in support of the Government's proposals for local government changes in Shropshire. I had some time on my hands, as one does at the time in the morning, so I had a closer look at my e-mails than I might do earlier in the day. I was interested to receive an e-mail from the office of the hon. Member for Shipley (Philip Davies)—I have told him that I would raise this point if I had the opportunity to speak today. It was an invitation from the hon. Gentleman to attend an event launching the FreeNations website, presenting

"The Totalitarians who founded the European Union and their impending triumph.".

I had a quick look at the website, which contains a list of Eurofederalists—a list of conspirators that makes the conspiracy recently outlined by Mohammed al-Fayed seem modest in comparison. That list includes not only, as one might expect, the right hon. and learned Member for Rushcliffe (Mr. Clarke), the right hon. Member for Suffolk, Coastal (Mr. Gummer) and my hon. Friend the Member for Grantham and Stamford (Mr. Davies), but the hon. Member for Bethnal Green and Bow (Mr. Galloway) and even my hon. Friend the Member for Great Grimsby (Mr. Mitchell). For him to be denounced as a Eurofederalist is an indication of the outer reaches of reality that are occupied by some members of the Conservative party.

I make that point because it illustrates the position of an increasing number of Conservative Members. They actually believe some of that stuff. They believe that there is some plot, as the website helpfully sets out, to do through the European Union what Hitler attempted to do between 1939 and 1945. That illustrates the problem for Conservative Front Benchers: they have to try to bridge the gap between some contact with reality and the extreme views on the Conservative Back Benches, which are gaining a higher and higher profile in their party.

My view is very simple. I want to see the EU working more effectively. I believe that the situation in the EU institutions does not allow the member states of Europe to work together as effectively as they could. The proposals for the presidency and the high representative are sensible measures that will allow the Union to work more effectively to meet the challenges of our time, and that is why I oppose the Conservative amendments, which would reduce the improvements in efficiency and efficacy that I want to see brought about.

Mr. Harper: I shall try to be relatively brief, as I know that one or two Members still want to speak and that many Members want to get on to the next group of amendments. I shall limit my remarks more narrowly than I had intended.

I speak in favour of amendment No. 258, tabled by my hon. Friend the Member for Rayleigh (Mr. Francois) and our right hon. and hon. Friends, which concerns the role of the president. My hon. Friend the Member for Rayleigh was careful and, despite what Labour Members have said, he was in no way alarmist. He made it clear that he was suggesting not that there should be instantaneous changes but rather that there should be changes over time. He was right to warn us of that.

It is worth remembering that one of the powers of the presidency of the US, other than the President's specific powers as commander-in-chief, is the use of the office as a bully pulpit. That is a phrase that is often used in America and means a forum in which the President can argue diplomatically with other states, as well as arguing through the media to persuade citizens to influence the legislature—sometimes going over the heads of Congress. That is exactly what it would be reasonable to anticipate that the role of the permanent president of the Council might turn into, particularly if the person appointed is a character like Tony Blair. I do not necessarily mean him specifically, but he is someone whom we know, to our cost on these Benches, has some formidable skills when it comes to arguing and articulating positions. Many Labour Members were persuaded by him to do things that they perhaps would rather not have done.

The case put forward by a number of my hon. Friends seems perfectly reasonable. If a character such as Tony Blair were to take the position of president and use it as a platform and an opportunity to speak to the media around the world and to speak in diplomatic council, it is perfectly reasonable to suggest that it would develop over time into the sort of powerful position that my hon. Friends have described.

Mr. Henderson: The hon. Gentleman's point is without substance. There is no way that the French, the Germans or the Spanish—or anyone else—will allow a president of the Council to dictate everything in Europe because they will require that person to stick strictly to the mandate. Until the treaty changes that, I do not think that such fears are in any way justified. The hon. Gentleman should be a bit more objective.

Mr. Harper: If what the hon. Gentleman says is true, then, contrary to what the Chairman of the Select Committee has argued, the president will not transform the effectiveness of the EU's position abroad. Such a transformation will occur only if the changes to the roles of the high representative and the president make that position more effective. If those changes are modest and do not have the effect that I have suggested, I do not see how the transformation argued for by the Chairman of the Select Committee will occur.

Mike Gapes: If the hon. Gentleman checks the record, he will see that I did not use the word "transformation". I talked about how it would make the system more effective and coherent. I stand by that. We are talking not about transformation, but about incremental improvements, which are contained in this relatively modest treaty.

Mr. Harper: I thank the Chairman for that intervention. My hon. Friend the Member for Rayleigh was not arguing that there would be instantaneous changes. Part of the argument is that those changes will be incremental, but, over time, enough incremental changes have significant effects. That is all we have said. I do not see how such comments merit the charge of being alarmist or of scaremongering, which were among the phrases used by Labour and Liberal Democrat Members. I shall conclude my remarks on that subject, because I do not want to take up any more time than is entirely necessary.

Let me speak briefly about amendment No. 1, which concerns the UN Security Council. The hon. Member for Wolverhampton, South-West (Rob Marris) seemed to be arguing quite forcefully that the position of a country on the Security Council should be relative to its population.

Rob Marris *indicated dissent.*

Mr. Harper: The hon. Gentleman shakes his head, but he kept saying that the fact that Britain has a population of only 60 million meant that we were lucky to be on the Security Council. He suggested that it was outrageous that India was not a member, given that it has a population of 1.1 billion.

If an EU spokesman habitually addresses the UN Security Council, it will not be long before other members—or countries in the General Assembly that want a place on the Council—will suggest that the EU spokesman should take the place of Britain and France. That seems to be the logical consequence of the argument, and it is something that would weaken rather than strengthen our negotiating position on the Security Council.

Rob Marris: I am sorry that I did not make myself clear, although I stressed that I wanted the UK to remain a permanent member of the UN Security Council. I said more than once in my speech that it was arguably a historical anomaly that a country with a population of 60 million should be a permanent member. I still wish us to be a permanent member, but we are susceptible to countries such as India arguing that that representation is wholly disproportionate. I expressed the view—the hon. Gentleman may disagree—that the provisions effected by the treaty would strengthen our position on the Security Council and make it more likely that we would be able to remain a permanent member. The treaty means that we would rotate membership with France

[Rob Marris]

and perhaps one other country, and that we would represent not 60 million people but, in matters governed by a common policy, more than 400 million.

Mr. Harper: In a way, that seems to be the same argument as the one advanced by my right hon. Friend the Member for Wokingham (Mr. Redwood). He said that, when there was a common policy, Britain and France—the two members with a permanent place on the UN Security Council—could make it clear that they were enunciating the EU position. My right hon. Friend said that that could be perfectly satisfactory, but the hon. Gentleman's assertion that the EU representative would outline the common EU position seems to render the case that Britain and France should be there much weaker. I see that as a danger, and I do not believe that it is a possibility that we should raise.

I am not being especially alarmist, and I do not think that things will change instantly if the treaty is passed. However, I agree with my hon. Friend the Member for Rayleigh, who said from the Front Bench that that is a risk that we should avoid.

The more significant point was alluded to by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) and my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), who noted that it had been argued that a common EU position could be reached only through unanimity. Although the initial position can be reached only in that way, my right hon. Friends pointed out that a new provision in the treaty would insert QMV into the implementation of such proposals.

The hon. Member for Wolverhampton, South-West read out the first part of the relevant article. I do not think that what it proposes is a good thing, as it could be used in such a wide way that what is said to be the EU's common position could be something that Britain does not agree with. As a result, there is also a danger that the EU representative could put forward a position that is at variance with the one advanced by Britain. That would be very damaging.

As my right hon. Friend the Member for Wells said, the Government were opposed to any move to QMV on foreign policy matters. My right hon. Friend the Member for Richmond, Yorks (Mr. Hague) told the House that the current Secretary of State for Justice had made it clear that that would be "simply unacceptable", but we now have QMV in 11 areas that affect foreign policy.

It is not so long since the Government were arguing that QMV in those areas would be "simply unacceptable". However, they lost the argument, and that is why they are now trying to present a brave face and put the best possible gloss on matters. I believe that it would be very damaging for the high representative and the president to argue for positions that Britain does not support, given that, as my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) said, it is essential that common EU foreign policy is decided by unanimity. That goes to the heart of the matter. I agree, and I think that the treaty sets us on a road that leads to the common foreign and security position being decided not through unanimity, but through qualified majority voting.

My final point is on language. The words that we use are important. The high representative may not be called a Foreign Minister, the external action service may not be called a diplomatic service, and the missions may not be called embassies, but it does not mean that they are not effectively those very things. The outside world will treat the high representative as a Foreign Minister, missions will be treated as embassies, and the external action service will be treated as a diplomatic service. That is the reality, although the language may be different.

7 pm

Mr. Quentin Davies (Grantham and Stamford) (Lab): A connoisseur of conspiracy theories would have a lovely time if they attended the debates on European constitutional issues that we have in the House from time to time. I have been to a great many such debates, starting off with the Maastricht debate, and including the Amsterdam and Nice debates. On every occasion, I can recall the right hon. Member for Wells (Mr. Heathcoat-Amory), the hon. Member for Stone (Mr. Cash) and others arguing that national sovereignty was about to come to an end, and that if we passed the legislation in question it would bring to an end centuries of British constitutional history. Today they are still arguing that if we pass the Bill before us the same effects will ensue. They always do their homework and are always extremely interesting to listen to, and I do not wish to run down their sincere convictions on the subject, which I have known about for a very long time, and which I thoroughly respect. However, their predictions are in danger of running out of credibility.

The treaty's provisions for a European common foreign and security policy are extremely desirable, sensible, and pragmatic—and, I shall argue, extremely modest in their effect when we consider what might have been called for given the circumstances in which we find ourselves in the modern world. The provisions include important reforms that are desirable for two reasons. First, it has been clear to a great many people for a long time that, in the modern world, a platform of 60 million people with single-nation status is simply not sufficient to solve some of the problems that we face. That goes for the economy, climate change and the environment, and many other matters, and certainly for foreign and defence policy.

If we wish to have an effective, positive influence on the stability of the world, we need to join forces, pool our resources and join our voice to those of like-minded countries. We need to put structures in place, so that if we come up with a common initiative or make a common démarche on a particular matter, we are taken seriously and it is not regarded as a temporary coming together of a group of nations whose opinions might diverge again the very next day; we should instead be seen as a major world force that has coherence, conviction and sustainability. Many of us have been making that analysis for a long time. It is of course the basis of the development of the European defence and security policy initiative, which has come to fruition in the treaty.

The second important aspect of the treaty is that it brings to an end a lack of coherence, a potential contradiction. Until now, the European Union has had

a distinct untidiness—it is worse than untidiness; it is a serious administrative handicap—in the division of responsibility between the Commission in its external affairs function and the high representative on one hand, and the country holding the presidency of the Council on the other. Until a few months ago, I sat on the Select Committee on International Development—I lost that position for reasons that I shall not go into now—and I frequently saw at first hand how frustrating and almost incomprehensible it was to third-world countries to have to deal with two different representatives of the European Union. In matters of foreign policy, human rights and security, they had to deal with the high representative, Javier Solana. On matters of trade and aid, which are enormously important to a large number of developing countries, they had to deal with the External Relations Commissioner.

It is always difficult to get two or perhaps three extremely busy people such as Peter Mandelson, Mrs. Ferrero-Waldner and Javier Solana all in the same room at the same time in Beijing, Delhi, Abuja or wherever it might be. That is virtually impossible, but in order to have a coherent, meaningful and fruitful discussion between the European Union and the third-world country concerned about the range of issues of interest to both sides, it would be necessary to get those three individuals into the same room. That is absurd. All those individuals have their own staffs, their own briefing and so forth. No doubt those staffs have their own bureaucratic interests and agendas. That cannot be avoided in any bureaucracy, even in one as effective and as relatively lean as the European Commission. It is a highly undesirable situation.

Anyone coming from a private sector background—the right hon. Member for Wells, like myself, comes from that background and understands these things—would be horrified at such administrative muddle, duplication and possibility of creating misunderstandings all round.

Mark Lazarowicz: The situation is even more complex when the Foreign Minister of the country holding the presidency is involved in those discussions, because as well as being the President of the Council, the Foreign Minister will have responsibilities in his member state, and will no doubt have to attend his own Parliament and perhaps deal with constituency matters in his member state. That is another reason why the arrangements proposed in the treaty are sensible for the efficient working of the institutions.

Mr. Davies: Indeed. I entirely agree with my hon. Friend, who set out clearly and lucidly the reason for another major reform enshrined in the treaty—the replacement of the rotating country presidency by a personal president with a two-and-a-half-year tenure. That would be another enormous advantage.

Against that background, the proposal under discussion is not only a timely move, but one that should have been made a long time ago. I thought that the Conservative party, of which I used to be a member, was a pragmatic party which considered the practical costs and advantages of any move and whether a particular change had a reasonable chance of achieving some practical and desirable outcomes. I find that in many cases hon. Members on the Opposition Benches, not for the first time in some cases, take an essentially dogmatic view of these matters. They get caught up in the treaties, sub-clauses and so on, and are reluctant to consider the practical consequences of any decision that we take in the House about further constitutional amendments to the European treaty.

I emphasise the point that I made at the outset: that the proposal is a pretty modest way forward. A plausible and convincing argument could have been made—although I do not want to make it at the present juncture—that the treaty does not go far enough, and that there should have been qualified majority voting on ESDP matters.

There was a case earlier this week—the matter of the recognition of Kosovo—about which the European Union was all over the place. That was obviously an undesirable situation. If the European Union splits three ways, as it has done on Kosovo, with some member states such as Spain refusing ever to recognise an independent Kosovo, some such as the United Kingdom jumping in to recognise Kosovo at the earliest opportunity, and some preferring to wait and see, it is sending not one signal or message to the world or to Belgrade or Kosovo, but three, and those three are likely to be in conflict.

The net effect of all those foreign ministries, which cost a lot of taxpayers' money in all our countries, and of all those Foreign Ministers giving press conferences and making speeches, is to negate each other. That is, on pragmatic grounds, a rather undesirable waste of resources and it shows a regrettable lack of effectiveness in foreign policy. One might well have made a coherent case for going the whole hog and having qualified majority voting; in that way, the Council of the European Union would have got together last week on a QMV basis and decided whether to recognise Kosovo, to make a declaration that it would never do so or to wait and see. Had it done so, it would have mobilised the full force of the considerable influence that it can bring to bear—political influence, and influence in respect of economic back-up and potential defence capabilities.

We have not gone down that road, although we could have. I am surprised that people have not said that we should go further. As far as I can see, the Opposition amendments have come from those who say that we have gone far too far, that it is all terrible and that British and parliamentary sovereignty and the traditions of our constitutional history are coming to an end. As I have said, we have heard that rhetoric so many times before.

Finally, I should like to make an elementary, logical point. What is the difference between what would happen if we and the other place passed this legislation and if we did not? If we pass it, and have unanimity on ESDP decisions, we can count on being part of a body that will, effectively, exercise a superpower's power in the world and will therefore be much more likely to resolve any problem. That is a plus; we will have a mechanism that we can use if we want to—although we do not have to, because there must be unanimity. We will have an additional asset, resource and source of leverage on events. If, however, we or others decide not to agree to the unanimous decision of principle that needs to be taken before any action under ESDP is triggered, then we will be where we are now. Nothing will have changed. Bringing in the treaty will result, at worst, in our being in the same position as before. However, it could result in our being in a better one.

[Mr. Quentin Davies]

I do not know whether elementary logic looks different on the Labour side of the House, but it seems to me that my proposition would be immediately understandable to any member of the human race. If we have a choice between A, the current state of affairs, and B, a future state of affairs—and if B cannot be worse than A, but could be better—then logically we should go for B. The Conservative party does not appear to do logic these days; if it did, it could have saved us an awful lot of time. We could have put the whole measure through on the basis of unanimity in the House.

Mr. Gummer: Anybody who considers these matters in the House should, as I do, ask what is in Britain's interests and how Britain should use what is in front of us to spread her influence. This is the question that I have to ask—is the treaty, in the respects that we are discussing today, a way for Britain to have greater influence in the world or will it limit our influence?

I say to the Government that it is a scandal that one should feel rushed at this point because we have not the time to talk about the rest. It is not sensible to ask us to discuss two hugely important matters—foreign affairs and defence—in the circumstances given to us. From a Government who promised us line-by-line debate, that is an outrage. Frankly, it makes things difficult, even in respect of issues on which some of us on the Conservative Benches feel that the Government are closer to the truth than are others on our side. That is why I am sorry that the Minister has had to defend what has been an intolerable timetable throughout, but is on this occasion worse than usual.

However, this is too important a subject to allow the opportunity to go by. Let me deal first with a well-known argument—the thin end of the wedge. If one does not like something and does not have a good argument to oppose it, one argues that it is the thin end of the wedge. I have used that argument with my wife from time to time when I could not think of a good reason why we should do something that I did not want to do.

I have great respect for my hon. Friend the Member for Rayleigh (Mr. Francois), who has made the best possible case for the argument that he is advancing. However, the thin end of the wedge argument, which I have heard in this House in all the many years that I have been here, is almost always wrong, because people who use it wish to avoid the fundamental question, "What is actually before us?"

7.15 pm

Mr. Duncan Smith: The slippery slope.

Mr. Gummer: We hear about the slippery slope and so on, but we should simply ask what is before us. *[Interruption.]* Let me explain to my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), who I think is fundamentally mistaken on this issue: at the moment, we have a presidency of the Council of Ministers and a mechanism whereby the Council is able to express its view on what we would call foreign affairs. We are not suddenly deciding that it should express its view on foreign affairs but discussing whether the way that we do it at the moment is a satisfactory one that is of maximum use to the United Kingdom or an unsatisfactory one. The treaty of Lisbon says that it is an unsatisfactory one. We want a system that is more effective and efficient—one that is not hugely different but that makes an incremental improvement.

If we do something that does not increase the European Union's power but increases its ability to do what we are doing already, some people who do not like the European Union feel that that is an unhappy circumstance, because they would really like it to be less efficient. I happen not to be one of those people. I want the European Union to be better because I want Britain to have more influence in the world, and it cannot unless the European Union of which it is a member is better able to influence the world and we are better able to influence the European Union. It is clearly better to have somebody who has gained some experience in these matters, who is elected by all the Ministers, and who has a limited period but a long enough period to get used to it than to ask the representative of Slovenia, for example, to become the sort of person in six months whom it would be difficult for many of us to become with a great deal more experience and much more back-up.

We have been trying to find ways round this for a long time. Although the UK did not hold the presidency at the time, I represented the European Agriculture Ministers in the Uruguay round discussions simply because my successor in the presidency was the Luxembourg Minister, who was also Minister of Defence and several other things, and it was generally felt that perhaps my experience as an Agriculture Minister would be better served elsewhere, so I went off to Chicago and did that job. I did not mention that to some of my Eurosceptic friends because I might have been in trouble. However, I did my best to represent Britain's interests because we had the presidency of the European Union and therefore had a voice and could say something. Of course, it was about a common interest, but we would not have been listened to had it not been in the context of the European Union.

That is why the EU voice is important. Although some of us would like to be back in the days of empire when people listened to us because we were Britain ruling a quarter of the world, they do not do that any longer. They are more likely to listen to 27 nations coming to a common position. Having a structure that enables us to come to a common position and that needs that common position before the president can represent us is a sensible step. I say to my hon. Friend the Member for Hertsmere (Mr. Clappison)—a very great friend and long-standing colleague—that we need thereafter to have some system of majority voting because it is not possible to work out the details unless we do. That is an excellent balance. It is a balance between the principle of deciding in common—if we are frightened about the process, we can stop at that point—and trying to work something out together when a certain amount of give and take is necessary to achieve a sensible end.

It is very simple; Britain must decide. Can it risk the give and take of 27 nations, and believe itself strong enough to produce the answer that is best for the British people, or is it so frightened, so uncourageous—

Mark Pritchard: Will my right hon. Friend give way?

Mr. Gummer: In one moment.

Is Britain so uncourageous that it thinks that someone else will always win? The French are pretty clear about their national sovereignty. They think that they will win.

Mr. Bone: And they do.

Mr. Gummer: If they do, it is partly because their Parliament supports the European Union and makes it work, instead of moaning on about it as a constant operation.

Rob Marris: I am delighted that the right hon. Gentleman has given way. Earlier in the debate, the hon. Member for Hertsmere (Mr. Clappison) directed me, when we were talking about qualified majority voting and European Union foreign policy, to article 31, on page 23 of the consolidated text, which I can assure him I have been reading. In paragraph 2, after the bits about qualified majority voting as implementation of a common policy decided unanimously, it says:

"If a member of the Council declares that, for vital and stated reasons of national policy, it intends to oppose the adoption of a decision to be taken by qualified majority, a vote shall not be taken. The High Representative will, in close consultation with the Member State involved, search for a solution acceptable to it. If he does not succeed, the Council may, acting by a qualified majority, request that the matter be referred to the European Council for decision by unanimity."

That is where a nation state, such as France or the United Kingdom, plays its joker, as it were, and says, "These are vital and stated reasons of national policy."

Mr. Gummer: The hon. Gentleman is absolutely right, and he underlines the degree to which the treaty goes out of its way to protect the fundamental fact that foreign policy is a matter for each individual nation. However, my concern is that if foreign policy is kept as a matter for each individual nation, a mechanism is needed whereby nations can operate together so that what they produce jointly gives greater strength to the issue with which they are concerned. That is why the treaty of Lisbon is such an excellent one with regard to this precise matter. It properly balances national interests, which are crucial and sacrosanct, with the need of every nation in a world such as ours to get together with its nearest neighbours to provide answers.

Mr. Denis MacShane (Rotherham) (Lab): Will the right hon. Gentleman give way?

Mr. Gummer: No; I ought to try to go on.

The second issue, which I find extremely difficult to deal with logically because it seems so illogical, is that saying that the changes are the thin end of the wedge means reinterpreting the treaty of Lisbon in the most apocalyptic terms. It is just not true that, because the word "president" is used in both cases, there is a connection between the president of the European Council and the President of the United States of America. There is a president of the National Farmers Union, but people do not compare him with the President of Russia. That is not a sensible argument. We have to consider what powers that person has, and compare them with the powers of others.

I contrast the moderate way in which my hon. Friend the Member for Rayleigh moved the amendment and my hon. Friend the Member for Forest of Dean (Mr. Harper) spoke—they presented the reasonable position, with which I happen to disagree, that the treaty is a slippery slope—with some of the more extreme views, which suggest that we will wake up tomorrow to find ourselves with no sovereignty. We heard exactly the same prediction during the Maastricht debate and it did not happen. Indeed, the opposite has happened. It is a rare occasion on which I agree with the previous speaker, the hon. Member for Grantham and Stamford (Mr. Davies), with whom I disagree deeply on all subjects and about whom I am sad. However, I agree with him that it could be argued that we still do not have sufficient methods for reaching a common view and getting the influence that Britain needs. It is in Britain's interest to make the European Union stronger in the matters that we are discussing simply because we need to be stronger. For example, those of us who voted against the Iraq war, and have now been shown to be right, would have liked to perceive a willingness in this country to realise that there are occasions when it is important to stand up for an alternative position.

I want to consider pragmatism. I am a Tory largely because I want to achieve things. I would not like to live in the never-never world of the Liberal Democrats or the dogmatic world that new Labour patently hides in. I want to live in a world that delivers. If I am to deliver, I must ask myself about the mechanisms whereby I can do that. It is no good saying that I can deliver the important international agenda that this country has or should have if I am determinedly independent, in the sense that I do not want to associate with anyone else.

Most hon. Members on this side of the House belong to a party and recognise that that involves some co-operation. They could sit, if they got people to vote for them, as independents. However, we know that the independent who eschews all permanent links cannot achieve the many things that he or she wishes. In the end, I am the person who decides how I shall vote and I am the only representative of my constituency. However, I join people of like mind so that, if we can produce a common answer, I am more likely to achieve my end. If I have to do that in politics, I must do it in greater things.

The greater thing is how to achieve the end that Britain wants in international affairs. I do not want Britain to be a backwater or to cease to have power in the world. If she is to have that power, it must be through alliance and permanent relationships. Our permanent relationship must be, first and foremost, with the European Union. However, that does not stop us having other friends. I understand, although I missed the contribution, that a colleague suggested that we cannot have more than one friend. That is not true. I myself have more than one friend. If there is someone in the House with only one friend, that is sad.

The proposals are moderate and modest and will not lead to the terrible apocalyptic ends that some fear. They will give Britain the opportunity to exert greater influence in the world without losing any influence that she already has. What could be better? Why cannot we be as one, at least on the issue that we are discussing?

Mr. Clappison: It is a great pleasure to follow my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). I agree unreservedly with his comments

[Mr. James Clappison]

about the time available. If he were still representing this country in international discussions, I would have no worries; I would be at home either tucked up in bed or on my way to bed. However, that is not the case.

The problem is that we do not have sufficient time to debate the treaty. The intervention by the hon. Member for Wolverhampton, South-West (Rob Marris) brought that point home clearly. I would like more time to go into the detail, in the way that he suggested, but we do not have time, because it is important that we get on to the next group of amendments, on security policy. What he said completely illustrated the inadequacy of our proceedings and the farce in which we are now involved.

7.30 pm

Let me briefly tell the hon. Gentleman that he was quite right in his analysis. However, the provisions do establish qualified majority voting, subject to a purported safeguard, but safeguards do not have a very good history in the European Union. The pillar structure of the European Union was supposed to be the ultimate safeguard, to keep foreign and security policy separate from what was then the rest of the Community and to keep the Commission out of foreign and security policy. What have we got today? If I have not been the victim of a conspiracy theory, as the hon. Member for Grantham and Stamford (Mr. Davies) would have it, we have got a member of the Commission not only chairing the Council of Ministers when it deliberates on foreign and security policy, but representing the Union's foreign and security policy, dealing with third parties and negotiating. All that will be on a foreign and security policy that can be determined by qualified majority voting in some circumstances, subject to the provisions to which the hon. Gentleman referred, with the undoubted prospect of more qualified majority voting determining our foreign policy in future.

Mr. Duncan Smith: We know that we are not going to get on to the next set of amendments. Let me remind those who were not here during the debates on Maastricht—just to get this one clear, I was here and I opposed it—that the then Foreign Secretary, our former colleague Douglas Hurd, assured my hon. Friend and me that we would have the pillar system, a wonderful construct, and that it was set in concrete that it could never be affected by the Commission. My hon. Friend has just made the exact point that that has changed in the period since, so all the assurances given by Ministers are worthless when it comes to the European Union treaties.

Mr. Clappison: I am tempted to say that I went home to bed after hearing assurances such as that one, but the problem is that I did not go to bed during the Maastricht debates. However, those assurances were indeed given.

We talk about British interests, but what is the greatest interest for our constituents? They want a foreign policy that is determined in this country by their elected representatives, whom they can change if they disagree with the Government's policy. That is something of which we are increasingly depriving our constituents for the future, and that is the most important British national interest of all.

Mr. Redwood: It is now quite obvious that we will not be able to debate the second set of amendments, which is what we really wanted to debate. I had stepped out in case we got on to them, but with a vote that will not now be possible. Once again, it is extremely difficult for the House when important and weighty issues such as the defence of the country cannot be debated, because another important group of amendments on foreign policy still need to be disposed of.

Earlier in this debate, the Government's position lacked clarity. It is quite possible for the Government to come to the House and say that they really think it better to have a common European foreign policy on all the main issues, rather than a British foreign policy. That is not a proposition with which I agree, but it is a perfectly respectable and understandable position. If that is the Government's position, they will of course want Britain to make compromises and to work more with our partners. They will also want that common foreign policy to be expressed by a single president, high representative or Foreign Minister of Europe and they will want that policy to be represented around the table of the UN Security Council.

As the United Nations begins to understand that that is perhaps the way in which the Government wish to operate, other member states of the United Nations will ask, "Why should these people have three representatives around the table, when there is effectively only one country from the foreign policy point of view and when they've tried to get an extra seat by the back door?" The Americans, the Chinese or the Russians might ask, "Wouldn't it be neater and more sensible to have just the one representative representing the common European policy, rather than the French and British view as well, which should be the same on these occasions?"

For those who wish to see the position clearly, the difference in House is quite simple. There are those who think that having most of this country's major foreign affairs policy positions agreed with our partners by compromise is the right answer. There are others of us who think that, while we can do that on some things, there are enough differences between our country and the other member states that it is much better to keep things intergovernmental, not to assume that there is nearly always going to be a common foreign policy, not to put Britain under constant pressure not to be the odd voice out or to be different, and to allow the British Prime Minister and the British Foreign Secretary, on all those issues where we have a different view or we have an interest and the other member states do not have a strong interest, to be able to carry on doing what we have always done and to be a senior country in world affairs, because of our history and, most importantly, because ours is one of the few countries that systematically stands up for freedom, decent rights and democracy, and is prepared to back that up with the lives of its young men and women, and with the money of its taxpayers.

We make a large contribution in world affairs, along with our American allies, our French allies and some others who sit around the UN table.

Mr. Cash: Does my right hon. Friend agree, as I suspect that he would, that there is something utterly pathetic about the situation we have arrived at in this debate? The question whether our young men are to be

sent off to war really should be debated. The question of how a common foreign and security policy is being developed is being ignored by the Committee thanks to the means that the Government have employed to frustrate debate—

The First Deputy Chairman of Ways and Means: Order. We must return to the debate. I call Mr. Redwood.

Mr. Gummer: On a point of order, Mrs. Heal. Is this not a suitable moment for the Government to announce that they will introduce an extra day of consideration on which we may deal with the second part of the debate?

The First Deputy Chairman: That is not a point of order for the Chair. I am sure that the right hon. Gentleman's comments will have been heard.

Mr. Redwood: Thank you for those wise words, Mrs. Heal.

Part of the argument on this group of amendments is whether there should be at the UN Security Council table a representative of the EU view. For the life of me, I cannot understand why the other UN member states would want that, unless that high representative or that president of the EU was backed by some effective European force. The whole point of the UN Security Council is the main powers—those countries that can use their diplomacy and influence with other countries—trying to form a common view that the General Assembly will accept. More importantly, the main powers form the most important part of any force that might have to be used by and in the name of the UN to enforce such a common strategy, if one or two other states in the world do not agree and force is unfortunately essential.

In this debate, we have not had enough clarity on the important issue of how on earth the EU could expect to be taken seriously in that seat without having such a force, which we are told would not exist as, we are told, there will be no common army. At the same time, I find it difficult to understand how we could avoid other UN member states making the perfectly reasonable point that, as we were moving towards that common position, and therefore the common use of our military forces, there should be only the one representative around the Security Council table.

There is a perfectly good solution to the problem whereby we will sometimes have a common policy and at other times not—that is, the current situation. If there is a common policy, we have France and Britain with seats. For some time, Germany has held a seat under the elected system. In relation to the position that they are adopting at the Security Council, those countries can pray in aid the additional strength that lots of other European countries agree with them. It is even better if we can join with a big country such as India.

There has been a lot of discussion about India. I happen to think that India is getting close to the point where it should have a seat on the UN Security Council. I hope that there will be discussions and negotiations, and if India wants to assume the responsibilities of a big world power—it is becoming a formidable economic power—I would be happy for Britain to see that take place. I am not happy to see this double banking and double-hatting through the EU, with all the muddle that that implies.

There needs to be a clear decision about whether these matters remain intergovernmental, in which case France and Britain would retain their seats, or whether we are in transit towards a world with a country called Europe that has a single foreign policy on all the things that matter. Then, of course, the balance of arguments would switch heavily and other UN member states would probably take a rather different view.

I hope that the Government will be more honest with the public and with Parliament about just how far the pressures will build for a common foreign policy under the Lisbon treaty as drafted. It is all very well for Ministers to say that the main decisions will remain subject to unanimity; that is true under the text that we are being asked to approve. But we all know what will happen: because the treaty also says that we have to show solidarity and loyalty and form common positions, there will be remorseless pressure on every major foreign policy issue to produce a common position. If it is not in Britain's interest to agree with the rest, we will be put under pressure and made to feel bad until we agree.

There are four different types of issue. There are ones where we naturally agree with our leading allies in Europe, in which case we can have a common position. There are ones where we care a lot and they do not, where we should be able to do what we want. There are ones where they care a lot and we do not, where they should be able to do what they want without us stopping them, as long as they do not do it in the name of the European Union. Finally, there will be areas where we disagree; in those areas, Britain must retain her independence, and that is not compatible with having a president and a European seat on the Security Council.

The Minister for Europe (Mr. Jim Murphy): I am delighted to have the opportunity again to respond to a debate. We have heard a number of interesting speeches and interventions, particularly from my hon. Friend the Member for Ilford, South (Mike Gapes), the Chairman of the Foreign Affairs Committee, and my hon. Friends the Members for Newcastle upon Tyne, North (Mr. Henderson), for Wolverhampton, South-West (Rob Marris), for Edinburgh, North and Leith (Mark Lazarowicz) and for Grantham and Stamford (Mr. Davies). We also had the opportunity to listen to the hon. Member for Rayleigh (Mr. Francois), who will no doubt speak again later. As is his custom in the House, he argued his case entirely reasonably; I disagree with him, but it is a case that he makes with great thought and care.

We also heard speeches from several other right hon. and hon. Members, which I might respond to later, but I shall start with the comments made by the right hon. Member for Wokingham (Mr. Redwood) about our general approach to common foreign and security policy. Our approach is that where we can find common cause and agree with our European allies and partners, it makes sense that we then articulate that as a common position. It makes absolutely clear sense that that should happen.

Mr. Cash: Will the Minister give way?

Mr. Murphy: In a little moment.

However, to argue as the right hon. Gentleman did that, when that happens, we should be bound to argue that position at the United Nations, instead of having the high representative as an alternative, turns the UK seat into a European seat at the United Nations, and we want nothing to do with that.

Mr. Redwood: Will the hon. Gentleman give way?

Mr. Cash: Will the Minister give way?

Mr. Murphy: Of course. I will take two brief interventions, then carry on.

Mr. Redwood: That is, of course, what the treaty says. I said something different. I said that where the UK thought that it was right to argue the European position, we would choose to do so.

Mr. Murphy: In the interests of time, I will give way to the hon. Member for Stone (Mr. Cash) and then respond to both interventions.

Mr. Cash: The Minister will know that under the provisions that are supposedly before us now, but which we will be unable to debate properly because of the disgraceful way in which this business has been handled, there is a provision that links the common position to article 51 of the United Nations treaty. The plain fact—the Minister knows it, the Prime Minister knows it, and the Foreign Secretary knows it—is that there is often no common position on matters such as Kosovo and Iraq. Such matters go to the very heart of whether or not we fight and our young men are sent out there. The Government will not even give the House the time to discuss those matters properly. It is a thorough disgrace.

Mr. Murphy: To turn to the substance of the business before us this evening, the fact is that the position of president of the European Council already exists. The Maastricht treaty explicitly stated that the European Council is chaired by the Head of State or Head of Government of the country holding the Council presidency.

The hon. Member for Forest of Dean (Mr. Harper) said, fairly, that language is important. He, or one of his hon. Friends, went on to talk about the de facto abandonment of the UK seat on the Security Council. That is complete and utter nonsense and the Opposition know it. The fact is that the full-time president will replace the current, ridiculous system of a rotating six-month presidency of the European Council. The twice-yearly rotation causes problems with continuity and reduces the effective time each presidency has to deliver the shared agenda. As I said earlier, in the Balkans we made a commitment to the people of Kosovo to stand by them, but in the period since then we have had, I think, no fewer than 17 presidencies, and despite the best intentions, momentum in the EU has ebbed and flowed throughout that period.

7.45 pm

The hon. Member for Rayleigh was on very thin ice when he put forward his arguments about the thin end of the wedge and about trapdoors. He also argued that the president of the European Council would in some way be the equivalent of the President of the United States of America. That assertion does not stand up even to superficial examination. The US constitution vests executive powers in the President of the United States of America; the president of the European Council will have no such powers. The US President is the commander in chief of the US armed forces; there will be no such role for the president of the European Council. The US President can make treaties; there will be no such power for the president of the European Council. The US President can appoint Supreme Court judges and grant pardons; there will be no such power for the president of the European Council. The President of the US can veto Bills passed by Congress; there will be no legislative role for the president of the European Council. We must all be careful about the terminology that we use. To argue, as the hon. Gentleman did, that this measure was tantamount to the creation of an all-powerful president akin to the President of the United States of America showed a kind of Europhobia gone rampant on the Conservative Benches.

Mr. Jenkin: Will the Minister give way?

Mr. Murphy: I am sorry, but I must make some progress.

The full-time president will have an external representative role, as has already been discussed.

The issue of the high representative was covered by amendments Nos. 93 and 110. There has been a Commissioner responsible for external relations since 1958, the year after the original treaty was drawn up. The establishment of the high representative is an important reform that is being introduced by this treaty. The proposed new high representative will combine two existing roles: the EU high representative for the common foreign and security policy introduced at Amsterdam, and the position that was created more than 50 years ago. They will be appointed by national Governments in the European Council to conduct CFSP on their behalf.

Mr. Gummer: Will the Minister accept from me that it is essential that he give the House an undertaking that a discussion on the matters relating to defence will take place, even though those matters have not been able to be discussed during this debate? We all need to have that discussion.

Mr. Murphy: The right hon. Gentleman knows that that is a matter for the usual channels, in the context of the programme motion.

The treaty will pass the task of organising the co-ordination from the rotating presidency to the high representative for foreign affairs and security policy. It will not change the nature or substance of that co-ordination. The treaty will also allow the high representative to present agreed EU petitions at the United Nations Security Council. I have already alluded to the fact that the German presidency spoke at the UN Security Council on eight separate occasions. Furthermore,

the UK spoke not once, not twice but on each of those occasions. When Javier Solana spoke on, I think, five occasions since 2002, the United Kingdom spoke on each of those occasions. It is therefore clear that the high representative will be there in addition to the UK, France and any rotating member state of the European Union. They will not be there instead of us, or to replace or undermine us. The Foreign Affairs Committee made that point very clearly.

Mr. Jenkin: On a point of order, Mrs. Heal. It was clear that the Prime Minister promised line-by-line scrutiny of the Bill. We are now not going to reach either the second or the third group of amendments, so the whole question of the common foreign and defence policy will not be discussed at all. Is it in your power to enable a proper debate and line-by-line scrutiny to take place? The Government are presiding over an utter farce, so far as scrutiny is concerned.

The First Deputy Chairman: May I remind right hon. and hon. Members that the occupant of the Chair is bound by motions that have been passed by Members of the House?

Mr. Jenkin: Further to that point of order, Mrs. Heal. May I invite you to invite the Minister to make a statement about the future consideration of this Bill in order to have an opportunity to discuss the defence provisions of this treaty?

The First Deputy Chairman: That is not a point of order for the Chair, but a matter of debate. I have already said earlier this evening that the comments of right hon. Members have been heard and that there is always recourse to the usual business channels.

Mr. Murphy: Amendments Nos. 156 and 254 are designed to prevent the EU from concluding international agreements and they are nothing short of ludicrous—

Mark Pritchard: On a point of order, Mrs. Heal. Although international women's day is a very important subject indeed, given the importance of security and foreign policy issues to the whole House and everyone in the country outside it, I submit that next week's topical debate should be on foreign policy and security issues, not on—

The First Deputy Chairman: Order. That is not a point of order for the Chair. The hon. Gentleman is trying very hard, but I am holding fast to my ruling.

Mr. Murphy: As I was saying, amendments Nos. 156 and 254 would prevent the EU from concluding international agreements. The EU has had the ability to conclude such agreements since the treaty of Amsterdam and has done so in some 100 cases. The Lisbon treaty simply summarises the existing powers to conclude international agreements with one or more third countries or international organisations. If we were to agree to such amendments this evening, the EU would not be able to enter into any agreements on behalf of its 27 member states. That would include agreements on world trade; agreements on the United Nations Relief and Works Agency for Palestine Refugees; agreements with Latin America on combating the drugs trade; and agreements on EU crisis management operations in Bosnia and Kosovo. That shows what would be the impact of those amendments tabled by Conservative Members.

Despite the rhetoric and the assertions, the fact remains that no other member state and no other conservative party in any other member state opposes the proposals in the treaty on common foreign and security policy. We have already heard from the shadow Foreign Secretary that the Conservatives oppose not just one of the proposals, but each and every one of them. As the right hon. Member for Suffolk, Coastal (Mr. Gummer) said, we have to do what is in Britain's national interest, and this treaty helps to deliver that. The opposition to our proposals that can be seen in each and every one of the amendments tabled this evening is a victory for an isolationist ideology over our national interest.

Mr. Francois: We argued from the outset that we needed two days to debate defence and foreign policy, and the Government denied that. Yet again tonight, we have been able to debate only one group of amendments and we have not been able to debate defence in detail at all. The defence of the realm is the first duty of governance and this Government have rigged the debate so that that subject could not be debated in detail for one minute. The Prime Minister promised this House, instead of a referendum, "line by line scrutiny" of the treaty, but the debate has been completely rigged to prevent that. We will protest ever more vigorously about the deception of the House by the Prime Minister and his Government.

Mr. Siôn Simon (Birmingham, Erdington) (Lab): On a point of order, Mrs. Heal. Is it in order for Conservative Members to make consecutive spurious points of order when the Minister is trying to wind up the debate and then to complain that they have not got enough time?

The First Deputy Chairman: Perhaps we could all calm down a little and get on with concluding the debate.

Mr. Francois: There were a number of references in the Foreign Affairs Committee report, but the key one was this:

> "We conclude that there is no material difference between the provisions on foreign affairs in the Constitutional Treaty which the Government made subject to approval in a referendum and those in the Lisbon Treaty on which a referendum is being denied".

The hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) made a mistake in quoting Valéry Giscard d'Estaing on this issue, because Giscard also said of the differences between the documents, which are supposed to be so minor, that

> "all the tools in the toolbox are still there".

So where is the referendum that we were promised?

I will give the Liberal Democrats 30 seconds, because that is all that I have and all that they deserve. Their spokesman—*[Interruption.]*

The First Deputy Chairman of Ways and Means: Order. The Committee must come to order.

Mr. Francois: Thank you, Mrs. Heal. The Liberal Democrats now have 20 seconds. Their spokesman said that essentially we had nothing to fear from the changes in the treaty that relate to foreign policy. Why, then, has the leader of the Liberal Democrat Members of the European Parliament said that those changes will have a dramatic impact? This is yet another Liberal Democrat split on the treaty, in what is becoming an increasingly long list.

We must also bear in mind that the treaty is self-amending. It contains powers to allow the abandoning of further vetoes, including vetoes relating to foreign policy, without any requirement for another treaty or an intergovernmental conference. I refer to the so-called ratchet clause. When the Minister was challenged to give a commitment that no vetoes would be abandoned without primary legislation, as the Foreign Affairs Committee had recommended, he ducked the question. We will hold the Government to account for that as the Bill proceeds.

With regard to—

It being three hours after the commencement of proceedings, THE CHAIRMAN *put forthwith the Question already proposed from the Chair, pursuant to Orders [28 January and this day].*

The Committee divided: Ayes 133, Noes 331.

Division No. 089] **[7.56**

AYES

Afriyie, Adam
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Field, rh Mr. Frank
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hoban, Mr. Mark
Hoey, Kate
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hopkins, Kelvin
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Turner, Mr. Andrew
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Brooks Newmark and James Duddridge

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Burden, Richard
Burgon, Colin
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John

Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, Andrew
Gibson, Dr. Ian
Gidley, Sandra
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gummer, rh Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Hemming, John
Henderson, Mr. Doug
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Mr. Alan Campbell and Tony Cunningham

Question accordingly negatived.

To report progress and ask leave to sit again.—*[Liz Blackman.]*

Committee report progress; to sit again tomorrow.

Mr. Gerald Howarth (Aldershot) (Con): On a point of order, Madam Deputy Speaker. I think that this is by common consent one of the most important measures to come before this House in many years, and it strikes at the heart of our constitutional arrangements. You will be aware that we have had no time this evening to

[Mr. Gerald Howarth]

debate in detail amendments relating to defence that arise out of the Lisbon treaty. That is an extremely important issue for our country, yet no Defence Minister made any contribution to the debate. Indeed, the Minister of State was here for only a short time himself—*[Interruption.]*

Madam Deputy Speaker: Order. I need to hear the point of order. Mr. Gerald Howarth, could you conclude?

Mr. Howarth: We need to know what we can do in order to demonstrate to the people of this country that the Prime Minister has betrayed them by failing to give us an opportunity to examine—*[Interruption.]*

Madam Deputy Speaker: Order. *[Interruption.]* Will the House come to order?

I think the main point that the hon. Gentleman is trying to get across to the House has already been raised with the Chair and expresses the concern at the lack of debate on matters to do with defence. They have been raised on the Floor and I have already suggested that the usual business channels would perhaps be the most appropriate way to raise that concern. The matters are on the record and have been heard.

DELEGATED LEGISLATION

Madam Deputy Speaker (Sylvia Heal): We now come to motions 5 and 6.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

SOCIAL SECURITY

That the draft Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) (Amendment) Regulations 2008, which were laid before this House on 14th January, be approved.

IMMIGRATION

That the draft Immigration, Asylum and Nationality Act 2006 (Duty to Share Information and Disclosure of Information for Security Purposes) Order 2008, which was laid before this House on 10th January, be approved.—*[Liz Blackman.]*

Question agreed to.

WELSH GRAND COMMITTEE

Ordered,

That—

(1) the matter of the Budget Statement and its implications for Wales, being a matter relating exclusively to Wales, be referred to the Welsh Grand Committee for its consideration;

(2) the Committee shall meet at Westminster on Wednesday 26th March at twenty five minutes past nine o'clock and between two o'clock and half-past four o'clock to take questions under Standing Order No. 103 (Welsh Grand Committee (questions for oral answer) and to consider the matter referred to it under paragraph (1) above.—*[Liz Blackman.]*

PETITIONS

Planning (Bedfordshire)

8.12pm

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): This evening I have two petitions to present, one from the campaign for a sustainable Harlington and one from the campaign for a sustainable Toddington, both of which are in my constituency. Both Toddington and Harlington declare their opposition to proposals to destroy the green belt around Harlington and Toddington by building a stadium and a large industrial complex and commercial development on the land adjacent to junction 12 of the M1. Luton Town football club and the council should find—and would prefer to find—a sustainable urban site for the new stadium within the boundaries of Luton, preferably looking at areas around junctions 10 or 11A of the M1. The petitions state:

The Petitioners therefore request that the House of Commons urges the Government to take steps to preserve the green belt land around Harlington and Toddington for the good of the people who live in both places and to preserve their quality and standard of life.

Following is the full text of the petitions:

[The Petition of the campaign for a sustainable Harlington,

Declares their opposition to proposals to destroy the green belt around Harlington by building a stadium and a large industrial/commercial development on land adjacent to Junction 12 of the M1. Luton Town Football Club and the Council should find a suitable urban site for a new stadium within the boundaries of Luton.

The Petitioners therefore request that the House of Commons urges the Government to take steps to preserve the green belt around Harlington.

And the Petitioners remain, etc.]

[P000120]

[The Petition of the campaign for a sustainable Toddington,

Declares their opposition to proposals to destroy the green belt around Toddington by building a stadium and a large industrial/commercial development on land adjacent to Junction 12 of the M1. Luton Town Football Club and the Council should find a suitable urban site for a new stadium within the boundaries of Luton.

The Petitioners therefore request that the House of Commons urges the Government to take steps to preserve the green belt around Toddington.

And the Petitioners remain, etc].

[P000123]

Local Infrastructure (Northamptonshire)

8.14pm

Mr. Peter Bone (Wellingborough) (Con): With your permission, Madam Deputy Speaker, I would like to present a petition with several hundred signatures. May I declare an interest first? When I went along to meet the residents to talk about the issues in the petition I fell down one of the potholes to which they refer and that is why I might be limping tonight.

The petition reads:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland assembled.

The Humble Petition of the residents of the Hatton Park area in Wellingborough and surrounding areas

Sheweth that for three years they have pursued, through the appropriate channels at the Borough Council of Wellingborough and Northamptonshire County Council, improvements to the local infrastructure including the speed and volume of traffic, the poor state of roads and pavements, the large and intrusive trees and illegal and dangerous parking; notes that these improvements have not been carried out, and are concerned that they pay the highest council tax in the Borough of Wellingborough.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Communities and Local Government to liaise with the two local authorities concerned in order to investigate the concerns above and resolve the situation.

And your Petitioners, as in duty bound, will ever pray, etc.

[P000126]

Cyberbullying (Children)

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

8.15 pm

Mrs. Siân C. James (Swansea, East) (Lab): I am grateful for this opportunity to raise concerns relating to cyberbullying among schoolchildren and to make my right hon. Friend the Minister for Children, Young People and Families directly aware of a case in my constituency. She may be interested to hear that while I was preparing for the debate, teachers' representative bodies contacted me to express their concern. They, like others, have had to develop new guidelines and advice for professionals on how to deal with such incidents.

Owing to the growth in new technology, and particularly the popularity of camera phones and video-sharing websites, there has been an increase in bullying that relies on those formats. It is commonly known as cyberbullying. The unsavoury term most associated with cyberbullying is happy-slapping, whereby an unsuspecting victim is attacked while an accomplice records the assault, commonly with a camera phone or smart phone. A more inappropriate descriptive term could not have been coined; there is nothing happy about such incidents. Indeed, they are the ultimate humiliation and leave many young people devastated.

The Government have made tackling bullying in schools a priority, and the Under-Secretary of State for Children, Schools and Families, my hon. Friend the Member for Cardiff, West (Kevin Brennan), has made it clear to me that no form of bullying should be tolerated. Bullying in our schools should be taken very seriously. It is not a normal part of growing up, and it can ruin lives. My interest in cyberbullying issues developed following a complaint received from one of my constituents. The family wished to remain anonymous, and I respect and understand the reason why: they believe that their child has been through enough. The child's father wrote to me, expressing deep concern about the fact that his son was assaulted while on school premises, and the incident posted on the video-sharing internet site YouTube. My constituent asked me to view the footage, and I was appalled by the content. His child was ambushed from behind and physically attacked in the most sickening way. The perpetrator was seen laughing, along with other pupils who aided the assault. The footage was classified on YouTube as comedy and entertainment.

I would like to make my right hon. Friend the Minister aware that the headmaster of the school took the incident very seriously. I understand that the police visited the boy who assaulted the pupil. However, my right hon. Friend will know that there is no consistent way of dealing with those problems in our schools. I hope she agrees that often young people who participate in cyberbullying mistakenly think that camera phones and the internet will provide them with anonymity, allowing them to target other young people and/or teachers without fear of identification or retribution.

I firmly believe that video-sharing and social websites have allowed young people to communicate in a positive way. I am not against people enjoying the internet, being proud of cinematography and wanting to post videos for others to enjoy, but it is clear that such sites

[Mrs. Siân C. James]

have a darker side. They act as a channel for bullying. Recently, my hon. Friend the Member for Bridgend (Mrs. Moon) drew our attention to the tragedy of young people, many of them seeking support and guidance, choosing to take their own lives after using social networking sites.

I recognise that the vast majority of the UK internet industry takes a responsible approach to the content that it hosts, both of its own volition and in co-operation with law enforcement and Government agencies. However, I would be grateful if my right hon. Friend worked with websites such as YouTube to prevent videos featuring such incidents involving school-age children from being uploaded. Is my right hon. Friend able to update the House on the progress of discussions with internet service providers and mobile phone networks to tackle cyberbullying among schoolchildren? The parent who contacted me says:

"I believe that these videos should be appropriate and that YouTube should be doing more to ensure that footage showing inappropriate and violent content is not screened."

He is right. The moderation provided by the industry is clearly inadequate and I ask my right hon. Friend to seek ways of strengthening its role.

My constituent firmly believes that internet sharing sites hide behind the fact that as it is their customers who upload the images, they are not responsible. To remove the footage of a violent assault in a school only after a complaint is received is not acceptable. It is too late. Action should be taken at the point of uploading—a key role for the moderators. It appears that some sites profit by encouraging customers to upload material, but when that material is offensive, they seek to pass the blame on to others.

I am aware that the Government have provided new guidance in how to prevent and tackle cyberbullying in their document "Safe to Learn: embedding anti-bullying work in schools", which was released on 21 September 2007. That is welcome, and I know that the Government have worked hard with their taskforce to try to address the problem. What further work is the Department undertaking through the cyberbullying taskforce to ensure that schools and parents are provided with the information that they need to keep children safe online? Will the Minister also update us on her work with charities such as Bullying UK and ChildLine, which are at the forefront in helping young people with these issues?

I have mentioned the concerns of parents and pupils, so let me turn now to the concerns of professionals working in our schools. The National Union of Teachers has informed me that it sees the use of new technology as positive. Even a mobile phone can be useful. Many students store assignments, notes on lessons or their timetable on their phone. In these circumstances, the possession of a mobile phone can be an opportunity to improve their learning. However, if misused, it may become an instrument of bullying or harassment directed against pupils and teachers.

There is clear abuse in our schools. The Association of Teachers and Lecturers undertook a survey which revealed that 17 per cent. of respondents had experienced some type of cyberbullying. Those incidents ranged from receiving upsetting emails and unwelcome text messages to silent phone calls and malicious use of websites and internet chat rooms. Some teachers left the profession or retired as a result of these new phenomena. What shocks me is that some cases of cyberbullying have even been reported between teaching staff.

The results of the survey showed that 53 per cent. of respondents did not know whether their school had a code of conduct to address cyberbullying, and 39 per cent. said that their schools did not. Of those whose schools have a code of conduct to address the issue, 19 per cent. said it was not properly enforced and 72 per cent. could not say whether it was enforced. Will my right hon. Friend look into these issues, particularly the confusion among some in the profession about how to deal with them? I am conscious of the fact that there are many demands on teachers and that parents often have high expectations of them, but will she work closely with teaching representative organisations to spread awareness among teachers who experience these dilemmas?

Schools face several challenges when trying to eradicate these problems. Staff in some schools are not always up to date with new technology. They need clear guidance on cyberbullying, the methods used and their rights and responsibilities when dealing with these issues. They need examples of good practice and the support of local authorities and Government.

I am sure the Minister is already aware of many of the issues and I would welcome her comments. It is time for an outright ban on all mobile phones on school premises. Alternatively, could a ban on any mobile phones that are able to take and display photographs or video clips be the answer? Through new technology it is possible to install cell phone detectors, which could help to enforce non-use policies.

There is a need for greater understanding across Government Departments. When my constituent made the initial complaint to me, I took the issues up with the Home Office. I recognise that it is the Minister's responsibility to take the issues forward with teachers and children, but it would be helpful if she could liaise with other Departments that have similar elements of responsibility.

The Minister will know that all commercially produced films and videos are subject to classification and regulation; user-generated violent videos or video clips are not. That fuels the perception among young people that they can film acts of violence or bullying and extend that abuse on to websites. They are encouraged in their actions by the failure of internet sharing websites to take positive action and prevent such material from being posted.

The Home Office has informed me that it is not possible to prevent such videos from being uploaded; it claims that the sheer volume of them prevents screening or classification and that pre-screening could prevent the reporting of new events and the uploading of slapstick comedy films. It argues that it would be difficult to distinguish between slapstick and deliberate happy-slapping incidents. However, if we are to change the perceptions of those who participate in happy-slapping acts, perceptions across Government must also change. I am confident that the Minister will agree to take the lead in changing those perceptions.

The Internet Watch Foundation is the only authorised UK organisation operating an internet hotline for the public to report their exposure to potentially illegal content online. Will the Minister make contact with the IWF and work with it on cyberbullying issues? It could develop a method whereby parents, teachers and pupils could report acts of violence among pupils online. The Home Office believes that such issues are outside its remit, but I believe that it has the knowledge and experience to help to eradicate such problems. Will the Minister work more closely with Home Office Ministers to ensure that young people have enough information to understand the implications of a happy-slapping incident? Such people could be committing a criminal act—more to the point, they are abusing fellow pupils. Interestingly, France has made happy-slapping a criminal offence. I do not wish to demonise young people or suggest that they should be criminalised for cyberbullying, but it is clearly a subject for debate across Europe and not only in Britain.

I am very aware that the Government are committed to tackling all forms of bullying in schools.

Mrs. Betty Williams (Conwy) (Lab): Has my hon. Friend considered liaising with the Children's Commissioner for Wales, who has been in post for a number of years, to pursue her aims? Will the Minister also consider that?

Mrs. James: That would be an excellent way forward, as I am sure the Minister will agree.

The guidance clearly states that bullying should never be tolerated and should always be dealt with seriously. Following the original complaint, I have become aware of an ongoing perception that it is acceptable for children to continue to film acts of violence and post them online without facing any consequences at all. Furthermore, internet websites and social network sites are failing to take responsibility for their content or for removing offensive and/or upsetting material as soon as possible. Only if we tackle that perception among young people, work with internet service providers who allow such material and support teachers in their work will we neutralise this new form of bullying and ensure the safety of the children in our schools.

8.28 pm

The Minister for Children, Young People and Families (Beverley Hughes): I congratulate my hon. Friend the Member for Swansea, East (Mrs. James) on securing this debate and raising this important and distressing issue; I also thank my other hon. Friends, who share her concerns, for being here tonight.

Technology opens up a world of opportunities for pupils, but it also presents hazards. Cyberbullying is one of the nastiest consequences of technological development. Estimates suggest that between 11 and 34 per cent. of children have been affected. It is a particularly insidious form of bullying. Because new technology is available 24/7, bullying can continue 24/7 without respite or refuge, invisible to all but the victim and the perpetrator. The abuse—for that is what bullying is—can be compounded in this form many times over by posting it in cyberspace for all to see or by passing images to whole swathes of people at the flick of phone key. Because cyberbullying can transcend institutional boundaries, we need a broad response to conquer it, so schools, businesses, parents and young people themselves all have key roles to play. Our job in Government is to enable, to support and, in particular, to drive what must be a multifaceted response so that it has the impact that my hon. Friend and I want to see.

There is much more work to do, as my hon. Friend said, but in the past 12 months significant progress has been made. I am happy to answer her request for an update on our work, and I will respond to her specific questions as I go. As she said, schools have our anti-bullying guidance, "Safe to Learn", which contains a specific cyberbullying section developed by Childnet International. That gives teachers all the information that they need to get to grips with cyberbullying—how to identify it, how to prevent it, and how to respond before things escalate. Above all, it meets teachers' demands for more information and advice on the issue to ensure that they can be as savvy as their pupils and that schools have effective strategies for dealing with cyberbullying.

The guidance currently applies to English schools, but I understand that it is being considered by the Welsh Assembly for use in Wales too. Alongside that, English schools have been given additional powers and resources to tackle bullying, including cyberbullying. We have given them statutory powers to confiscate mobile phones used maliciously in and around school grounds; we have recently launched peer mentoring schemes whereby older pupils can help teachers to tackle bullying; and we are expanding the social and emotional aspects of learning programme to secondary schools following its great success in primary schools.

Cyberbullying is a new phenomenon, and understandably there are still issues to do with awareness and training to deal with it. We are continuing to work with the teaching unions and the Training and Development Agency for Schools, but "Safe to Learn" is an important start. As my hon. Friend rightly said, now that we have given schools this guidance and those powers, we need to help them to use those tools consistently. I am pleased that the school that she mentioned appears to have responded in absolutely the right way. We need all schools to apply the best practice contained in "Safe to Learn". That means—I say this unequivocally—taking a hard line on cyberbullying. In cases where an assault has occurred—that is what happy-slapping is; it is already a criminal offence—schools should involve the police, as that school did. Equally, we will back heads to take the strongest action against pupils who use new technology to harass their teachers, because that has absolutely no place in our classrooms.

Young people themselves are another important focus. The explosion in social networking sites in recent years means that it is vital to teach children how to use the net safely and responsibly. We have responded to that need with an e-safety module as part of the key stage 3 information, communication and technology curriculum. The "Safe to Learn" guidance provides further advice on how schools can teach pupils to stay safe online and what to do if they are cyber-bullied. Last year, Childnet International developed a short film bringing to life how cyberbullying starts, what its impact can be on the victim, and how schools, parents and pupils can take active steps to prevent it. The film has been circulated to all schools as a teaching aid.

We are also reaching out to parents. Parentline Plus has produced a leaflet for parents on how to protect children from cyberbullying. That leaflet offers

[Beverley Hughes]

measured and practical advice showing parents how to keep their children safe without denying them the positives that technology can bring—it is important to strike that balance. Because most surveys have shown that there are big differences between what parents think that their children are doing online and what children actually say they are doing, it is crucial that parents keep a close eye on what their children do. Right from the beginning, they should be aware of the potentially negative uses of technology. They should instil the right values in their children and the expectation that cyber-bulling is just not acceptable.

At heart, we have to address the culture that allows cyberbullying to flourish. Through personal, health and social education lessons and the social and emotional aspects of learning programme that I mentioned, schools must teach children about the need for respect and tolerance. But we are also taking a more direct route. Last year, we ran a vigorous online campaign on popular sites like Bebo, Yahoo and MySpace. It was called "Laugh at it and you're part of it", and it aimed to challenge those young people passively involved in cyberbullying—perhaps by observing and filming something that is going on—by showing that sending on a malicious e-mail meant that they were taking part in the bullying, too. It meant that they were part of it.

Evaluation showed that the campaign reached nearly 170,000 young people in its six-week run. More impressively, 84 per cent. of respondents to the survey we conducted after the campaign said that they would now help in a situation where someone was being cyberbullied. The audience were also more aware of the severity of cyberbullying after the campaign: 71 per cent. had seen it as a serious problem beforehand, and that rose to 90 per cent. after the campaign. That is real evidence that we have started to get the message across and that we have started to spark a cultural shift among young people.

I know that some have argued—my hon. Friend touched on this—that technology providers are complicit in cyberbullying, and I have mixed views on that point. Certainly, online channels, by their very existence, provide the oxygen for cyberbullying to survive. Without a medium to broadcast content, the appeal of cyberbullying would probably shrivel, and I agree with my hon. Friend that we need business to raise its game. However, I do not think that the suggestions of a blanket ban on mobile phones, blocks on websites or tweaks to video phones are a feasible way forward. Some schools may choose to ban mobiles—they have that power—but I am not convinced that a wholesale ban would necessarily prevent cyberbullying. It would not necessarily have any effect beyond the school gates.

I understand my hon. Friend's question as to whether pre-vetting can prevent the broadcasting of content. That makes absolute sense. The problem, however, is the extent to which it is a realistic idea in the context of the extent to which young people are using such sites. Users of YouTube, for instance, upload on average six hours of video every minute. We estimate that it would require 360 people working 24 hours a day to keep tabs on every video. That reveals the scale of the difficulty of monitoring content before it gets posted.

We need collaboration, creativity and consensus in order to keep pace with the threat. In that spirit, we have developed the cyberbullying taskforce that my hon. Friend mentioned. It is a forum for internet service providers—they are part of the taskforce—mobile phone companies, teaching unions, charities and law enforcement agencies to work together to find the creative means to stop cyberbullying. The taskforce has played an important role in the initiatives I have already spoken about, and it continues to be important for building consensus on the way forward. Through the taskforce, we will continue to push for more effective solutions to speed up the removal of malicious content, as far as we can, to refine safety precautions and to tighten up terms of use across the industry.

We need to acknowledge what has already been achieved. For example, YouTube has worked with beatbullying to develop an anti-bullying channel; MySpace is working with the Department to develop an anti-bullying webpage, and Vodafone and O2 have contributed to the cost of cyberbullying resources for schools. There is clear evidence that that collaborative approach is paying dividends, and I am sure that there is more to come.

Alongside the cyberbullying taskforce, we have commissioned Dr. Tanya Byron to conduct a wholesale review of the risks that new technology may pose to young people. It will inform a broader strategy, including that on cyberbullying. Dr. Byron is considering the way in which institutions can work together more effectively on child protection issues, which, as my hon. Friend rightly points out, is vital. There is significant join-up across Government—I understand her call for that. For example, Home Office representatives sit on the cyberbullying taskforce. A colleague in my Department regularly discusses such matters with his counterpart in the Home Office. However, we clearly need to make things more seamless at all levels. I think that Dr. Byron's recommendations will be helpful and I look forward to hearing them.

We all know that behaviour evolves as society evolves, and that new opportunities also present new hazards. In the 1970s and 1980s, racially motivated bullying was the scourge of our schools. It required a concerted response—by teachers, media, the Government and society at large—to make a significant impression. Cyberbullying is in danger of becoming the scourge of 21st century schools. However, I believe that we can make the same inroads against that form of bullying as we did against racism in the 1990s. It will take a similarly broad response across Government, schools, businesses and the community to achieve success. Crucially, it involves mobilising young people, and especially their parents, in the fight against cyberbullying. Through "Safe to Learn", the cyberbullying taskforce, increased powers for teachers and hard-hitting information campaigns, I believe that we have made an important start.

We have much more to do, but by continuing to work in partnership with providers, schools, charities and families, I am confident that we can claim technology as a force for good in our schools and our lives and not allow it to become a force for ill. My hon. Friend's concern and pressure for action contribute to that. Again, I am grateful to her for bringing her concerns to our attention and enabling me to say that we share them, to outline what we are already doing to respond and what, with her help, we will continue to try to achieve.

Question put and agreed to.

Adjourned accordingly at eighteen minutes to Nine o'clock.

DEFERRED DIVISION

LOCAL GOVERNMENT

That the draft Shropshire (Structural Change) Order 2008, which was laid before this House on 8th January, be approved.

The House divided: Ayes 257, Noes 164.

Division No. 86]

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Fitzpatrick, Jim
Fiello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gibson, Dr. Ian
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harvey, Nick
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Mountford, Kali
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Wallho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Laws, Mr. David
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Penrose, John
Price, Adam
Prisk, Mr. Mark
Randall, Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Question accordingly agreed to.

House of Commons

Thursday 21 February 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BROADS AUTHORITY BILL *(BY ORDER)*

Order for Third Reading read.

To be read the Third time on Thursday 28 February.

Oral Answers to Questions

INNOVATION, UNIVERSITIES AND SKILLS

The Secretary of State was asked—

Higher Education (Internationalisation)

1. **Laura Moffatt** (Crawley) (Lab): What recent discussions he has had with the Secretary of State for International Development on the globalisation of higher education. [187368]

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): I regularly speak to my right hon. Friend the Secretary of State. Our higher education sector plays an important role in international development. Our universities attract students from more than 200 countries, helping them to acquire skills and knowledge that are of benefit to their home countries. Universities collaborate extensively with their counterparts overseas to deliver courses, to exchange staff and students, and to conduct world-class research. My Department's bilateral programmes with India, China and African countries complement DFID's work.

Laura Moffatt: I thank my right hon. Friend for that positive response. In Crawley we are working hard to acquire a university campus. Does my right hon. Friend agree that while universities benefit students at home, enabling students overseas to learn together and share experiences is a very good way of promoting education in the United Kingdom?

Mr. Denham: I entirely agree with my hon. Friend. I am well aware of her ambition to establish a university campus in Crawley. It is true that the internationalisation of higher education brings numerous benefits to our own students and also to students who come here to study, and who take their knowledge of education back to their countries along with, hopefully, a good impression of our country and our education system.

Mr. Nigel Evans (Ribble Valley) (Con): Will the Minister take this opportunity to praise the work of the dedicated staff of the British Council who operate in a number of developing countries throughout the world, not only advertising our universities but helping to establish campuses in those countries? Will he also take the opportunity to praise the work of British Chevening Scholarships, a body that provides scholarships for people who might not otherwise be able to afford education in this country?

Mr. Denham: I am delighted to do so. I have met Chevening scholars in Bournemouth in the recent past. In my present post I have worked with the British Council in China, and have observed its role in helping British universities to offer British higher education in that country. In an earlier role I met British Council staff in Pakistan, where they were doing much to promote awareness of further and higher education in this country and to deliver English language courses in that country.

Small Businesses

2. **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): What steps the Government are taking to assist the development of leadership and management skills in small businesses. [187369]

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): We have increased our commitment to our leadership and management programme through Train to Gain from £4 million this year to £30 million per year from next year. We aim to develop the capacity of small business managers to understand the skills needs of their businesses, and to use the publicly funded Train to Gain programme. We expect around 42,000 companies with between 10 and 250 employees and some 60,000 individual managers to participate in the leadership programme over the next three years, and we expect that to result in about 150,000 learners from those companies using Train to Gain.

Mr. Flello: There are many small and medium-sized enterprises in my constituency and, indeed, in the wider Stoke-on-Trent area. Although I would love to mention them all, I suspect that that would both be unfair to those that I missed out and would incur your displeasure, Mr. Speaker.

Will my right hon. Friend outline the practical steps that could enable the measures he has described to help small businesses and starter businesses, not just in my constituency but in the wider Potteries area?

Mr. Denham: I hope that a number of steps can be taken to promote the scheme, in addition, of course, to the steps that my hon. Friend himself might take. We hope that small and medium-sized enterprises will be approached by skills brokers operating at regional level to promote awareness of the scheme. In fact, we know that that is already happening. It will also be possible for training providers to approach companies directly.

The offer is a good one. Public investment in developing the skills and management experience of businesses will enable managers to understand how they can use Train to Gain funds to secure further public funding to raise the skill levels of their staff. This is a very good proposition for small businesses. It is tried and tested, we have expanded it dramatically, and I hope that all Members will help to promote it in their areas.

Ms Dari Taylor (Stockton, South) (Lab): My right hon. Friend will know of the considerable growth in small businesses in my constituency, but there are crucial problems. People lack confidence in their ability to develop small firms, and in particular to cope with the volume of regulation. How can we devise courses that will teach them that they have the talent to deliver, and also that they are able to cope with all that regulation?

Mr. Denham: My right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform is actively dealing with the issue of regulation and the environment for small businesses by means of deregulation and other mechanisms, and that is an important part of the picture. My Department, meanwhile, has recognised that for business managers, understanding the skills needs of their businesses and the way in which investing in skills can improve productivity and profit is not simple or straightforward. We believe that, by investing public money in improving that understanding and those skills, we can help managers to run their businesses while also enabling them to unlock further public investment in their staff.

Skills Pledge

3. **Mrs. Linda Riordan** (Halifax) (Lab/Co-op): How many employees have participated in the skills pledge scheme to date. [187370]

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. David Lammy): By December 2007, more than 950 companies covering almost 2.7 million employees had made a skills pledge to develop the skills of their employees, including basic skills such as literacy and numeracy and work towards relevant valuable qualifications to at least NVQ level 2, which is equivalent to five good GCSEs.

Mrs. Riordan: I thank the Minister for that reply. In Halifax, thousands of my constituents work in small and medium-sized businesses, which are vital to the economy. Can the Minister tell me how many people in Halifax have participated in the scheme, and what skills and benefits they have developed through that?

Mr. Lammy: Thirty-nine organisations in the Yorkshire and Humber region have participated in the skills pledge, but my hon. Friend will be aware that large companies such as Sainsbury's, Tesco and Royal Mail have also signed up to the pledge. The most essential programme in her constituency, as in others, is Train to Gain, with its more than £1 billion of investment over this comprehensive spending review period. That engagement of employers with a broker and local colleges in skilling up their work forces is what will produce results in my hon. Friend's constituency.

Mr. Tim Boswell (Daventry) (Con): Does the Minister agree that, although it is fine for larger and leading organisations to commit to the skills pledge, it is equally important and yet a great deal more difficult to encourage small and medium-sized enterprises to participate actively? Will he ensure that the minimum of bureaucracy is required, and does he acknowledge that the maximum of encouragement is expected from Government to ensure their participation, both in apprenticeships and other structured training programmes?

Mr. Lammy: The hon. Gentleman is absolutely right. The first thing to say is that this endeavour cannot be just a national one; it has to be a local one, and there is certainly a role for local chambers of commerce across the country to pursue skills agendas in their areas. Secondly, we have ensured through the Train to Gain programme that the absolute priority is hard-to-reach companies, and that includes companies that have not invested in skills in the previous period. Through that, and our plan for growth where we recognised and introduced changes to make this as simple as possible, we can ensure that small companies are able to access the relevant money to upskill their work force.

Mr. Denis Murphy (Wansbeck) (Lab): As someone who went through a craft apprenticeship training scheme where education and training were available up to and including degree level, I am aware that this is very costly for smaller employers. Has my hon. Friend any plans to extend finance to SMEs in particular?

Mr. Lammy: My hon. Friend raises a good point, and he will be pleased to know that in our recently published apprenticeship review we discussed piloting direct payments to ensure that small businesses are able to engage in the apprenticeship programme.

University Applications

4. **Rosie Cooper** (West Lancashire) (Lab): What discussions he has had with representatives of universities on encouraging applications from students from all backgrounds. [187371]

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): This Government remain fully committed to increasing and widening participation in higher education. To remain competitive, our economy needs more graduates, and it is right that those benefiting from higher education should come from all walks of life. I have had many discussions on this important matter, which in essence is about ensuring that talent does not go to waste and our nation does not lose out as a result.

Rosie Cooper: Is the Minister aware that parts of West Lancashire are among the most deprived in the country? Public transport links are not good throughout the constituency and are particularly poor from places such as Skelmersdale. That disadvantages young people who want to attend either the university within the constituency or those on our borders. Given

that the odds can be stacked against young people from low-income families, does the Minister not agree that we must provide as much support as possible to improve young people's access to higher education and the career opportunities that that will give them in later life?

Bill Rammell: I strongly agree with my hon. Friend, and I congratulate her on the work that she does on this issue. I believe that we should provide as much support as possible for the potential students in her constituency to whom she refers. That is why we brought back non-repayable grants and why, from this September, we are significantly expanding the proportion of students who will be eligible for such grants. Even with the mechanisms already in place, I hope that she would join me in welcoming the fact that in her constituency entry to part-time and full-time undergraduate courses has increased by 40 per cent. in the past 10 years.

Mr. James Gray (North Wiltshire) (Con): We are all glad about the Government's commitment to higher education for all. Will the Minister pay particular attention to one group of people—the sons and daughters of Gurkha soldiers? Last year, Gurkha soldiers were given equal status to British soldiers in every respect—pay and conditions, home leave and so forth—save for the fact that their children are not yet given home-student status. I understand that the Department is working on this matter with the Ministry of Defence. Will the Minister commit himself to giving home-student status to Gurkha soldiers' children, and will he tell us how the negotiations with the Ministry of Defence are progressing?

Bill Rammell: I am highly aware of this issue. The hon. Gentleman will forgive me if I do not make a cast-iron commitment on the Floor of the House today, but I have discussed the matter in detail with my hon. Friend the Under-Secretary of State for Defence. We are examining the issue and I hope that we will be able to say something about it shortly.

Dr. Brian Iddon (Bolton, South-East) (Lab): My hon. Friend will know that the university of Bolton has a fine record of attracting people from all walks of life. However, he also knows that there is a high drop-out rate across the country—the university of Bolton is included in that. What more can we do to help to retain students who are attracted to universities and help them to stay in the courses that they have opted to study?

Bill Rammell: This is extremely important, although it is necessary to put it into context. We have some of the lowest drop-out rates in the advanced world. The recent Public Accounts Committee report included two tables. If we look at the one that includes both those students who transfer to another university and those who achieve a different higher education qualification, we get a more realistic picture. It shows that non-completion rates have reduced consistently since 1998.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Higher Education Minister must accept that the proportion of students from poorer backgrounds accepted to universities has not increased as he would have wanted. Does he accept that debt aversion is a problem? Whether or not he accepts that, does he agree that there is a need for proper research into the reasons why there are not more applications from students from poorer backgrounds? Will he commission that proper research so that we can have evidence-based policy?

Bill Rammell: We have discussed this in the Select Committee on Innovation, Universities and Skills, and we regularly conduct research into these issues. There has been an increase in the proportion of students from lower socio-economic groups applying to and being accepted by universities. I want that to be higher, which is why we have a host of policies in train to achieve that. I hope that the hon. Gentleman will join me in celebrating last week's figures on applications to study at university next year. They show a significant overall increase of more than 7 per cent. and an increase in the proportion of applications from lower socio-economic groups.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Is the Minister aware that both Oxford and Cambridge still take one third of their students from 100 so-called elite schools—80 per cent. in the private school sector and just 20 per cent. in the state school sector? Both those universities are failing to meet their abysmally low widening participation rate targets of 9 per cent. What more can he do to drag those two universities kicking and screaming into the 21st century by widening their participation rates?

Bill Rammell: I understand the genuine concern on the issue. It is acknowledged by the vice-chancellors and senior management teams at both institutions. Those institutions have made progress in broadening their access, but, as with all institutions, there is much more to do. One of the most effective ways of achieving that progress is by having much stronger school-university partnerships, involving institutions across the country, including Oxford and Cambridge.

Mr. Ian Taylor (Esher and Walton) (Con): Members of Universities UK are well aware of the need to broaden access to universities and they are making every effort, but does the Minister accept that one of the best ways to encourage all people from all backgrounds to go to university is to teach the proper subjects in schools to give children a chance to do so? The number of 18-year-olds with a decent A-level is some 25 per cent., so the target of 50 per cent. is heroic. Why are more students not taught the individual sciences of maths, physics, biology and chemistry, rather than a general science that eliminates them from our best universities?

Bill Rammell: I know from many discussions with the hon. Gentleman and from his background that he takes these issues very seriously. One key change being made by the Department for Children, Schools and Families is to ensure that triple science is more widely available from the coming academic year. That will help with the issues that he raises. We have made progress, but we need to do more.

Mrs. Ann Cryer (Keighley) (Lab): Is my hon. Friend aware that in towns such as Keighley a growing number of young women from the Asian community are doing

really well at A-level and going on to university every year? I am so proud of that and I hope that it will continue. However, is he also aware that once they get to university they are often bullied by young men about their style of dress and their general conduct? Can he ask vice-chancellors to be protectors of those women, so that they can conduct their lives as they wish?

Bill Rammell: My hon. Friend raises an important issue and I know that she has taken a particular interest from a constituency perspective. It is critical that all students from all backgrounds, faiths and nationalities come together on campus. The institution then has a responsibility not only to ensure that all students are protected, but that they are integrated within the student community.

Mr. Rob Wilson (Reading, East) (Con): We discovered last week that the Government are spending some £211,000 for every disadvantaged student they get into university. We now know that at least a fifth of those students are leaving within a year, despite the Government spending a further £800 million to tackle drop-out rates. We also know that student debt will shortly reach £21 billion. Can the Minister tell me which one of those financial failures gives the taxpayer best value for money?

Bill Rammell: The hon. Gentleman is wrong in his claim that a fifth of students leave university within a year and I ask him to go back to the figures and look at what he is saying. The figures can be made to add up for the claim that £200,000 is spent for every widening-participation student, but only if the total money spent on widening access for all less well-off and disabled students is divided by the total number of additional full-time students from lower socio-economic groups. However, that excludes part-timers, mature students and those students from better-off backgrounds whom we nevertheless want to encourage to apply to all universities, especially the selective universities. The hon. Gentleman needs to address that point.

As for so-called student debt, I understand that the Conservatives are still committed to a real rate of interest for repayments on student loans. We should have a comment from them on whether that is still the case, because it would do nothing to help students.

Mr. Speaker: We are not going to have that comment this morning.

Mr. Bill Olner (Nuneaton) (Lab): I know that my hon. Friend visited the very good North Warwickshire and Hinckley technical college in Nuneaton recently. When he has talks with the professors at universities, will he ask them to recognise fully the wonderful diplomas that will be rolled out in the tertiary sector? Very good work is being done, but if it does not create a route to university for some students, it will have failed.

Bill Rammell: I very much welcomed the opportunity to visit the college in my hon. Friend's constituency. I agree that the development of the specialised diplomas is one of the most significant educational changes that we have seen in a generation. For it to succeed, we need all universities to recognise them as an admission qualification for higher education. All the indications from universities are that that is happening, and I welcome that.

Stephen Williams (Bristol, West) (LD): A young person whose parents have had degree-level education or who come from a professional background is more than four times more likely to access higher education than someone whose parents have a manual occupation and have not been educated to degree level. Given that, does the Minister not think that some of the widening-participation budget that is allocated for retention, which has already been mentioned, might actually be more appropriately spent by universities on targeted outreach work for individuals from schools that traditionally do not access higher education?

Bill Rammell: Our commitment to widening participation, as well as the investment that we have put into that area, is clear and strong. However, we need to keep under review the way in which that money is spent. I agree with the hon. Gentleman that we need to target those schools and communities where access is lowest to ensure that everything possible is done to ensure that people fulfil their talents. That should include the provision of information, advice and guidance.

Adult Apprenticeships

5. **Gordon Banks** (Ochil and South Perthshire) (Lab): What steps the Government are taking to increase the number of adult apprenticeships. [187372]

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. David Lammy): We recently announced that, for the first time, funding will be targeted specifically at expanding apprenticeships for adults aged over 25. That will mean 30,000 such apprenticeships costing £90 million over the next three years.

Gordon Banks: I thank my hon. Friend for that answer. Will he take this opportunity to tell the House what can be done to support not only adult apprenticeships but all apprenticeships in Scotland in the same way as they are supported by the Government in England?

Mr. Lammy: My hon. Friend will know that that is a devolved matter. I have been in discussion with my counterpart in Scotland and I know that they have not sought to make progress on modern apprenticeships in the way that we have most recently on this side of the border. It is a devolved matter and I know that it is the subject of great debate in Scotland.

Miss Anne McIntosh (Vale of York) (Con): In a previous Question Time, the Secretary of State admitted that there was a 40 per cent. drop-out rate for apprenticeships. Does the Minister not agree that that is an extraordinarily high figure and does not justify the huge investment from the Government? What is his Department doing to tackle that unacceptable situation?

Mr. Lammy: I think that I said to the hon. Lady that completion rates for apprenticeships were currently at 63 per cent. I ought to remind her that completion rates in 1997 were 25 per cent., that there was no inspection and that investment in further education colleges in resources for apprenticeships was nil. The Government recently published their apprenticeship review precisely in order to ensure that quality improves and that more young people are able to take up apprenticeships and complete them.

Judy Mallaber (Amber Valley) (Lab): In assessing how this welcome programme can involve women, will my hon. Friend look in particular at the recent Select Committee report "Jobs for the girls", which considered the impact of occupational job segregation on the worrying continuing gender pay gap and the waste of skills in the economy? Will he particularly look at the issues included on how to encourage women over 25 to have the confidence to go into non-traditional jobs, on how the drop-out rate is partly the result of low pay—

Mr. Speaker: Order. I think that the Minister will have an answer.

Mr. Lammy: I am grateful to my hon. Friend for that question, and for the way in which she continues to champion issues of equality in relation to apprenticeships, particularly for women. I hope that she will be pleased by the recent announcement on apprenticeships, as more money will improve prospects for women. I hope, too, that she will welcome the last chapter of the apprenticeship review, which deals with those equality issues. One thing that it highlights is the need for critical mass pilots to get a number of women in a cohort into a particular sector. In my early weeks in this post, I was pleased to visit Kier construction in Islington, where they were working with women and upskilling them in the construction industry. My hon. Friend is absolutely right that women feel more confident about coming into such sectors at an older age than they might have done when they were aged 16 to 18. That is why the pilots are so important.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I am pleased that since 2003-04 we have seen the doubling of completion rates for apprenticeships at both level 2 and level 3, but will the Minister tell us what he will do, first, to make sure that retention and completion rates are higher and, secondly, to disincentivise employers who train people to a particular level but then drop the apprenticeship because the people are economically useful to the company, because that is one of the huge barriers to young people completing their apprenticeship?

Mr. Lammy: On the issue of drop-out, we do everything we can to raise completion rates and I am grateful for the hon. Gentleman's acknowledgement in the House this morning, but it is important not to say that young people have "dropped out" of an apprenticeship—they have completed a part of their apprenticeship and often go on to other occupations and valuable work that is right for them. One of the things that we have been keen to do is to ensure that there are programme-led apprenticeships, perhaps for young people who are not ready for an apprenticeship. We are absolutely committed to ensuring the quality of apprenticeships, but such young people can work in college, based around the sector, in preparation for an apprenticeship. We believe that that is absolutely key to driving up standards and completion rates. It is also important to acknowledge that in the end this is employment, and the whole thrust of the review is to incentivise employers to recognise the contribution they need to make to their local community so that we are all investing in our young people.

Mr. Andy Reed (Loughborough) (Lab/Co-op): My hon. Friend may be aware that BRUSH, a group of companies in my constituency, is for the first time taking on apprentices in the engineering sector that was decimated in the 1980s and is now re-growing. However, the group has reached the stage of having to put up billboards around the town to attract people to apply for those posts, as people feel, because of the state that engineering has been in for the past decade or so, that there is a problem with its future. What is my hon. Friend doing in his Department to ensure that we promote engineering and the fact that it has a bright future? BRUSH has full books and a healthy future in front of it, so we need to promote the benefits of engineering to young people, because it is the foundation of everything we do in the UK.

Mr. Lammy: My hon. Friend is right, which is why we have included in the apprenticeship review a requirement for schools to ensure that there is appropriate careers information about available apprenticeships. In relation to engineering, he will be pleased that SEMTA—the Science, Engineering, Manufacturing Technologies Alliance, the sector skills council—has identified careers information and work with schools as a clear priority in its sector skills agreement.

Mr. John Hayes (South Holland and The Deepings) (Con): I do not want to be excessively brutal with the Minister—[HON. MEMBERS: "Go on."] No, I know that he is desperately worried about being forced to repeat what he reluctantly acknowledged at the previous departmental question time, which is that the number of apprentices is falling at all levels. The Leitch report makes it clear that reskilling and upskilling adults who are already in the work force is vital to our economic future, so can the Minister tell us, ideally without more banter and bluff, why the number of adults not yet skilled to level 2, on all types of Learning and Skills Council-funded provision, including workplace training, has plummeted by 620,000—a staggering 42 per cent.—in the past two years?

Mr. Lammy: It is becoming routine to have ding-dongs on this issue in the Chamber every few weeks. What the hon. Gentleman should concentrate on is the number of young people who have started an apprenticeship and the number who have completed one. The number of young people who started an apprenticeship this year is 180,000; the number who started an apprenticeship in 1997 was 65,000, so there has been tremendous progress. The number of young people who completed an apprenticeship this year was 103,000, and we have already discussed the poor

completion rate when the hon. Gentleman was in power. Those are the figures. That is improvement and he should support the apprenticeship review to ensure that we take it even further forward.

IGCSEs and A-Levels

6. **Mr. Christopher Chope** (Christchurch) (Con): When he last met university vice-chancellors to discuss the value of IGCSE and A-level qualifications. [187373]

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): I meet many vice-chancellors to discuss issues of importance and interest to them, including reforms of our national qualification system. As the hon. Gentleman will be aware, it is for higher education institutions to decide what use they make of all qualifications in their admissions procedures. The recent report undertaken by the 1994 group of universities shows a widespread welcome of the changes being made to A-levels to ensure that they provide the right level of stretch and challenge for those going on to higher education.

Mr. Chope: Does the Minister accept that universities regard IGCSEs as having more academic rigour than GCSEs? Can he explain to my 15-year-old son, who just got an A* in his IGCSE maths, why the Government regard that achievement as being of no value?

Bill Rammell: The qualification is not accredited. Let us look at the facts. IGCSEs are not compatible with the national curriculum. For example, the English language IGCSE does not include compulsory study of Shakespeare or any other author, unlike the GCSE, and an assessment of speaking and listening is optional, whereas it is compulsory for GCSE. Furthermore, there is no non-calculator paper in the maths IGCSE. Those are the concerns. The IGCSE is not an approved qualification for funding, and as it has not been accredited by the Qualifications and Curriculum Authority, there is no regularised mechanism to ensure comparability with GCSEs.

Mr. David Chaytor (Bury, North) (Lab): In respect of the research-intensive universities, has the Minister considered the impact of the introduction of the A* grade at A-level? Specifically, does he think that the A* grade will increase or decrease the proportion of students from state schools in research-intensive universities?

Bill Rammell: We need to monitor that issue. The latest modelling shows a very marginal change, not the kind of change that my hon. Friend suggests, but I accept that as we move towards an A* qualification, we need to keep the issue under close review.

Miss Julie Kirkbride (Bromsgrove) (Con): May I tell the Minister that he is living in cloud cuckoo land if he does not realise that public confidence in the quality and rigour of public examinations is falling, as evidenced this week by the announcement that students of modern foreign languages will no longer undergo an examination, merely a continual assessment by the teacher? Does he also appreciate that his Government's failure to accept the IGCSE as a proper qualification, when the market clearly believes that it is one, merely adds to the lack of public confidence in the Government's willingness to maintain standards in our public examinations?

Bill Rammell: There is a real and ongoing problem of Members of the House seeking to run down the qualifications gained by young people in this country. When the director-general of the Organisation for Economic Co-operation and Development's education branch examined our A-level system a couple of years ago, he identified that no similar qualification anywhere in the world was as rigorously and regularly tested. It is instructive that Opposition Members talk of the IGCSE, a qualification undertaken predominantly in independent schools. I urge them to concentrate on the needs and interests of the vast majority of children in their constituencies, who do not attend independent schools.

Astronomy Research

7. **Ann McKechin** (Glasgow, North) (Lab): What assessment his Department has made of the future of astronomy research. [187374]

The Minister for Science and Innovation (Ian Pearson): The UK has world-leading expertise in astronomy research, including expertise at Glasgow university in gravitational wave radiation. The Government are increasing the budget of the Science and Technology Facilities Council, the main public funder of astronomy research in the UK, by 13.6 per cent. over the next three years. We have asked Research Councils UK, as part of its continuing oversight of the health of disciplines, to conduct a cross-council review of physics research, including astronomy. The review will be led by Bill Wakeham, vice-chancellor of the university of Southampton, and I expect the review panel to report to RCUK in the summer.

Ann McKechin: I thank my hon. Friend for his kind comments about the good record of Glasgow university, but as he will be aware, its physics department is dependent on the STFC for more than 85 per cent. of its research budget. Does he agree that, pending the outcome of the Wakeham review, it would be premature to cut programmes—by up to 25 per cent. in the case of Glasgow? Instead, and not reaching for the stars, may I ask him to consider a transitional arrangement?

Ian Pearson: I agree that a cut would be premature and it is not happening. Overall, the expected number of astronomy research grants in 2008-09 is 323, which is significantly more than the 247 that there were at the start of the comprehensive spending review period in 2005-06. In this financial year, including the impact of full economic costing, universities will have had a 67 per cent. increase in astronomy funding compared with 2005-06. That represents real investment in university research departments. I congratulate those at the university of Glasgow who undertake astronomy research. They are world class in their field.

Adam Afriyie (Windsor) (Con): I am disappointed to hear the Minister boasting once again about science funding and physics funding, because as a direct result of his decision on STFC funding last year, physicists are saying that there is a crisis. Astronomers, researchers and the Royal Astronomical Society also say that there is a crisis. Does he accept that there is a crisis, or does he think that they are all wrong?

Ian Pearson: I am aware of the number of representations that I have had from the astronomy community and the particle physics community as a result of the STFC's settlement, but we should look at the facts. There will be no cuts to particle physics grants in the coming financial year. The research grants to astronomy are at their highest level for many years. We have seen a doubling in the science budget. We are spending over £500 million on physics a year, and that figure will go up over the next three years. So we have a sound track record of major investment in physics. Physics is one of the great strengths of the United Kingdom, and I am sure that the Wakeham review will want to take a broad look overall at the health of the discipline.

Apprenticeships

8. **Chris McCafferty** (Calder Valley) (Lab): What steps the Government are taking to encourage apprenticeships. [187375]

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. David Lammy): At the heart of our reforms will be the creation of a new national apprenticeships service to drive up the number of apprenticeship places and ensure that young people and adults get the opportunities to succeed.

Chris McCafferty: My hon. Friend will be aware of the enormous welcome for the investment in my constituency, Calder Valley, which has many high-end engineering companies, but what can his Department do to encourage more young people, particularly girls, and women who have taken career breaks into reskilling through engineering apprenticeships?

Mr. Lammy: My hon. Friend is right to say that in relation to women, there are two issues that are important for engineering. We should make the system flexible enough, and we should have enough advanced apprenticeships to ensure that women returning to work after having children can progress within the profession. I am grateful for the work that we have been able to do to fund WISE—the initiative within engineering to help women return to work—and for the increased places in advanced apprenticeship. The Science, Engineering and, Manufacturing Technologies Alliance and the sector skills councils that cover the range of engineering skills are doing a great deal of work to advertise to women and to ensure that those places are available for them to take up if they want to.

Sir Nicholas Winterton (Macclesfield) (Con): I welcome the importance that the Government attach to increasing the number of apprenticeships, but does the Minister agree that skilled engineers, tradesmen and technicians are in huge demand in the UK economy and that many of the current vacancies are being filled by immigrants? What new emphasis can the Government give to apprenticeships to attract young people in the United Kingdom to take up apprenticeships to fill the vacancies that are so important to the employers of this country?

Mr. Lammy: The hon. Gentleman is right. In a strong economy, in which there has been growth in every quarter, young people in the marketplace compete with people who have arrived in this country from a number of places. That is why we initiated the apprenticeship review, which we published last month. The whole thrust of that is to make it easier for businesses to take on young apprentices and adults. One important thing in relation to engineering, given the size of some of the companies, is group training associations. Through them a small engineering company, perhaps low down in the supply chain, can cluster together with a training provider. There is then a hub and spoke model, in which there is someone to deal with the training and necessary bureaucracy, and the company can have the apprentice it needs.

Leitch Report

10. **Mrs. Siân C. James** (Swansea, East) (Lab): What progress has been made towards implementing the recommendations of the Leitch report. [187377]

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): Last summer, the Government published "World Class Skills", which sets out our plans for implementing the Leitch recommendations. To support that ambitious reform programme, total Government investment in adult skills will increase to £5.3 billion by 2010-11. That increase in investment will support more than 7 million learners in the period 2008-09 to 2010-11.

Mrs. James: In Swansea, there is a wonderful flagship development called the SA1 project, in which small and medium-sized enterprises can relocate to an old dockland area. Many of those companies have fewer than 20 employees and they are reluctant to invest in skills and training because of time and financial pressures. Will the Secretary of State consider how we can invest in and support them by advising and guiding them on how they can invest in the training and skills agenda?

Mr. Denham: I am sure that my hon. Friend heard my earlier statement about investment in the leadership and management of small and medium-sized enterprises in England. That is precisely designed to ensure that the leadership of small companies understand their skills needs and are supported in using public money. We have shown that that model works in England and we are expanding it dramatically. I hope that the devolved Administrations, who bear responsibility for skills in their areas, will look at it and see what would be appropriate for their circumstances.

Topical Questions

T1. [187393] **David Taylor** (North-West Leicestershire) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): I have today given further information about the development of the new advancement and careers service in London. Getting from a job with few prospects to a good job can be as tough as getting off benefit and into work. People who want to get on need support in improving their skills and often in sorting out child care, tax credit, housing and other issues. The new joined-up approach to providing advice and support is crucial to overcoming those barriers. Two pilot services will open in London later this year. The first will serve Southwark, Lambeth and Wandsworth; the second will be developed in partnership with the Mayor and will have a particular focus on those who already have a job but want to develop further skills, take more responsibility and earn higher wages.

David Taylor: We talk about social inclusion and social mobility, yet the 50 per cent. of the population in the lowest three socio-economic groups obtain fewer than 10 per cent. of Oxbridge places. More than 50 per cent. of those places go to the less than 10 per cent. of the population who are educated in private schools. What urgent action is planned to tackle that scandalous social stasis, whereby many thousands of able, working-class students are being pushed out by the sharp elbows and deep pockets of the well-to-do?

Mr. Denham: As my hon. Friend the Minister for Lifelong Learning, Further and Higher Education acknowledged earlier, this is an important issue. Let me say this to the House. There are things that can be done directly by universities in their admissions processes. It is significant that this week Cambridge university has announced that it will drop the requirement to have a separate application form and is falling in line with UCAS. Equally, if children are educated in schools where teachers say to them, "Oxbridge is not for somebody like you," it is not surprising that Oxbridge does not recruit those students. We also have to work with schools to ensure that young people of high ability from working class backgrounds get every support and encouragement to fulfil their full potential. That must start in the school, which cannot expect everything to be done at the moment of admission to university.

T8. [187400] **John Barrett** (Edinburgh, West) (LD): The Secretary of State will be aware that the Royal Observatory, Edinburgh is one of this country's centres of excellence for astronomical research. What assurances can he give to staff there that the actions of the Science and Technology Facilities Council will not rob the country of that first-class facility?

Mr. Denham: I acknowledge the valuable work that is done in astronomy departments right across the United Kingdom. The point that needs to be made is twofold. As with all research councils, the STFC will, over time, make decisions about changing priorities in research. The fundamental point to accept is that, as my hon. Friend the Minister for Science and Innovation said, total funding going into university research for astronomy will next year be 63 per cent. higher than it was in 2005. This is not a Government who are cutting science budgets, and that needs to be accepted. There will always be difficult decisions to be taken about where scientific research should be concentrated, but without those difficult decisions things would never move forward, and that would not be right either.

T2. [187394] **Dr. Roberta Blackman-Woods** (City of Durham) (Lab): Will my right hon. Friend join me in congratulating Durham university and its partners on bidding to sponsor three academies in Durham? Does he agree that, if successful, that could be a very positive step forward in terms of raising aspirations further in this country and securing more opportunities for our young people?

Mr. Denham: I absolutely join my hon. Friend in congratulating Durham university. The structural link that needs to be built between universities and schools, whether in the form of academies, trusts or in other ways, is critical to raising aspirations and improving social equity and access to university in the way that Members of this House want. I hope that all universities will look at the opportunities that exist in their local communities and regions to see how they can build those strong and deep structural links in the way that Durham is trying to do.

Mr. David Willetts (Havant) (Con): Will the Secretary of State confirm that his student support regulations are seriously defective? Ministers say that students in families on between £21,000 and £38,000 should receive a partial maintenance grant based on a sliding scale, but the regulations say that they should all receive the maximum £1,230. Does he agree with the National Union of Students that students should claim whatever financial support they are entitled to?

Mr. Denham: First, I am grateful to the hon. Gentleman for his courtesy in giving me notice of his intention to raise this question. I assure him, and the House, that I am advised that the intention of the regulations is clear and that their drafting would not give rise to a claim for higher payments in the way that he suggests. Local authorities and the Student Loans Company use the accompanying guidance when they assess applications for student support. No money has been paid out incorrectly, and no local authority has raised any concerns. None the less, given that he has raised the issue, we are reprinting the regulations with the correction made.

Mr. Willetts: I am grateful to the Secretary of State for acknowledging that I gave him advance notice of the question. It sounds as though we are going to get the regulations amended in the light of the points that I made to him. Let us be clear about this. In the past month, he has admitted that prisoners have received hundreds of thousands of pounds in student maintenance because of what he called an unjustifiable provision in his regulations, and this morning he has said that he is going to change the regulations again because of another mistake in the rules of access to maintenance grant. So prisoners have been getting money that they should not and students can claim money that they are not supposed to get. Why is his Department so incapable of getting the right money to the right students under these regulations?

Mr. Denham: Of course, that is not what has happened. On the question that the hon. Gentleman raised yesterday, clear guidance was made available by my Department on that issue in December. We are not amending the regulations. We are not coming back to the House to seek its permission to change the regulations. They are being reprinted—

Mr. Willetts: But they are definitely wrong.

Mr. Denham: Yes; we are reprinting them to make the intentions of the regulations absolutely clear, as I told the House. The hon. Gentleman is fundamentally wrong when he says that the drafting of the regulations gives rise to a higher claim. He is simply wrong about that. However, I am grateful to him for the way in which he raised that point.

With regard to payments of maintenance grants and maintenance loans to prisoners, I hope that the hon. Gentleman will acknowledge that as the Secretary of State who found out about that, I am the Secretary of State who took action to stop it.

T3. [187395] **Ms Katy Clark** (North Ayrshire and Arran) (Lab): My right hon. Friend will be aware of the recent projections that suggest that it will take woman graduates on average 16 years to repay their student debt, while it will take male graduates only 11 years. Will he confirm that that will be taken into account in the development of student financial support policy?

Mr. Denham: The issue is that repayment of student loans is income contingent. In other words, it is related to how much people earn. I believe that my hon. Friend is right in principle in what she says. However, the issue that needs to be addressed is not the structure of the repayment of student loans, but the many other reasons why women earn less than men in our society. The Government are addressing that matter through the women and work commission, and in other ways. That is where we should focus our attention.

Mr. Desmond Swayne (New Forest, West) (Con): When the A-level courses beginning in September are reduced from six modules to four, is it the intention of Ministers that students should study the four modules more rigorously, or simply compensate by doing additional A-levels? Will that disadvantage students who are now in the lower sixth form year, who go on a gap year, and find themselves competing for university entry against fellows with more A-levels?

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): The move from six modules to four has been widely welcomed, along with the greater use of synoptic questions and the extended project. All the indications are that universities greatly welcome those changes as a means of improving what is already a very good qualification.

T4. [187396] **Rob Marris** (Wolverhampton, South-West) (Lab): I salute the Government's support for pure research in science, including physics. Last summer, I visited the impressive and worthwhile particle accelerator at CERN in Geneva. Can the Minister tell me how much support the Government has given to CERN, and when the facility will reopen following a rebuild?

The Minister for Science and Innovation (Ian Pearson): The Government have provided a substantial amount of money to CERN—from memory, I think it is something like £700 million during the past four years. I can confirm that according to current plans, CERN will be open for business, with its new large hadron collider, in July this year. It is a tremendously exciting project—the biggest physics project ever—and it will provide great opportunities for the four experiment types planned at CERN.

Mr. Simon Burns (West Chelmsford) (Con): Will the Secretary of State use his Department's influence with the Learning and Skills Council to see whether it can provide funding for projects such as "Mentoring for U" at Chelmsford prison? The project does fantastic work in helping dyslexic prisoners to improve their literacy skills, which helps with their rehabilitation and gives them a better start once they leave prison.

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. David Lammy): The hon. Gentleman raises an important issue. I met the LSC leadership on offender learning this week, and I will be happy to ask the council to look at the scheme he described. He will be aware that in our test-bed regions in the east of England, Bedford and the west midlands, much pioneering work is going on in relation to offender learning. I shall ask the LSC to consider the issue.

T6. [187398] **Mr. Jim Cunningham** (Coventry, South) (Lab): Does my right hon. Friend realise that apprenticeships are the lifeblood of the west midlands, which has always been noted for its manufacturing base? What is he doing about the quality of apprenticeships?

Mr. Denham: My hon. Friend makes an important point. He knows that, in the past few years, the Government, through the Learning and Skills Council, have rigorously raised standards in apprenticeships and withdrawn support from training providers that were not seen to deliver. We will go further through the apprenticeships review. First, it will be clear that an apprenticeship that does not involve work-based training with an employer is not an apprenticeship. Secondly, in the draft apprenticeship Bill, which we will publish later this year, we will set out the basis for clearly defining the rights and responsibilities of apprentices, employers and the training system to ensure that, nationally, across the sector and across occupations, the apprenticeship is universally regarded as a high quality training qualification.

T9. [187401] **Andrew Miller** (Ellesmere Port and Neston) (Lab): Will my right hon. Friend impress on his European counterparts the importance of the work to reskill and upskill the employees of Vauxhall Motors in partnership with our further education sector? Will he stress that that is the way in which Europe will win the race to the top and stand a chance of competing in the global economy?

Mr. Denham: I would be happy to discuss the details of the issue that my hon. Friend raises with him. In general, he is right that this country, contrary to what is often said, has a strong manufacturing base. We are still the sixth largest manufacturer in the world. However, our future lies in high value added manufacturing, which depends on having the research capability and the skills in the work force to do the best engineering and manufacturing. Skills are at the heart of that, and I would be pleased to discuss with my hon. Friend the work at Vauxhall Motors.

T10. [187402] **David Wright** (Telford) (Lab): Further education colleges work best when they are allowed maximum flexibility on the sort of courses that they can put together and the partners with whom they can work. What more can we do to reduce the ring-fencing of budgets in the FE sector to promote better educational partnerships with not only other educational institutions but workplaces?

Bill Rammell: May I say to my hon. Friend, who takes a keen interest in the activities of his local FE college, that there is a genuine balance to be struck between the central direction that we need to achieve our skills targets and giving sufficient flexibility beyond those targets? The current system of funding is moving in that direction, and I hope that that answers his concerns.

Business of the House

11.32 am

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): May I ask the Deputy Leader of the House for the forthcoming business?

The Deputy Leader of the House of Commons (Helen Goodman): The business for the week commencing 25 February will be:

MONDAY 25 FEBRUARY—Debate on the treaty of Lisbon provisions relating to international development followed by continuation of consideration in Committee of the European Union (Amendment) Bill [6th allotted day]—any selected amendments to clause 2 relating to international development.

TUESDAY 26 FEBRUARY—Debate on the treaty of Lisbon provisions relating to the effectiveness of the EU institutions and EU decision making, followed by continuation of consideration in Committee of the European Union (Amendment) Bill [7th allotted day]—any selected amendments to clause 2 relating to the effectiveness of the EU institutions and EU decision making, followed by motion to approve a local government restructuring order relating to Cheshire.

WEDNESDAY 27 FEBRUARY—Debate on the treaty of Lisbon provisions relating to climate change, followed by continuation of consideration in Committee of the European Union (Amendment) Bill [8th allotted day]—any selected amendments to clause 2 relating to climate change and remaining amendments on clause 2.

THURSDAY 28 FEBRUARY—A debate on Welsh affairs.

FRIDAY 29 FEBRUARY—Private Members' Bills.

The provisional business for the week commencing 3 March will include:

MONDAY 3 MARCH—Continuation of consideration in Committee of the European Union (Amendment) Bill [9th allotted day] covering clauses 3 to 7.

TUESDAY 4 MARCH—Continuation of consideration in Committee of the European Union (Amendment) Bill [10th allotted day] covering clauses 3 to 7 not completed on 3 March.

WEDNESDAY 5 MARCH—Continuation of consideration in Committee of the European Union (Amendment) Bill [11th allotted day] covering clause 8, the schedule, new clauses and new schedules.

THURSDAY 6 MARCH—A debate on women's representation in democracy.

FRIDAY 7 MARCH—Private Members' Bills.

I should also like to inform the House that the business in Westminster Hall for 6 and 13 March will be:

THURSDAY 6 MARCH—A debate on the International Health Partnership.

THURSDAY 13 MARCH—A debate on the report from the Joint Committee on Human rights on the human rights of older people in health care.

Mr. Vara: My thanks to the Deputy Leader of the House for that information.

The Government promised that, in place of a referendum, we would have line-by-line scrutiny and 20 days of debate on the Lisbon treaty. But the House has been given only 14 days of debate, and last night a group of defence amendments was never even reached. Failing to debate such an important and weighty issue as the defence of our country is unacceptable. Will the Deputy Leader of the House commit to giving an extra day of defence debate?

We found out this week that, to meet Government targets, seriously ill patients are left for hours in ambulances instead of being admitted to accident and emergency. Over the past 15 months, such deplorable treatment of patients has led to at least 44,000 delays being reported. May I suggest that we have a topical debate on the Government's obsession with targets and the impact that it is having on patient care?

Having lost the personal details of 25 million people and subjected millions of families to the appalling mismanagement of tax credits, staff at Her Majesty's Revenue and Customs are now in line for record bonuses of £23 million. That is almost £1 for every person whose details have been lost. Will the Chancellor make a statement to explain why the Government are rewarding a Department that has failed our families so badly?

The Government have spent £800 million trying to cut the number of students dropping out of university. But more than one fifth of those students are still dropping out, which is a decrease of a mere 1 per cent. over eight years. Spending £800 million for a 1 per cent. return is a scandalous waste of taxpayers' money. We need the Secretary of State for Innovation, Universities and Skills to make a statement to the House on the disastrous failure of his policy.

Only a small number of illegal immigrants are ever deported from the UK. But we now find that a large number of those people are turned back by the country to which they are deported and returned to the UK because the Home Office has messed up their paperwork. Even when the Home Office tries to deport someone, it cannot get it right. We need an urgent statement from the Home Secretary on the continued mismanagement of her Department.

Finally, two years ago, Tony Blair promised that our troops would get anything that they needed for their protection. But this week, commanders in Afghanistan have said that they do not have funding for helicopters that they desperately need. The Government coroner says that troops have inadequate equipment, and there are reports that defence cuts may be as much as £3 billion. This cannot be right. We need a statement from the Secretary of State for Defence urgently, explaining why the Government are failing properly to protect the brave men and women who daily put their lives at risk in some of the most dangerous parts of the world.

This is a Government who have reneged on their pledges to Parliament, failed patients, let down our future generation and betrayed our armed forces. This is a Government who are staggering from one disaster to another. They are incapable, incompetent and in a mess. The British people know that they deserve better and they are not impressed.

[Mr. Vara]

Helen Goodman: The hon. Gentleman began by raising the consideration of the Bill to enact the Lisbon treaty. He knows very well that we wanted to give the House a proper opportunity for substantial consideration of the Bill. We have set out a process, which the House agreed following a full debate, that enables the House to have a discussion on the substantive issues, as well as giving time to consider amendments. The Opposition, moreover, accepted that approach in their own programme motion. Furthermore, the Government promised to be flexible with respect to the timetabling on individual days, and we have been flexible. We were flexible yesterday, giving three hours for the amendments as well as three hours for the general debate. The suggestion that there has not been proper consideration of this Bill is quite ridiculous. We have allowed 12 days for the Committee of the whole House, which is more than the Committee stages for the Nice and Amsterdam treaties and the Single European Act put together.

The hon. Gentleman went on to raise the issue of waits in ambulances for A and E. I do not know whether he is aware of the fact that, in the past two years, 98 per cent. of patients were seen, diagnosed and treated within four hours. In the last quarter for which we have statistics, 2.7 per cent. of people waited more than four hours, and in the quarter before that it was 1.7 per cent. It is quite wrong for the hon. Gentleman to scaremonger in this way.

The hon. Gentleman then went on to talk about the HM Revenue and Customs bonuses. The bonuses that were paid in—*[Interruption.]*

Mr. Speaker: Order. There is far too much conversation going on, and that is unfair. The hon. Lady has been asked several questions, and she is entitled to answer them.

Helen Goodman: Thank you, Mr. Speaker.

The bonuses paid in 2007-08 were for work carried out in 2006-07. In line with the wider civil service, bonuses are paid to encourage and reward officials and to enable HMRC to improve its performance and service to taxpayers and the Government.

The hon. Gentleman then complained about student drop-outs. The truth is that we rank fifth in the OECD in the first degree completion rates. We have a survival rate of 78 per cent., which is far better than that of most countries in the European Union.

On defence spending, the hon. Gentleman once again indulged in some quite ridiculous scaremongering. The truth is that, in cash terms, the United Kingdom is the second highest spender on defence; we are second only to the United States. The increases that have been agreed in the comprehensive spending review baseline represent an average 1.5 per cent. real-terms increase over the next few years.

The hon. Gentleman also raised the issue of deportations. I think that those points were perfectly well answered by the Prime Minister yesterday, but if the hon. Gentleman or any other hon. Member has any further questions on the issue, they can raise them in Home Office questions on Monday.

Martin Salter (Reading, West) (Lab): The Deputy Leader of the House will be aware of the long-standing support of three Home Secretaries and 180 MPs of all parties, as well as Amnesty International, women's organisations, faith groups and thousands of individuals, for the Jane Longhurst campaign against violent internet pornography. Will my hon. Friend confirm that the Government intend to deliver quickly on the assurances given at the Dispatch Box by the Justice Secretary to include the promised measures in the forthcoming Criminal Justice and Immigration Bill that is currently in the other place?

Helen Goodman: Of course I am well aware of this important issue, and of the effective campaigning that my hon. Friend has done to raise the issue with Ministers and in the House. The Criminal Justice and Immigration Bill contains many good, important measures. As he knows, it is vital that the Bill secures support in both Houses to a reasonable timetable. That means that difficult decisions sometimes have to be made. However, I am sure that my colleagues in the Ministry of Justice are aware of the public support for the measures that my hon. Friend has mentioned, and I will refer the matter to the Secretary of State.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): In answering the question about defence, the Deputy Leader of the House talked about the amount of money spent by the Government, but the crucial issue is the burden placed by the Government on soldiers in the front line. The International Development Committee visit to Afghanistan revealed how vital it is to have adequate helicopter support because the transport situation is so difficult. A defence statement would be useful, so we could ask questions on the real impact on the ground of helicopter deployments.

When the Government brought in modernisation, it was put to us that the whole point of timetabling was to improve scrutiny, but as we saw with the Northern Rock Bill, if timetabling is not handled properly, we do not get effective scrutiny, and the Government were unable to deal adequately with concerns in the House about the Granite vehicle, which so affected what exactly the Government were nationalising. Will the Deputy Leader of the House ensure that, on vital issues such as Northern Rock, we have proper time for debate?

I declare my entry in the Register of Members' Interests in respect of energy matters to do with my shareholding in Shell and to do with the offshore oil and gas industry. I also remind the House that I am vice-president of Energy Action Scotland, a fuel poverty charity. I call for a debate on fuel prices and note that yet more price rises for the country to contend with are revealed today. The Government have relied on low fuel prices to tackle fuel poverty, but we desperately need more investment and effective measures for warm homes. The Government need to explain how they intend to deal with their increased VAT take as prices rise and with the increased profits for the fuel companies that have come from carbon tax allocations.

My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) has prayed against the changes in immigration regulations and would like

to see that matter debated on the Floor of the House so that Members can express their concerns about how those changes might impact on people. In previous questions, my hon. Friend has welcomed the fact that we are to have debates on Welsh affairs and women's affairs, but when Commonwealth day comes, may we also have a debate on Commonwealth issues, which would allow a wide range of concerns to be raised across the House?

Finally, in the Christmas Adjournment debate I raised issues about the Post Office and the Deputy Leader of the House arranged for the Minister with responsibility for the Post Office to reply in writing, but it would be useful to have a debate now on the progress of the post office closure programme, so that Members confronted by it could inform the House how it is working on the ground. Those of us who represent the north-east of Scotland will have to wait until May to find out, but we still need to know how the closure programme will happen. The Minister for Employment Relations and Postal Affairs has said that if we save a post office, we do not necessarily have to close another one in lieu. Many Members are saying, apocryphally, that that is not the message they are getting on the ground with the current closure programme. A debate on the post office closure programme would therefore be extremely timely and would help us to understand exactly what the Government require of the Post Office.

Helen Goodman: The hon. Gentleman began by raising the issue of resources in Afghanistan and Iraq, but I am sure he is aware that the financial resources for work in those countries is over and above the normal defence budget expenditure. He went on to raise questions about the handling of the Banking (Special Provisions) Bill. When it was decided to bring that measure forward, it was felt important that the House should have the opportunity to agree how it would progress. That is why there was a debate on the programme motion on Tuesday. All stages are being properly gone through here and in the other place. Opposition Members tend to want it both ways: on the one hand, they say they understand the reasons for expediting the legislation, but on the other hand, they complain when it is handled quickly.

The hon. Gentleman went on to raise the issue of rising fuel prices and fuel poverty. Let me remind him that this Government introduced the winter fuel allowance, which has now been increased to £300 for older pensioners. We are also spending record sums on Warm Front, the programme to insulate houses and improve heating, which gets to the fundamental issues that the hon. Gentleman was trying to raise.

As the Prime Minister said yesterday, we are taking advice from Ofgem on the competition issues that the hon. Gentleman raised.

The hon. Gentleman went on to talk about the prayer laid by his colleague the hon. Member for North Southwark and Bermondsey (Simon Hughes) against the immigration regulations. Obviously, colleagues at the Home Office are fully aware of that.

The hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) also requested, in essence, two topical debates, that is what I shall take his suggestion to be. *[Interruption.]* The hon. Gentleman speaks from a sedentary position. The fact of the matter is that topical debates are in Government time. He asked for a debate on the Commonwealth and another on the Post Office restructuring programme, which is under way. I well know that that is a matter of concern across the House, particularly in relation to rural issues. *The truth* is that the Government have spent £2.2 billion on supporting the Post Office and will spend a further £1.7 billion, so Royal Mail should be able to manage a proper network within those resources.

As the hon. Gentleman said, consultations are under way. I want to emphasise the fact that those consultations have a real impact on outcomes. For example, across the 11 areas for which final decisions have been announced, 23 closure decisions have been withdrawn. In addition, with 19 area plans so far published, an average of more than 10 per cent. of the initial proposals have been changed, so it is important that people take part in the consultations.

David Lepper (Brighton, Pavilion) (Lab/Co-op): Further to the assurances that the Deputy Leader of the House has just given to my hon. Friend the Member for Reading, West (Martin Salter) on legislation to deal with violent internet pornography, she will be aware that the need for such legislation was highlighted by the brutal murder some five years ago of my constituent, Jane Longhurst, a respected teacher.

Assurances have been given in the past by the Government. In addition to the reminders that the Deputy Leader of the House has undertaken to give to her colleagues in the Ministry of Justice, will she remind them of the 50,000-signature petition on the issue that my hon. Friend the Member for Reading, West and I presented to Parliament, and of the fact that the Dutch Parliament, as well as other European Parliaments, is carefully watching what happens in the House with a view to introducing legislation along similar lines?

Helen Goodman: I am grateful to my hon. Friend for making those points, which I shall relay to colleagues in the Ministry of Justice.

Sir Michael Spicer (West Worcestershire) (Con): When does the Deputy Leader of the House expect to receive the Electoral Commission proposal for the single registration of Members' interests?

Helen Goodman: I do not have the timetable here with me. I will write to the hon. Gentleman.

Geraldine Smith (Morecambe and Lunesdale) (Lab): When are we going to get the regional Select Committees that we were promised so that we can begin to hold to account some of the quangos that operate in our regions?

Helen Goodman: My hon. Friend is quite right: it is important that the accountability of regional development authorities and other regional bodies is improved, which is why the proposal was made in the summer in the White Paper "The Governance of Britain". The way that that should be done is being

[Helen Goodman]

considered by the Modernisation Committee, and it will report soon.

Mark Pritchard (The Wrekin) (Con): Given that the Government disgracefully rigged the business of the House yesterday—discussion of the Lisbon treaty—may we have an urgent debate on the foreign policy, defence and security elements of that treaty so that we can send out a clear message from the House that we care about these matters, unlike the Government?

Helen Goodman: The truth is that there was a debate yesterday about the defence aspects. Furthermore, next Monday there will be time for a debate on the international development aspects.

Mr. Denis Murphy (Wansbeck) (Lab): Will my hon. Friend consider holding a debate on the regulation of the life insurance industry? When my constituent, Mrs. Susan Hurrell, was diagnosed as being terminally ill with ovarian cancer and contacted her insurance company to claim as she was convinced that she had terminal illness cover, the company said that she did not. Her husband contacted the company again some weeks later; again, they were told that they did not have that cover. Some months later, the company agreed that they did in fact have cover, but it refused to pay out because they had not claimed within the 13-week period.

Does my hon. Friend agree—

Mr. Speaker: Order. I think that the hon. Gentleman has made the point.

Helen Goodman: My hon. Friend has made a powerful case and raised an important issue. I will take away his suggestion for a topical debate on the matter.

Angus Robertson (Moray) (SNP): This week, the United Kingdom Government recognised that independence in Europe represents optimal relations for nations in Europe—except Scotland, of course. A Scotland Office Minister said that there should be no changes to the devolved settlement, in the same week that Wendy Alexander wants more and the Prime Minister wants more and less all at the same time. When can we have a debate in Government time on that confusing approach by the Whitehall Government?

Helen Goodman: I do not believe that there is any confusion at all on that matter. I hope that the hon. Gentleman will be able to raise any concerns that he has with Scotland Office Ministers in questions.

Kate Hoey (Vauxhall) (Lab): Mr. Speaker, you will know that this week it was announced that 169 sub-post offices are to close in London, many of them in deprived areas. I have one in my constituency, in Vauxhall street—a little town centre that has just been regenerated, but which will now have its heart torn out. As the Leader of the House herself has some such post offices in her constituency, will the Deputy Leader of the House arrange for a debate on post offices, because people do not believe that the consultation is anything other than a sham?

Helen Goodman: As I said earlier to another hon. Member, I do not believe that the consultations are a sham. However, I accept that there is strong feeling across the House on the matter and we will keep the question whether to have further consideration—in addition to the Adjournment and Westminster Hall debates—under review.

Mr. Bernard Jenkin (North Essex) (Con): May I put it to the Deputy Leader of the House that when she says that we are spending 12 days considering the Lisbon treaty in Committee, she is saying something that is not true? Half the time is spent on debates of the Government's own choosing—as a platform for their own views, not for Ministers to respond to amendments tabled by hon. and right hon. Members. By no stretch of the imagination can it be said that line-by-line scrutiny is taking place when whole rafts of amendments—for example, on defence and foreign policy—have been simply passed over and not discussed at all.

May I endorse the request made by my hon. Friend the Member for North-West Cambridgeshire (Mr. Vara) for at least an extra day on the defence aspects of the treaty? Otherwise, the Government will not have delivered their promise of line-by-line scrutiny.

Helen Goodman: The truth is that the approach that has been taken to consideration of the Bill and the treaty allows for consideration of amendments and for debates on the underlying issues in the Lisbon treaty. That is what concerns the British public.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Can we have a statement from my hon. Friend on the process for the root and branch review of Members' expenses, which is under way? As I understand it, the House gave authority to the Members Estimate Committee to carry out that review, but if press and media reports are to be believed, everyone and their granny wants a piece of the action. Can we have clarity on the issue, if for no other reason than that the authority of the House be undermined no longer?

Helen Goodman: My hon. Friend is quite right that this is an important issue and the public need to know that the resources that Members have for fulfilling their responsibilities are adequate and properly accounted for. As he knows, before the Standards and Privileges Committee looked into the case of the hon. Member for Old Bexley and Sidcup (Derek Conway), the House decided to refer the question of all the allowances to the Members Estimate Committee for a root and branch review. That review and that work are now under way.

In the light of the case of the hon. Member for Old Bexley and Sidcup, the Standards and Privileges Committee has proposed some changes in the operation of the Register of Members' Interests. That makes an important contribution to debate on the matter. It would be helpful if the House considered all the issues together, and examined the Committee's

suggestions in the light of the report from the Members Estimate Committee, in order to resolve the matter before the summer recess.

Sir Nicholas Winterton (Macclesfield) (Con): Will the Deputy Leader of the House take very seriously the questions that have been put about programme motions, not least those relating to the Lisbon treaty? I am sorry, but the hon. Lady is utterly wrong. Not only many Members but many people outside believe that, because of the programme motions, the House cannot undertake the job it is here to do: scrutinise legislation—in this instance, a treaty. Large tranches of amendments are not being debated at all. Will the hon. Lady ask the Leader of the House and the Government to provide time for a debate on programme motions and their destructive effect on the House's ability to do its job?

Helen Goodman: As the hon. Gentleman knows very well, a whole day's debate was devoted to the programming of the business, and the motion that followed the debate was passed. The hon. Gentleman is frustrated, but the House's overall view was made clear on that occasion.

Julie Morgan (Cardiff, North) (Lab): I am sure my hon. Friend is aware that fair trade fortnight begins next Monday. Is she also aware that Cardiff became the world's first fair trade capital in 2004, and that it now contains more than 150 outlets—cafés, shops, businesses and other organisations—that use and sell fair trade products? Does she not consider this important movement to be worthy of a debate?

Helen Goodman: Fair trade is indeed a very important movement in this country. I congratulate my hon. Friend and the city of Cardiff on the significant progress they have made in expanding fair trade in the city, and I will consider her request for a debate.

Jo Swinson (East Dunbartonshire) (LD): Over the past few months more and more research has been published calling into question the Government's policy on biofuels, including an excellent report by the Select Committee on Environmental Audit. I declare an interest as a member of the Committee. In the light of that research, will the Government find time for a debate so that the House can reach a view on an issue that may affect the country's environmental future?

Helen Goodman: The hon. Lady is right: biofuels are an important new development. DEFRA will consider the Environmental Audit Committee's report, but, as the hon. Lady knows, all Select Committee reports can be debated in Westminster Hall.

Michael Connarty (Linlithgow and East Falkirk) (Lab): The Deputy Leader of the House will recall that before the recess we made some important decisions on the Standing Orders of the European Scrutiny Committee and its Sub-Committees. May I urge her to look at the account of those decisions, which I have passed to her? As a result of one of them, we held our first public meeting yesterday, in line with the Modernisation Committee's recommendation that we should examine documents and conduct pre and post-Council scrutiny in public.

The Deputy Leader of the House said that she would try to involve Members more in European scrutiny. Five debates are outstanding that are to take place in the new European Committees, but they are not listed on the papers that have been circulated among Members. Will the Deputy Leader of the House undertake to list the debates we have arranged each week and circulate them by some method, so that Members with an interest can let it be known that they wish to take part?

Helen Goodman: My hon. Friend is an excellent Chair of the European Scrutiny Committee, and he makes a good point. We have made important decisions on improving European scrutiny, and I am glad that the Committee reached agreement yesterday on how that improvement should operate in practice.

As my hon. Friend knows, we promised the House that in the autumn we would review the operation of the new procedures. I will consider his point about the European Standing Committees—or the European Committees as they are now to be called—but I remind him that during the debate on European scrutiny I said that those debates would be listed on the Order Paper in future.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): Will the Deputy Leader of the House consider arranging an urgent debate on the Environment Agency, which has just announced that in Somerset it will stop cleaning out the waterways and ditches, or reams as we call them? There has been no consultation with anyone, and I do not think even the Government know what is going on. Anyone who knows anything about flooding knows that it is desirable for the water to go into the rivers as quickly as possible so that it flows away. If the waterways and reams are not cleared, we will experience another of the disasters that we have suffered over the past two years, and the situation will get worse.

Helen Goodman: The hon. Gentleman raises an important issue, and I will ask my colleagues in DEFRA to write to him about it.

Dr. Brian Iddon (Bolton, South-East) (Lab): There are about six almost identical local authority private Bills before the House designed to deal with the nuisance that pedlars are causing in many towns and cities throughout the country, and even more such Bills are likely to be presented. Bills of this kind are extremely expensive to promote. Will the Government consider supporting my Pedlars (Street Trading Regulation) Bill? It would save Government time, and an awful lot of public money.

Helen Goodman: As my hon. Friend knows, the Government consider all private Members' Bills that are presented to the House. He probably also knows that the matter he has raised was considered in some detail last year when we debated the Bill that became the Charities Act 2006. However, I will draw his remarks to the attention of my colleagues in the Cabinet Office.

Justine Greening (Putney) (Con): May I add to the calls for a debate on the post office closure programme? We are seeing savage cuts throughout London: my constituency, for instance, will have lost more than half its post offices since 2003. Given that there is cross-party concern and that post offices are vital community assets, will the Government find time in their programme for a debate?

Helen Goodman: As I have told other Members, I know that there is strong feeling about the matter across the House. I will relay the hon. Lady's concerns to Ministers in the Department for Business, Enterprise and Regulatory Reform.

Rob Marris (Wolverhampton, South-West) (Lab): The Government frequently say that time for debate in the Chamber is limited. On Thursday 28 February we are to have a one-day debate on Welsh affairs, although many Welsh issues are devolved. The population of my region, the west midlands, is considerably larger than that of Wales, but there is no devolution in the west midlands. When may we have a one-day debate on the west midlands?

Helen Goodman: My hon. Friend is an effective champion of the west midlands and of his constituency, and he has made an important point. I hope he will be encouraged by the establishment of regional Select Committees, in which it will be possible to consider such matters more thoroughly.

Sir George Young (North-West Hampshire) (Con): The Deputy Leader of the House has just announced a further two weeks of unremitting European legislation. At the same time, important domestic Bills are stacked up awaiting Report. The Health and Social Care, Housing and Regeneration, Energy, Education and Skills, and Planning Bills are all out of Committee. Can we not vary this rich European diet with some home-grown roughage?

Helen Goodman: I am sure that many Members are sympathetic to the right hon. Gentleman's concern, but, as he has heard, it is also the case that many Members would like more rather than less discussion of the Lisbon treaty, and I think it important that we complete that process.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): May we have a debate on the powers of the police to deal with armed foreign nationals on United Kingdom territory? My question arises from an incident that took place in September 2005, which has just been reported. Apparently, British police were deterred from arresting an alleged war criminal, General Almog, when armed El Al air marshals refused them access although British sovereignty covers planes once they have landed on United Kingdom soil. This is clearly an incredibly important issue, which extends beyond that case to other possible cases.

Helen Goodman: My hon. Friend raises a significant point, and I will ensure that her remarks are drawn to the Home Secretary's attention.

Mark Hunter (Cheadle) (LD): As the Deputy Leader of the House might be aware, next week has been designated national eating disorders awareness week. There are currently two early-day motions on the subject, one of them in my name: early-day motion 973.

[That this House, recognising that 25th February to 2nd March has been designated Eating Disorders Awareness Week, notes with growing dismay the increasing number of young people, especially female, suffering from eating disorders; further notes with concern the number of websites encouraging millions of vulnerable young people to become anorexic or bulimic, falsely promoting eating disorders as a lifestyle choice and supplying tips on how to maintain their disorder in secret; believes that these sites should act responsibly towards young people; and calls on the Government to promote awareness of the dangers of these sites and provide support for those affected by eating disorders and their families.]

According to official estimates, up to 1 million people a year now suffer from eating disorders and up to 90,000 are actively seeking help. May we have a debate on these important issues, with particular reference to the poisonous influence of websites that actively encourage vulnerable young people, particularly young women, to choose anorexia or bulimia almost as a lifestyle choice?

Helen Goodman: The hon. Gentleman raises a serious and important issue to do with young women's health, and I will draw his remarks to the attention of not only the Department for Children, Schools and Families, but the Department for Business, Enterprise and Regulatory Reform, which has responsibility for the regulation of the internet.

Mrs. Ann Cryer (Keighley) (Lab): My hon. Friend and the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) have touched on this matter, but may we have a debate on increases in the winter fuel payment, which are necessary as it is not keeping pace with the cost of keeping warm? I must declare an interest in that. May we look, too, at the massive increases in the profits of British Gas?

Helen Goodman: My hon. Friend makes a surprising revelation in her question on the winter fuel allowance. The Department for Work and Pensions keeps the level of benefits under constant review and, as she knows, Ofgem is looking at competition in the energy market.

Mr. Nigel Evans (Ribble Valley) (Con): May I offer my support to calls for a debate on Commonwealth issues? It would give us an opportunity to find out what discussions the Government have had, particularly with African Commonwealth countries about what they are doing to help influence change in Zimbabwe. As President Mugabe tucks into his birthday cake today—it is his 84th birthday—he will do so safe in the knowledge that many of the other inhabitants of his country are starving because of a lack of food and an inflation rate running at 100,000 per cent. African Commonwealth countries must do more to influence change in Zimbabwe.

Helen Goodman: The hon. Gentleman raises an important point about the serious situation in Zimbabwe. I know that Foreign Office Ministers do pay attention to it, and that they raise it with colleagues at international meetings.

Damian Green (Ashford) (Con): During last week's recess, we learned that the security of this building was badly compromised: an illegal immigrant who ran away from security guards at Heathrow in December 2004 was found to have been working here for almost two months on a false pass. Home Office Ministers tried to cover that up, but failed to do so as the information was leaked to a Sunday newspaper. Will the Home Secretary—who, happily, has just arrived in the Chamber—be asked to make a statement on this issue, which is clearly of huge importance to the security of all of us?

Helen Goodman: I think that what the hon. Gentleman has been led to believe from reading the newspapers is inaccurate. I will ask the Home Secretary to write to him.

Hugh Robertson (Faversham and Mid-Kent) (Con): Kent has several ports of entry, and in recent years it has taken delivery of a number of unaccompanied children seeking asylum. The cost of providing the support they need has now risen to just over £10 million, and Kent county council is having considerable trouble reclaiming that money from the Home Office and the Department for Children, Schools and Families. Will the Deputy Leader of the House find Government time for a debate on this important subject?

Helen Goodman: As the hon. Gentleman is aware, the general policy on these issues was discussed yesterday following the Home Secretary's oral statement. If he has further concerns, he should write to Home Office Ministers.

Mr. Simon Burns (West Chelmsford) (Con): Will the Deputy Leader arrange for the Secretary of State for Health to come to the House next week to make a statement justifying the changes to the regulations governing the granting to supermarkets of licences to run pharmacies. I want the Secretary of State to explain why the Government have changed the rules, which will tie the hands of primary care trusts so they have to grant any application to any supermarket that promises to stay open for 100 hours or more. That will put out of business many small, family-run pharmacies that have served their customers well over many years.

Helen Goodman: The hon. Gentleman raises an important point. Obviously, the first consideration is the safety and well-being of patients, but I will draw his remarks to the attention of Health Ministers.

Richard Younger-Ross (Teignbridge) (LD): May I draw the Deputy Leader's attention to early-day motion 987 on tandoori and curry chefs?

[That this House notes the concern of Asian restaurateurs that new immigration regulations are causing a shortage of tandoori and curry chefs; further notes that this shortage is threatening the viability of many restaurants that have contributed both financially and culturally to the UK; and calls on the Government to review the regulations, such as the need to speak good English before arrival, so as to ensure an adequate supply of temporary work visas for tandoori and curry chefs.]

The Deputy Leader will no doubt be aware of the contribution Asian businesses have made to this country, both financially and culturally—indeed, chicken tikka masala was voted this country's favourite dish. Such businesses are struggling to recruit new chefs, however, because of immigration regulations. May we have a statement on the workings of the regulations so that we can look at how such businesses can continue to prosper for this country?

Helen Goodman: It is, of course, important that Indian restaurants in this country retain their high standards. However, I do not think that anyone can seriously suggest that different immigration regulations should apply to the sector. As the hon. Gentleman knows, there was a debate yesterday on this matter following the Home Secretary's statement, and he can raise his detailed point in Home Office questions on Monday.

Several hon. Members *rose—*

Mr. Speaker: Order. I see that I am now down to my Thursday regulars. I will take them all, but I must have one supplementary and one alone. I am sure that Mr. Mackay will lead the way.

Mr. Andrew Mackay (Bracknell) (Con): I am grateful, Mr. Speaker.

Does the Deputy Leader of the House share the concern felt by me and many taxpayers in my constituency about the huge costs of certain inquests, particularly those involving juries? May we have a debate on that next week?

Helen Goodman: As the right hon. Gentleman is well aware, coroners' courts are, like all civil and criminal courts, run independently; the processes are under the control of the judiciary, which is totally independent. He will also, however, be aware that we have published a draft Coroners Bill, which we hope to introduce at some point, and which would modernise the coroner service.

Mr. James Clappison (Hertsmere) (Con): Given our current foreign policy and defence commitments, would it not show this House in a bad light if we did not have proper line-by-line scrutiny of the Lisbon treaty, not least because it contains new provisions with possible new defence commitments, including a contingent commitment to European common defence? I ask for more time, please, to save the honour of this House.

Helen Goodman: The hon. Gentleman's point has been raised by several other Members. I have answered it, and I do not have anything further to add.

Mr. Christopher Chope (Christchurch) (Con): Hundreds of thousands of schoolchildren are currently choosing their A-level options, yet the Government are

[Mr. Christopher Chope]

reducing the number of modules at A-level from six to four. Many schools think that, as a consequence, A-levels are being devalued and that, therefore, children should take more A-levels than they otherwise would have. May we have a clear response to that, which we failed to get earlier in response to a question from my hon. Friend the Member for New Forest, West (Mr. Swayne)?

Helen Goodman: I do not think there is any truth in the suggestion that A-levels are being devalued, and I am sorry if the hon. Gentleman was not satisfied with my hon. Friends' earlier answer, but they are in control of that situation.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): May we have a debate on teaching culture in schools? The subject is close to the Government's heart. Indeed, last week when the Secretary of State for Culture, Media and Sport announced the Government initiative, he said he felt that it would be, among other things, the

"chance to perform on a stage, to learn a musical instrument".

Does the Deputy Leader of the House share my concern about the news that funding for Milton Keynes music service will be cut by £113,000, meaning that many of the 5,000 students currently receiving the service will no longer do so? How does that square with this Government commitment?

Helen Goodman: The truth is that spending on schoolchildren has doubled in the past 10 years, and that has included significant improvements to music teaching and the music service across the country.

John Bercow (Buckingham) (Con): May we have a debate in Government time on the Floor of the House on the serial abuse of human rights in Burma and the continuing political crisis in that country? Given that only last week the vice-chairman of the Karen National Union, Padoh Mahn Sha, was assassinated at the instigation of the sadistic military dictatorship, would not such a debate allow us to expose in detail the systematic abuse of human rights, to highlight for the sham that it is the proposed political reform in that country and to chart the way to salvation with freedom, peace and justice for the long-suffering people of Burma?

Helen Goodman: The hon. Gentleman is a doughty campaigner for the people of Burma. His concerns were shared across the House when we had a debate on the issue only a few months ago, but I understand that the situation is changing and I shall raise the matter in the Foreign Office.

Bob Spink (Castle Point) (Con): The Foreign Office replied today to my written questions on the role and duties, and terms and conditions, of the new president of the European Council. It stated:

"Discussions on these issues have not yet started."

We are therefore handing an open cheque to the EU. May we have a debate on this absurd and irresponsible neglect of our national interest?

Helen Goodman: The hon. Gentleman knows from the business statement that EU institutional reform will be the subject of debate on Tuesday. He will then be able to make his views clear to the Minister for Europe.

Dr. Julian Lewis (New Forest, East) (Con): Given that the Government wisely distanced themselves from the suggestions about incorporating sharia law made by my old school friend, the Archbishop of Canterbury—that is the name-dropping bit—may we have a statement on consistency from whichever Minister it was who approved the decision to pay benefits in respect of multiple marriages and polygamous partners provided those arrangements were contracted abroad before people came to this country?

Helen Goodman: I understand that it is untrue to suggest that husbands with multiple wives have been given the go-ahead to claim extra welfare benefits; the welfare benefits date back to 1987.

Mr. Mark Harper (Forest of Dean) (Con): I want to take the Deputy Leader of the House back to the business that she announced. She will know that day 11 of the debate on the European Union (Amendment) Bill will include discussion of clause 8, and thus the House will be given the opportunity to vote on whether to carry out the Government's promise to hold a referendum. That business does not have protected time and will conclude at the moment of interruption. Given that it will take place on a Wednesday, many spare hours in the evening will be available for us to debate it at length. That would be the preferable option, but will she at least confirm that the Government will protect that business? My fear, shared by many Conservative Members, is that a number of statements will be made that day to curtail debate on this incredibly important issue.

Helen Goodman: The programme motion for the consideration of the Lisbon treaty, including the arrangements for the 11th day, was agreed several weeks ago. The hon. Gentleman may have noticed that, contrary to what he is suggesting, fewer statements have been made on the days when the Lisbon treaty has been debated.

Mr. Peter Bone (Wellingborough) (Con): I want to continue the discussion on the lack of available Committee time to consider the Lisbon treaty. I have had the pleasure of attending each Committee sitting. It has not been too tiring, because most sittings have lasted for only one and a half hours. Selected groups of amendments are clearly not being reached—we only ever debate the first group selected. I know that the Deputy Leader of the House is keen on protecting the rights of Back Benchers. One thing that would help the House would be if the arrangements for the six allotted hours were changed so that the vast bulk of the time was spent in Committee, rather than discussing a motion. The Government have agreed to be flexible on the matter. Will she examine it and publish the timetable for next week, setting out how the split between the motion and the Committee is to be delivered?

Helen Goodman: The hon. Gentleman is right—we promised to be flexible, and we have been. We look ahead every week to consider the appropriate balance, taking into account the level of interest and the number of amendments tabled.

Mr. Philip Hollobone (Kettering) (Con): Will the Secretary of State for Health make a statement on the national health service's approach to group B streptococcal infections in newborn babies? Three out of 10 pregnant women carry the GBS bacterium, which is the most common cause of life-threatening infections in newborn babies, affecting 700 babies a year, 75 of whom die as a result. The NHS does not routinely screen for the condition, but if it did, 80 per cent. of the infections could be treated.

Helen Goodman: The hon. Gentleman is well aware that infant and maternal health has improved in the past 10 years because of this Labour Government's trebling of spend on the NHS. I am sure that he can write to the Department of Health about the detailed points that he raised.

HMP Woodhill

12.26 pm

The Secretary of State for the Home Department (Jacqui Smith): With permission, Mr. Speaker, I should like to make a statement. As the House will recall, in his statement on 4 February 2008, my right hon. Friend the Justice Secretary announced that he and I had jointly agreed to ask the chief surveillance commissioner, Sir Christopher Rose, to conduct an inquiry to

"investigate the circumstances relating to the visits to Babar Ahmad at HMP Woodhill by Sadiq Khan MP in May 2005 and June 2006, to establish whether the visits were subject to any form of surveillance and if so by whose authority and with whose knowedge, and to report his findings to the Prime Minister, the Home Secretary and...the Justice Secretary."—[*Official Report*, 4 February 2008; Vol. 471, c. 661.]

Sir Christopher has completed his inquiry and submitted his report, and I should like to thank him for his work and for the speed and efficiency with which he carried it out. Today, I am laying his report before the House; copies are available in the Vote Office.

There should be absolutely no doubt about the vital importance of covert surveillance techniques and the contribution they make to the protection of us all from terrorism and other serious crime. Covert surveillance is an essential tool for the police and security and intelligence agencies, and the ability to make use of it must be preserved. It is, however, right that its use is carefully regulated. The Regulation of Investigatory Powers Act 2000 mandates the form of authorisation and inspection for a range of investigatory powers, including two distinct types of surveillance: intrusive surveillance and directed surveillance.

Intrusive surveillance is defined as the covert acquisition of information on a residential premise or in a private vehicle. It requires the authorisation of a Secretary of State, or of a chief constable or equivalent, together with the approval of a surveillance commissioner. Directed surveillance is any other covert surveillance that does not constitute intrusive surveillance. Directed surveillance can be approved by senior officers in the police, but does not require, in any circumstances, authorisation by a Secretary of State.

The House will be aware that the 2000 Act also covers the interception of communications. That is a power that can only ever be used for limited purposes, and requires in each case the explicit prior authorisation of a Secretary of State. It is to interception, and to other surveillance requiring the approval of a Secretary of State, that the Wilson doctrine applies. Sir Christopher makes it clear that

"the surveillance which I am investigating does not appear to me to be within the Wilson Doctrine, because it does not give rise to interception as defined by the legislation, nor would it require authorisation by the Secretary of State."

This is in line with the Government's stated position on the doctrine. As the facts set out in Sir Christopher's report make clear, it is not relevant in this case.

Let there be no doubt: all forms of covert surveillance are subject to a strict and rigorous statutory regime for authorisations; are conducted in accordance with the guidance set out in the statutory codes of practice; and are overseen by the various

[Jacqui Smith]

independent commissioners—normally recently retired members of the senior judiciary—established under the Act to ensure that those using the powers do so in compliance with the law and to the highest standards of integrity. There is an independent tribunal—the Investigatory Powers Tribunal—established to investigate and rule on any complaints.

I turn now to the details of Sir Christopher's findings. As he reports, Babar Ahmad was arrested on an extradition warrant on 5 August 2004 and the following day remanded to HM Prison Woodhill. Sir Christopher found that warrants for intrusive surveillance for closed non-legal visits and for directed surveillance for open non-legal visits to Babar Ahmad were properly and correctly authorised in August and September 2004. The first intrusive surveillance authorisation was cancelled in December 2004. The second and relevant directed surveillance authorisation lasted until December 2006.

Sir Christopher has studied all the documentation on this authorisation and its reviews and renewals. He says of this that

"it suffices to say that the documentation shows that correct procedures were followed in accordance with the legislation and Codes of Practice were followed and proper considerations addressed."

Sir Christopher records that my hon. Friend the Member for Tooting visited Babar Ahmad in prison on three occasions, in October 2004, in May 2005 and in June 2006. On the first occasion, before my hon. Friend was elected to this House, he visited as a solicitor, and Sir Christopher finds that his visit was not monitored in any way. My hon. Friend's later two visits were as an approved visitor under the approved visitors scheme for category A prisoners. He made an application to be put on that scheme as a friend, and before his election to this House. However, Sir Christopher notes that after his election,

"he remained listed in the prison records as a friend."

The two visits that occurred after my hon. Friend had become an MP were monitored by surveillance. It is absolutely clear from Sir Christopher's report that my hon. Friend was not the target of that surveillance.

Sir Christopher finds that none of the senior officers responsible for authorising the surveillance knew at the time that the Sadiq Khan listed as a friend was a Member of Parliament. He finds that

"the fact that he is a Member of Parliament first became known to"—

those officers—

"as a result of press reports since mid-December 2007."

He concludes however that

"two junior officers who applied for or reviewed authorisation and three who were directly involved in the monitoring knew that Mr Khan was a Member of Parliament, but they had no reason to regard this as significant."

As I have just said, Sir Christopher concludes that the authorisations were in line with the legislation and codes of practice. In summary, Sir Christopher concludes:

"The conversations between Mr Khan and Babar Ahmad on 21 May 2005 and 24 June 2006 were monitored. The monitoring was carried out lawfully under the legislation. It was properly authorised and fully documented."

There have been some concerns raised about the extent of surveillance in prisons. Sir Christopher comments on these. He notes that

"it is difficult and commonly impossible to prove a negative, but detailed enquiries on my behalf show no trace in recent years in prison records or anywhere else of any person known to be a Member of Parliament having been monitored during a prison visit."

There have also been claims made about surveillance of legally privileged conversations between prisoners and solicitors. In his statement on 4 February, my right hon. Friend the Secretary of State for Justice said in respect of conversations between prisoners and their legal advisers:

"Those are all subject to explicit safeguards which generally prohibit such interception or surveillance".—[*Official Report*, 4 February 2008; Vol. 471, c. 661.]

The statutory codes of practice governing this make it clear that

"In general, an application for surveillance which is likely to result in the acquisition of legally privileged information should only be made in exceptional and compelling circumstances."

It is, though, important to note that the legislation does not absolutely forbid the monitoring of such conversations. Sir Christopher says on this point:

"I understand from further enquiries which I have made that, since 2005 at least, there have been no authorities for directed surveillance of legal visits in prisons in England and Wales to prisoners in custody in relation to terrorist or other criminal matters."

I have asked the police service about the matter, and have been assured that that is in fact the case. Sir Christopher goes on to say:

"I know nothing to suggest that any unauthorised directed surveillance has taken place in relation to legal visits to such prisoners during the period to which my investigation relates."

I hope that that deals clearly and fully with the concerns raised. If any hon. Member, or any member of the public, has a specific complaint to make, the proper thing to do is to refer it to the Investigatory Powers Tribunal, which this Government established for precisely that purpose.

I referred earlier to the Wilson doctrine. Although that does not apply in this case, Sir Christopher does suggest that there is some scope for confusion as to the correct interrelationship between the Wilson doctrine and the legislation. The Government do not propose to amend the Wilson doctrine, but accept that current codes of practice do not fully clarify the extent to which reviewing officers and authorising officers should pay special attention to conversations involving or potentially involving a Member of Parliament. I am therefore announcing today that the Government will review the statutory codes of practice, and in particular that we intend to clarify that, as regards covert surveillance, conversations between Members of Parliament doing their constituency business and their constituents should be considered as "confidential information", and treated in the same way as other confidential information, such as conversations between a person and their lawyer or minister of religion. That will more clearly give such conversations additional protection.

As regards this particular case, Sir Christopher has found that the procedures for surveillance operations of this kind were properly and lawfully applied and

that my hon. Friend was not the target of surveillance. Sir Christopher identifies a need to clarify the position with respect to MPs as set out in the code and I agree. The action that I have announced today will ensure that that happens.

Mr. Dominic Grieve (Beaconsfield) (Con): May I first apologise on behalf of my right hon. Friend the Member for Haltemprice and Howden (David Davis), who is unavoidably absent from the House today? I thank the Home Secretary for an early sight of the statement and, if I may say so, for much of its content. I also wish to thank Sir Christopher Rose for having conducted the review expeditiously. Parts of what he has had to say in his report are undoubtedly reassuring in relation to the correct procedures having been followed in compliance with the Regulation of Investigatory Powers Act 2000.

There are, however, some issues in the report that should give the House considerable cause for concern. First, the Home Secretary may agree that it is unfortunate that in relation to the police officer referred to by Sir Christopher Rose as X, but widely known in the public domain as being Mr. Kearney, it was not possible for what he had to say to be tested by Sir Christopher, notwithstanding the fact that the allegations originated from him in the first place. As a result, parts of those allegations have not been fully tested by Sir Christopher, for understandable reasons relating to forthcoming trials. Were it to turn out that Mr. Kearney was right in his assertions that he had made repeated representations about the impropriety of bugging the conversations of the hon. Member for Tooting (Mr. Khan), and that the other police officers were wrong in their assertions, would the Home Secretary agree with me that that would put a different complexion on the nature of the investigation and inquiry?

Is not the nub of the matter—and the principal criticism that can be levied at the police—the fact that junior police officers who were carrying out the monitoring and review of the bugging became aware that the hon. Member for Tooting was an MP but decided that that had no bearing whatsoever on the nature of the intrusive surveillance that was taking place? It may well be that the authorisations made by the senior officers who knew nothing about that fact were perfectly valid in the context of the RIPA categorisation of how to go about bugging. However, I have to say to the Home Secretary that when one looks at the junior officers' lack of response to the realisation that they were dealing with an MP coming on visits, it appears to show a woeful lack of understanding of what RIPA says.

Under section 28 of RIPA, such authorisations are allowed only in circumstances that involve national security or the prevention of crime—there are other categories—and one can understand why Babar Ahmad might have been bugged but, at the same time, the decision has to be proportionate. Unless it was suggested that the hon. Member for Tooting was in the course of his visits going to engage in a criminal conversation with Mr. Ahmad or in some conspiracy with him that would seek to undermine the criminal justice system in this country, it ought to have followed logically that those police officers would have been alerted to the fact that surveillance ought not to take place.

Are not wider issues raised about the extent to which we now have a surveillance society on such a level that a large number of intrusive investigations are being authorised by police officers at a senior level but are being carried out and monitored by police officers at a junior level? The result of that must be to cause anxiety that there will be instances when individuals whose conversations ought not to be monitored, for the very good public policy reasons outlined by the Home Secretary, will be monitored. For those reasons, I welcome the Home Secretary's announcement of a review of the subject. I urge her to widen it to consider more generally the extent to which those areas of surveillance that fall outside the scope of the Secretary of State's warrant, whether they relate to the bugging of an MP's conversation when they visit someone in prison or elsewhere or to legal advisers and their conversations with individuals, should be looked at afresh.

The public are entitled to reassurance that we have not in fact created a system whereby there are substantial loopholes that allow junior police officers, through ignorance, inadvertence or possibly malice, simply to decide that they want to continue to listen to conversations when all the pointers mean that those conversations should remain confidential and, in some cases, privileged.

Jacqui Smith: I thank the hon. Gentleman for his measured response to my statement and to Sir Christopher's report. In relation to the specific points that he raised, Sir Christopher outlines at some length in paragraph 10 the inquiries that he undertook and what he learned about the meetings that the officer he identified as X had with a variety of people, as well as about the opportunities that he had during the course of those meetings. At the end of paragraph 10, Sir Christopher explains why it was appropriate to choose not to interview X further.

The hon. Gentleman makes a reasonable point about the expectation that people might have had about the way the monitoring of a conversation that, as Sir Christopher identified, clearly involved a Member of Parliament on constituency business would be treated. As I said in my statement, the current codes and law make it clear that those police officers did not act outside the current codes and the law. However, it is precisely in order to ensure that there is clear guidance about the way in which an MP's conversations with a constituent should be treated that I propose the changes to the codes that I outlined in my statement. I agree with the hon. Gentleman that that needs clarification, and that is what we will provide.

I do not believe that the hon. Gentleman was making this point, but I want to reiterate clearly for the benefit of the House and the record the fact that there is absolutely no suggestion that my hon. Friend the Member for Tooting was the target of the surveillance or that there was any suspicion at all that my hon. Friend should have been the target of the surveillance. The report makes it absolutely clear, for example, that reports of the monitoring were filed and that it was decided to take no further action. My hon. Friend was

[Jacqui Smith]

not the target, and nor should there be any suggestion that any cloud rests over him. Sir Christopher Rose is absolutely clear on that point, and we should all be clear about it, too.

Keith Vaz (Leicester, East) (Lab): I thank the Home Secretary for her statement, for the speed with which the Government set up the inquiry and for the conclusions that have been put before the House, which, of course, I accept. I welcome the review that she proposes. Will she give us a timetable for when that review will be completed and tell us who will conduct it? On the subject of my hon. Friend the Member for Tooting (Mr. Khan), will she confirm that the report makes it very clear that when he was visited on 8 March 2005 by the pre-assessment police officer he was affable, forthcoming and fully co-operative and that all the visits he made subsequent to that were as a Member of Parliament? Will he be getting a copy of either the tapes or the transcripts?

Jacqui Smith: On my right hon. Friend's first point, I am proposing not a review but action to amend the codes. That amendment will require detailed consultation with the relevant public authorities and, of course, it will also require public consultation and the opportunity for debate in this House. I intend that all that work will be completed within this calendar year.

On my right hon. Friend's point about our hon. Friend the Member for Tooting, it might help my right hon. Friend if I read from paragraph 22 of Sir Christopher Rose's report, which concerns the visit that was made by a detective constable from the Metropolitan police special branch to complete an inquiry questionnaire for the benefit of the prison and a report for the police at the point at which my hon. Friend was applying to become an approved visitor, before he was a Member of Parliament. It states:

"It is apparent from these documents that Mr Khan told the officer that he had given up his full-time job as a human rights lawyer with his own company to become a prospective Labour Parliamentary candidate for Tooting."

It goes on to state:

"The officer commented in his report that Mr Khan was very affable and forthcoming."

I think that that makes it clear that my hon. Friend fulfilled his responsibilities.

Tom Brake (Carshalton and Wallington) (LD): I, too, start by thanking the Secretary of State for an advance copy of the statement. Sir Christopher Rose's remit was very limited:

"To investigate the circumstances relating to the visits to Babar Ahmad".

He does, however, make comments on a wider range of points and I would like to touch on them briefly first.

First, on the Wilson doctrine, I acknowledge what the Secretary of State said about its not applying in this case, but I welcome the fact that the codes of practice will be reviewed. Clearly, we need that clarification as the chief surveillance commissioner has made it clear that in his view it is unsustainable in its present form.

The report has been turned around extremely rapidly, within only a couple of weeks, yet during that time Sir Christopher managed to assess that routine bugging has not taken place. Some Members will find it astonishing to have achieved that within those time scales, so I hope that the Home Secretary will consider, as the Law Society suggested, that it may be appropriate to hold an inquiry into whether much larger scale bugging is indeed taking place.

On the hon. Member for Tooting (Mr. Khan), and who knew what and when, there is useful clarification. The Home Secretary has said on a number of occasions that the hon. Gentleman was not the target of surveillance, but Sir Christopher Rose's report says that junior officers were aware that Mr. Babar Ahmad's prison friend was a Member of Parliament, so could the Home Secretary confirm whether additional guidance will be given to officers in that respect and how that guidance, once implemented, will be monitored?

The astonishingly rapid turnaround of the report on the bugging of conversations between the hon. Member for Tooting and Mr. Ahmad addresses some of the concerns raised by the incident but leaves up in the air the whole question of whether we are moving towards an ever more intrusive surveillance society in which nothing is private and everything is analysed, recorded, logged and stored. That is a question the Liberal Democrats will pursue relentlessly.

Jacqui Smith: In relation to the hon. Gentleman's penultimate point, it is precisely because I feel that the guidance, and in fact the statutory codes of practice, relating to RIPA should clarify the position with respect to those who review and monitor and authorise any conversations that might involve a constituency MP on constituency business that I have announced and propose today that we should amend the codes.

On the hon. Gentleman's first point, about the Wilson doctrine, he referred to the view of the then interception of communications commissioner that there was potentially no longer a place for the doctrine. That point was fully responded to in a written ministerial statement on 30 March 2006 by the previous Prime Minister, who concluded at that time that the Wilson doctrine should be maintained. That position was subsequently confirmed by my right hon. Friend the Prime Minister.

Sometimes, I feel we cannot win. I have read the transcript of the statement made by my right hon. Friend the Secretary of State for Justice, when Members urged speed on him, me and Sir Christopher Rose. Sir Christopher Rose carried out the inquiry speedily and effectively. In fact, he has slightly broadened the terms of reference in order precisely to take in the concerns about legal privilege that have been outlined and, as I have noted today, his report was clear. He said:

"I know nothing to suggest that any unauthorised directed surveillance has taken place in relation to legal visits to such prisoners during the period to which my investigation relates."

Paragraph 26 also states:

"Although this is not within my Terms of Reference, I understand from further enquiries which I have made that, since 2005 at least, there have been no authorities for directed

surveillance of legal visits in prisons in England and Wales to prisoners in custody in relation to terrorist or other criminal matters."

I reiterate what I said in my statement: the Government set up the Investigatory Powers Tribunal precisely to investigate concerns about the way investigatory powers were being used, and I recommend any Member or member of the public with concerns about the use of those powers to refer them to the tribunal.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I commend the Home Secretary for a speedy response to the case and an appropriate and measured reply. I listened carefully to what she said about the Wilson doctrine, but of course it was established at a time when we did not have directly elected Members of the European Parliament or of the Scottish Executive and Welsh Assembly. When we review the issue, will my right hon. Friend clarify whether any of those privileges apply to those office holders?

Jacqui Smith: It has subsequently been confirmed that the Wilson doctrine does not apply to those office holders. However, I confirm that it is my intention that the work to extend the scope of the definition of confidential information in the codes of practice will explicitly include constituency work by MPs, and that it will extend to Members of the European Parliament and of the Welsh devolved Administration. Before anybody asks, extension of that kind in Scotland and Northern Ireland would be a matter for their devolved Administrations to take forward in parallel.

Andrew Selous (South-West Bedfordshire) (Con): My constituent, the retired detective referred to as X, is surprised that Sir Christopher Rose did not ask him to co-operate. He, above all, wants a fair trial; he offered his co-operation and does not know why it was not sought. Both he and the journalist with whom he is charged with aiding and abetting an offence in public office are concerned for their safety and, because of the range of activities at Woodhill prison of which they are aware, they are also concerned that there may be an attempt to silence them. Will the Home Secretary comment on that aspect?

Jacqui Smith: I am sure the hon. Gentleman will realise that I shall not comment in detail on an ongoing court case. Sir Christopher Rose's report, as I have already pointed out, makes clear in paragraph 10 the process he undertook with respect to the hon. Gentleman's constituent.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): When the issue was first raised in the House, I expressed my concern, as the MP representing Woodhill and many of the staff who work there, about the uncertainty that might be caused if the inquiry dragged on, so I am extremely pleased that Sir Christopher Rose has so effectively and thoroughly completed the inquiry in a short time. I urge the Home Secretary to resist strenuously any spurious Mohammed al-Fayed-type allegations that may cause the case to be dragged out endlessly by all sorts of conspiracy theories. Will she clarify whether the new guidelines will refer to prison staff as well as police officers and others and, if so, will she make sure that they are as clear as possible so that prison staff can concentrate on their important job of protecting us all and are not worried by unclear guidelines about what they may or may not do?

Jacqui Smith: Yes, I can confirm to my hon. Friend that the statutory code of practice that will relate to covert surveillance will include all those involved in the review, monitoring or authorisation of covert surveillance. I agree that it is important that the review was carried out quickly, not least for those who are clearly working hard in Her Majesty's Prison Woodhill.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Does the Home Secretary agree that the Wilson doctrine is often misunderstood as though it meant that a Member of Parliament is totally immune from the interception of communications even if engaged in serious crime or aiding and abetting terrorism? What the doctrine actually means is that such an exceptional interception would require the highest level of authority and would subsequently have to be disclosed to the House of Commons. Is that not a good principle for the protection of constituents and others, and one that should rightly be extended to directed surveillance?

Jacqui Smith: The right hon. Gentleman is right about the amendment I propose to the statutory codes of practice with respect to covert surveillance. The law already says, with respect to confidential information, that there is not a blanket prohibition on the monitoring of a conversation that might involve confidential information. As he rightly says, any surveillance would need to be in exceptional and compelling circumstances and would, therefore, need much higher levels of authorisation.

Anne Snelgrove (South Swindon) (Lab): My right hon. Friend has given some important and welcome reassurances on the surveillance of legally privileged conversations, but there have been widespread media speculations about the recording of lawyers' conversations, and attempts to found those speculations have been heard in the House today. Will she confirm that it is not the case that such conversations are recorded?

Jacqui Smith: As I said in my statement, in paragraph 26 of his report, Sir Christopher Rose finds clearly from his further inquiries that

"there have been no authorities for directed surveillance of legal visits in prisons in England and Wales".

Furthermore, he says,

"I know nothing to suggest that any unauthorised directed surveillance has taken place in relation to legal visits".

It is clearly important that strong regulation is in place in both the Regulation of Investigatory Powers Act and the codes of practice. I reiterate that rather than talking to newspapers, it is probably more useful for people with concerns about such issues to take them up with the Investigatory Powers Tribunal, which the Government set up precisely in order to ensure confidence about how the powers are used.

Mr. Michael Mates (East Hampshire) (Con): While the Home Secretary is undoubtedly right that the Wilson doctrine was not violated in the case that we are

[Mr. Michael Mates]

discussing, has it not shown that there is an illogicality in the fact that such an event is not covered by the Wilson doctrine, probably quite inadvertently? As the right hon. Member for Berwick-upon-Tweed (Mr. Beith) just said, it is quite clear that MPs should not and must not be immune from any form of surveillance if they are suspected of serious crime and such surveillance is properly warranted. In making the changes to procedure that she has announced, will the Home Secretary make it the case that the Wilson doctrine will apply to surveillance on Members of Parliament by the police rather than the security services, so that eventually, at a time when national security allows, it can be reported to the House?

Jacqui Smith: It is interesting that hon. Members have suggested at points in the past that the Wilson doctrine is limited in its application. It nevertheless remains in place, and its scope is as I described in my statement. Arguably, what I am proposing in terms of statutory codes of practice open to public debate and scrutiny in Parliament will put the issue of covert surveillance on a clear statutory basis, which will provide the sort of clarification for which the right hon. Gentleman asks.

Mr. Peter Bone (Wellingborough) (Con): Before I came to Parliament, I assumed that the Wilson doctrine meant that all Members who took the Oath of office were free from surveillance. That is clearly not the case, although there may be a high hurdle to overcome. Will the Home Secretary tell us how many MPs have suffered surveillance in the past 10 years?

Jacqui Smith: No. I have been clear about how the Wilson doctrine applies and about the statutory code of practice.

Hugh Robertson (Faversham and Mid-Kent) (Con): During her statement, the Home Secretary said that "none of the senior officers responsible for authorising the surveillance knew at the time that the Sadiq Khan listed as a friend was a Member of Parliament." Given the serious nature of the issues involved, including national security, and the fact that being a Member of Parliament is not notoriously a particularly covert occupation, is that not in itself a cause for genuine concern?

Jacqui Smith: The hon. Gentleman can interpret that however he wants, but Sir Christopher Rose found and is clear that those senior police officers did not know at the point when they authorised the surveillance that my hon. Friend the Member for Tooting was a Member of Parliament.

Mark Pritchard (The Wrekin) (Con): Given that foreign intelligence agencies fall outside the Wilson doctrine and existing and future codes of conduct, will the Home Secretary give the House an assurance that during the past 10 years, no British Minister, especially in the Ministry of Defence, has been bugged by a foreign intelligence agency—particularly the French intelligence agency—in relation to Ministry of Defence procurement contracts?

Jacqui Smith: It is illegal for foreign intelligence agencies to operate in this country.

David Howarth (Cambridge) (LD): Whatever the results of the inquiry, and whether or not the hon. Member for Tooting (Mr. Khan) was targeted by the operation, is not the alarming conclusion to draw from the report that under the existing arrangements, it was at least possible for a Member of Parliament to be targeted? In the changes that the Home Secretary is to make to the codes of practice, should it not be a principle that, in law, it should not be possible for the police to use their powers in a political way, to gather information on politicians whom they might consider to be their political opponents?

Jacqui Smith: Clearly that should be unacceptable, but there is no suggestion that that has happened.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Following the question put by my hon. Friend the Member for Wellingborough (Mr. Bone), will the Home Secretary be a bit more specific about whether in the past 10 years any other Member of Parliament has been bugged, either because they were the target of the bugging, or because someone else was the target, but they happened to be part of the conversation?

Jacqui Smith: I think that I was very clear that there is no evidence that either the strong regulation that is in place, or the principle of the Wilson doctrine, has been breached.

Terrorist Suspects (Renditions)

1.6 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): With your permission, Mr Deputy Speaker, I would like to make a statement on US rendition operations. On 12 December 2005, in response to a parliamentary question from the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), my right hon. Friend the Member for Blackburn (Mr. Straw), then Foreign Secretary, updated the House on the subject of terrorist suspects and rendition, stating:

"Careful research by officials has been unable to identify any occasion since 11 September 2001, or earlier in the Bush administration, when we received a request for permission by the United States...for a rendition through UK territory or airspace, nor are we otherwise aware of such a case."—[*Official Report*, 12 December 2005; Vol. 440, c. 1652W.]

That was supplemented by two further statements in January 2006 and a letter of 6 February 2006 to the right hon. Member for Richmond, Yorks (Mr. Hague).

In March 2007, the then Prime Minister, Tony Blair, gave an assurance to the Intelligence and Security Committee that he was satisfied that the US had at no time since 9/11 rendered an individual through the UK or through our overseas territories. In its report on rendition of 28 June 2007, the ISC said:

"We are satisfied that there is no evidence that US rendition flights have used UK airspace (except the two cases in 1998 referred to earlier in this Report) and that there is no evidence of them having landed at UK military airfields."

The Government welcomed those conclusions in their response to the report in July 2007. Parliamentary answers, interviews and letters followed that evidence. I am very sorry indeed to have to report to the House the need to correct those and other statements on the subject, on the basis of new information passed to officials on 15 February 2008 by the US Government.

Contrary to earlier explicit assurances that Diego Garcia had not been used for rendition flights, recent US investigations have now revealed two occasions, both in 2002, when that had in fact occurred. An error in the earlier US records search meant that those cases did not come to light. In both cases, a US plane with a single detainee on board refuelled at the US facility in Diego Garcia. The detainees did not leave the plane, and the US Government have assured us that no US detainees have ever been held on Diego Garcia. US investigations show no record of any other rendition through Diego Garcia or any other overseas territory, or through the UK itself, since then.

Yesterday, US and UK legal teams discussed the issue, and I spoke with Secretary Rice. We both agree that the mistakes made in those two cases are not acceptable, and she shares my deep regret that the information has only just come to light. She emphasised to me that the US Government came to us with the information quickly after they discovered it.

The House and the Government will share deep disappointment at the news, and about its late emergence. That disappointment is shared by our US allies. They recognise the absolute imperative for the British Government to provide accurate information to Parliament. I reaffirm the Government's commitment to that imperative today. We fully accept that the United States gave its earlier assurances in good faith. We accepted those assurances, and indeed referred to them publicly, also in good faith.

For the avoidance of doubt, I have asked my officials to compile a list of all the flights where we have been alerted to concerns regarding rendition through the UK or our overseas territories. Once it is ready we will be sending the list to the US and seeking their specific assurance that none of those flights was used for rendition purposes.

Our counter-terrorism relationship with the United States is vital to UK security. I am absolutely clear that there must and will continue to be the strongest possible intelligence and counter-terrorism relationship with the US, consistent with UK law and our international obligations. As part of our close co-operation, there has long been a regular exchange with the US authorities, in which we have set out, first, that we expect them to seek permission to render detainees via UK territory and airspace, including overseas territories; secondly, that we will grant that permission only if we are satisfied that rendition would accord with UK law and our international obligations; and thirdly, how we understand our obligations under the UN convention against torture. Secretary Rice has underlined to me the firm US understanding that there will be no rendition through the UK, UK airspace or overseas territories without express British Government permission.

The House will want to know what has become of the two individuals in question. There is a limit to what I can say, but I can tell the House the following. The US Government have told us that neither of the men was a British national or a British resident. One is currently in Guantanamo Bay. The other has been released. The House will know that the British Government's long-standing position is that the detention facility at Guantanamo should be closed.

My officials and their US counterparts continue to work through all the details and implications of this information. We will keep procedures under review to ensure that they meet the standards that we have set, and I will, of course, keep the House updated.

Mr. William Hague (Richmond, Yorks) (Con): At the outset, may I say that by coming to the House to inform us of the new information quickly after it came to light, the Foreign Secretary has done the right thing, but he will recognise that the information will cause widespread concern, given the categoric nature of the assurances previously given by the right hon. Member for Blackburn (Mr. Straw), the then Foreign Secretary, and by the former Prime Minister, Tony Blair—assurances which we entirely accept were given in good faith, although they have turned out to be false.

More worrying still, the new information means that very specific assurances about the use of the facilities at Diego Garcia, although given in good faith, have also turned out to be false. The Minister of State, Lord Malloch-Brown, stated in a written answer on 18 July last year:

"The US authorities have repeatedly given us assurances that no terrorist suspects have been, or are being, held at Diego Garcia, or at any time have passed in transit through Diego Garcia or its territorial waters or airspace."—[*Official Report, House of Lords*, 18 July 2007; Vol. 694, c. WA25.]

[Mr. William Hague]

The information gives rise to a number of questions. Can the Foreign Secretary say more about how and why the information has suddenly come to light now? How confident is he that further such cases will not come to light? How exhaustive, so far as he knows, has the checking of records by the United States now been? Can he say any more about exactly how the omission—the omission both to ask for permission in the first place and to report afterwards—occurred and whether the United States has made any administrative changes to ensure that any other cases would now come to light?

The Foreign Secretary said that he would compile a list of all previous flights that have alerted concerns and pursue them with the United States, an action of which we in the Opposition strongly approve, but will he impress on the United States Secretary of State the importance of ensuring that all agencies of the US Government understand the importance of the rules that he has reiterated relating to UK law and practice being respected? Can he also assure the House that if any further concerns about specific cases are raised, he will pursue them with the United States on a continuing and systematic basis, rather than as a one-off exercise?

The delay in releasing the information and the evident absence of a request in these cases are bound to undermine public trust to some extent in the arrangements that we have with the United States. Is it not important to do everything possible to strengthen the credibility of our arrangements for the future? In particular, can the right hon. Gentleman say whether procedures for the future can be tightened up or reinforced in any way? Has he received any assurances of changes in internal procedures in the US Government so that the British Government can be confident that the American Administration would indeed make a formal request, when appropriate, for use of our airspace and facilities?

More broadly, whatever the specifics of these cases, their revelation inevitably focuses attention again on the wider issue of how rendition is used. The efforts of the United States, our most important ally, to fight international terror are essential to the security not only of America, but of Britain and many other nations. But allegations that rendition has led to the torture of terrorist suspects has been used to undermine the moral standing of the US and its allies.

If such torture has occurred, it is fundamentally wrong. The Government have taken the view, which we share, that rendition leading to torture is unacceptable, and that they would not approve any instance of rendition that breaches our obligation under the UN convention against torture. Would not the position of the United States and all its allies be strengthened if it, the United States, were to adopt a definition of torture that corresponds more closely to international norms, and if it adopted a higher threshold for rendition to third countries than satisfying itself that it "believes" that the transferred suspect will not be tortured? Is this not something that the Government should now advocate as America's candid friend?

Such differences of practice and definition are at the root of international concern. Would not their satisfactory resolution mean that rather than permanent suspicion and occasional revelations, real trust might be restored for the future?

David Miliband: I quite understand why the right hon. Gentleman has spoken of widespread concern. That was reflected in my statement.

The review that was undertaken by the United States authorities reflects the significant concerns that have been expressed by the Government in the House and more widely in this country. It is a reflection of those concerns that the review took place and brought the case to light. Obviously, the checking of the records in 2002-03 and beyond did not reveal the case. I referred to an administrative error in the work that went into those earlier reviews and I do not have further information about the nature of that error.

The right hon. Gentleman asked about follow-up and how the United States authorities would take matters forward. I discussed with Condoleezza Rice yesterday the importance of the issue and how we follow it through. The right hon. Gentleman's remarks at the end of his response about the importance of confidence existing in the relationship and the nature of the assurances that we give to each other are critical to both the United States and the UK. The work that our officials will be doing with the US officials, which I referred to in my statement, is intended precisely to follow through on those concerns, but I wanted to make a statement to the House even though the officials have not yet had the chance to go to the United States to take forward those talks.

The right hon. Gentleman drew a distinction between the one-off trawl that we will do for the existing cases of particular flights about which concerns have been expressed and which will be raised with the US authorities, and what he called the continuing and systematic work to ensure that the procedures that have been established are upheld. Of course we will look seriously at any serious concerns that are raised with us, and I am sure the United States will want us to do the same as well.

In respect of the public trust that he spoke about, the right hon. Gentleman will know from the earlier correspondence to which I referred that the practice was established in the 1990s for permission to be sought, and in 1998 it was sought in four cases, in two of which rendition occurred and in two of which it did not. There was also a preliminary inquiry, which was referred to in the letter that was sent to him on 6 February 2006 about the 2004 case. I associate myself entirely with his view that rendition to torture would be quite wrong and is something that the UK Government should never participate in and certainly not instigate.

I can tell the House that in this case we have been told that the two individuals involved were not taken to a secret detention facility or subject to water-boarding or other similar forms of interrogation. The right hon. Gentleman talked about the importance of advocating an international standard of definition, and that is what we do through our signature of international conventions on torture and through our adherence to our definition of it. We will certainly continue to do that.

Mike Gapes (Ilford, South) (Lab/Co-op): I welcome the Foreign Secretary's statement. However, as the Foreign Affairs Committee has been pressing his two

predecessors on these matters for several years, I feel that I must place on the record the fact that when, on 29 April 2007, we published our human rights annual report, in which we raised continuing concerns about this matter, we received the following Government response:

"We are clear that the UK would not render anyone through UK airspace (including the Overseas Territories) without our permission."

That statement was clearly inaccurate. In the current situation, and on the basis of the information that we now know, will the Foreign Secretary formally today withdraw that statement? I hope that we as a House will make clear that the fact that the United States Bush Administration have clearly misled or lied to our Government has resulted in our Government inadvertently misleading a Select Committee of this House and Members of this House. The United States Administration have to bear in mind the fact that that is a most serious matter and that we do not wish to see it repeated.

David Miliband: The Chairman of the Foreign Affairs Committee is, of course, absolutely right that this is a most serious matter. I hope that he will appreciate that the whole point of my statement is to recognise that in parliamentary questions and a range of interviews, statements and letters, information that has turned out to be incorrect was given.

In respect of the second part of my hon. Friend's question, I should say that I believe what I said in my statement: the information and assurances were given to us in good faith by the United States authorities. However, I agree with my hon. Friend that it is very important that we work very hard to ensure that procedures are in place to ensure that this does not happen again.

Mr. Edward Davey (Kingston and Surbiton) (LD): I am grateful to the Foreign Secretary for his statement today and for his courtesy in personally briefing me this morning. Although we are grateful that the information has now been revealed, I hope that he will agree that the admission vindicates the concerns that we on the Liberal Democrat Benches have had for several years—and in particular the determined efforts of my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) in continually raising these matters.

Does the Foreign Secretary accept that Tony Blair's previous dismissal of our calls for an inquiry into rendition as "absurd" now itself looks absurd? Is it not time for an independent inquiry into any UK involvement in renditions, extraordinary or not, and into what role the British territory of Diego Garcia has played in the US rendition programme? Can he absolutely confirm that in this case no one anywhere in the British Government gave permission for the renditions?

On rendition via Diego Garcia, has the Foreign Secretary asked the US authorities about allegations that US detainees have been held on ships serviced from Diego Garcia and possibly stationed within UK territorial waters? Many commentators will find it hard to believe that there have been so few renditions via British territory. The Foreign Secretary's officials are compiling a list of other flights alleged to have involved rendition—will he publish that list so that it can be scrutinised? Will he be prepared to accept additions to that list from responsible and informed parties such as Amnesty International, Reprieve and Human Rights Watch?

The Foreign Secretary knows that one of my constituents, Bisher al-Rawi, was the subject of proven rendition and torture by the US authorities, although he has now been released from Guantanamo Bay after nearly five years without charge. The Foreign Secretary will know that the Intelligence and Security Committee found that the US had shown a complete lack of regard for British concerns by ignoring the prohibition on action being taken as a result of shared intelligence in my constituent's case. Has he obtained assurances that in no other case has shared intelligence been so abused, and has he obtained an apology for Mr. al-Rawi?

Rendition is state-sponsored abduction and water-boarding is torture. We must not only be assured that Britain has not been used to facilitate such practices, but we must tell our friends in the United States that we deplore such practices. Will the UK Government now condemn the practice of extraordinary rendition in all cases? Until the US gives it up and closes Guantanamo Bay and the secret detention centres that President Bush admits it still has, we must make it clear that the US is not only infringing international law, but potentially undermining the fight against international terrorism.

David Miliband: First, I want to reiterate something that I think was clear in my statement, but with which I am happy to associate myself again. The questions asked by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) and the all-party parliamentary group are precisely the sort of parliamentary interrogation and questioning that is wholly appropriate. It was as a result, in part, of those questions that such extensive trawling was done in 2005 and 2006 by my right hon. Friend the Member for Blackburn.

A very full inquiry was done into rendition by the ISC; the hon. Gentleman cited it himself. I believe that it went into the issues in great detail. The hon. Gentleman asked particularly about the territorial waters around Diego Garcia and I can confirm that they are part of the discussions that happen in the annual talks with the United States about Diego Garcia, and that the commitments that it has made include them.

The hon. Gentleman asked whether we would publish a list of the cases that we forward to the United States. I am happy to do that. The cases will have been put into the public domain in a range of places anyway by some of the organisations, including Amnesty International, that he mentioned. However, at the appropriate time I will be happy to find a way to put them into the public domain in a way that ensures that they are accessible—not least because that will prevent people from writing to ask us to investigate cases that are already being investigated. In respect of extraordinary rendition, I do not think that I could have been clearer in my statement. I said that the UK will in no way contribute to, instigate or condone the process of extraordinary rendition or rendition to torture of any kind.

[David Miliband]

I turn to my final point. The hon. Gentleman talked about our friends in the United States, but I was sorry that he also said that it was hard to believe that there had not been other cases. I say to him in all candour that if he likes, he can run a foreign policy on the basis that it is hard to believe the commitments of our most serious and long-standing ally. However, I do not believe that that is the right basis on which to run a foreign policy. Of course we should ask questions of our most trusted ally; of course it should engage with us and have clear procedures. However, I do not think that we can conduct a foreign policy on the basis of disbelief or of a presumption of deceit, which I think lay behind some of what the hon. Gentleman said. I hope that he will recognise that a presumption of deceit is not an adequate basis on which to conduct our relations.

The hon. Gentleman referred to his own constituent and I understand the work that he has rightly done on that case as a constituency MP. However, having looked at the issue this morning, the hon. Gentleman will, I think, agree with me that the ISC went through it in some detail and found no evidence that the UK had been complicit in the rendition to Guantanamo Bay.

Mr. Andrew Dismore (Hendon) (Lab): Senator Dick Marty, the Council of Europe rapporteur on rendition, described a "global spider's web" of CIA detentions and renditions; clearly, we have been unwittingly drawn into that. Will my right hon. Friend look again at the evidence that the Government gave to the Joint Committee on Human Rights inquiry into UK compliance with the UN convention against torture to check its accuracy? Will he also look again at the recommendations that we made about rendition—in particular that any civil aircraft against which there are credible allegations of involvement should be required to land to be checked if it is going to a country known to practise torture or inhuman and degrading treatment, and that no state aircraft suspected of involvement in extraordinary rendition should be permitted to transit UK airspace without permission being granted for UK authorities to search it?

David Miliband: I will certainly look at the report to which my hon. Friend refers. He referred to a spider's web of secret detention. It is important to repeat that we have been told by the United States that neither of the two people involved in this case were involved in secret detention centres, nor were they subject to water-boarding or other similar forms of torture. President Bush said, I think in 2005, that no one was being kept in any secret detention centre as of 2005. However, I will certainly look at the important issues that my hon. Friend raises, because for reasons of substance and of the symbolism to which the spokesmen for the Opposition parties referred, it is very important that the highest standards are met.

Menzies Campbell (North-East Fife) (LD): I am grateful to the Foreign Secretary for his courtesy in giving me advance notice of his intention to make a statement.

May I take up with the Foreign Secretary the question of belief? In December 2005, I believed his predecessor, and his predecessor believed the American Government, but both of us have been proved wrong. Is it any wonder, then, that there is some scepticism about the extent to which we can believe information that is now being put before us? The issue here is not met by expressions of disappointment. The truth is that this is a gross embarrassment for the British Government, in spite of their good faith, involving as it does a breach of our moral obligations and possibly of our legal responsibilities as well, which the Foreign Secretary hinted at in his statement when he referred to the fact that there have been consultations between legal teams of the United Kingdom and the United States.

In the further investigation that is to take place, will the Foreign Secretary ensure that particular attention is paid to the airports at Stornoway, Campbeltown and Prestwick, because of their convenience for transatlantic refuelling?

Does not all this reveal that as far as Diego Garcia is concerned, we have absolutely no effective control over what happens there? For how long is that sustainable? If the roles were reversed, is it conceivable that the American Government, or indeed the American Congress, would tolerate such a set of circumstances?

David Miliband: As I said earlier, the right hon. and learned Gentleman has pursued this case with complete public-spiritedness and seriousness of purpose, and I entirely recognise that. If there are other individual cases that he believes that we should be investigating, of course they will be added to the list. I should say to him that this information has come to light as a result of an American investigation that was brought to us. That shows that the American Government recognise that it is as much in their interest as it is in ours that accuracy is maintained in these areas. That is important, without in any way excusing the mistakes—I used that word in my statement—that have been made.

It is important that the agreements that we have with the United States in respect of Diego Garcia have the force of treaty. The letters of 1966 and 1976 have the force of treaty, and they are legally binding agreements. I hope that on due consideration the right hon. and learned Gentleman will reflect on how to improve those procedures—perhaps during the inquiry that the Foreign Affairs Committee is conducting, which he has now joined—but I hope that he will agree that they are set down with statutory force under the current system.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): May I commend my right hon. Friend for the speed with which he has come before the House, for the frankness with which he has detailed the situation that he has found, and for upholding in the strongest terms this Government's adherence to international standards on human rights? May I put it to him that the best way of avoiding any further episodes of this kind, in which our Government are a totally innocent party, will be for the United States to end rendition flights altogether, for it to end the disgusting practice of water-boarding, which was recently graphically described in an article in *The New Yorker* and which

my right hon. Friend has rightly repudiated, and, as my right hon. Friend recommended, for it to close totally the illegal facility at Guantanamo Bay?

David Miliband: I am grateful to my right hon. Friend. The values that we talk about, which are the highest values of human rights and respect for the rule of law, need to be adhered to in every respect, and it is very important that they are seen to be adhered to. The right hon. and learned Member for North-East Fife referred to embarrassment in respect of disclosure. I think that it is a very important part of our system that there is a far greater embarrassment in trying to cover anything like this up. It is right that the American Government came to us quickly as a result of discovering this, and absolutely right that we are clear that clearly upholding our commitment to our own Parliament and to the values to which we refer is central to our case.

Sir John Stanley (Tonbridge and Malling) (Con): As the Foreign Secretary is aware, the British Government have entered into memorandums of understanding with the Government of Iraq and the Government of Afghanistan with regard to the transfer of detainees. Will he tell the House whether, since those memorandums have been entered into, there have been any transfers of persons detained by British forces in either Afghanistan or Iraq by third parties to Guantanamo Bay?

David Miliband: I want to go into the details of that and write to the hon. Gentleman with a clear answer. What I can say to him absolutely clearly is that in no way would we be complicit in rendering people to torture. That is something that I have made clear, but I will write to him with the details in respect of his very specific question.

Lynda Waltho (Stourbridge) (Lab): What is so special about a relationship where one of the partners appears to abuse trust, truth and respect?

David Miliband: I understand the anger that is felt by my hon. Friend about this issue and no doubt about the issues that will be raised with her by her constituents. I hope that she could say that the breach that has occurred in respect of this issue is not the defining element of our relationship with the United States; that is why I picked up on what was said by the hon. Member for Kingston and Surbiton (Mr. Davey). I do not believe that it is a relationship based on deceit; I believe that it is a relationship based on shared values and shared commitments. I hope that the fact that an organisation such as the ISC investigated, on behalf of this House, this particular issue of rendition and said that the relationship with the United States had "saved lives"—British lives—will enable my hon. Friend to reflect that it is possible to talk about a relationship that has enduring value for the lives and livelihoods of the citizens of this country. It is very important that we explain that side of the relationship as well.

Mr. Michael Mates (East Hampshire) (Con): While accepting the good faith of the Government in saying what they said, which has turned out to be wrong, this is at least the second occasion in this whole rendition saga when we have had cause to complain very seriously about American actions. This may have been due to inefficiency or inadvertency. The breaking of the caveat in the case of those people who were rendered from Gambia to Guantanamo Bay was not inadvertent or due to bad administration—it was a deliberate failure to observe caveats that have been observed between our two countries. I hope that the Foreign Secretary will reinforce the necessity for absolute openness and honesty with our closest ally.

Diego Garcia is British territory, as we know. There is an RAF presence at Diego Garcia—in fact, it is called RAF Diego Garcia. In reviewing these arrangements, will the Foreign Secretary make certain that the people there are aware of the flights that go in and out, so that this sort of thing cannot happen without at least British personnel on the ground knowing about landings on British territory?

David Miliband: I understand what the right hon. Gentleman is saying about the ISC report and the conclusions that were come to. The implication in his question—that these arrangements need to be understood throughout the British system and the American system—is an important one. One of the recommendations of the ISC inquiry into rendition was that there was a clear point of contact in the British Government for leadership on this issue. There were a range of other recommendations to ensure that that was properly understood, and I can assure the right hon. Gentleman that they are being followed up properly within Government, led by the Foreign and Commonwealth Office. I can also assure him that in my discussion with Secretary Rice yesterday there was no room for misunderstanding on either side about the seriousness of this issue and about the determination on both our parts to ensure that there is full adherence to the commitment to seek permission for any flight like this. That is the founding basis in respect of the rendition issue. In respect of records and other issues, such as civilian and military flights in Diego Garcia, that is a slightly separate matter, but what must be clear is that there is no evidence that there has been any rendition through UK airspace, UK territory or UK overseas territory since 2002, and that must continue to be adhered to.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I have other important business to protect. I will try to call a number of other hon. Members. I would appreciate short questions and short answers. I shall not be calling hon. Members who were not here at the commencement of the statement.

Mr. David Winnick (Walsall, North) (Lab): However much international terrorism remains a constant danger, and however much the United States is a close ally, have we not a responsibility to say that so much of its practices in dealing with terrorism—the torture, and the manner in which its reputation has been so tarnished, for reasons that have been mentioned already—is unacceptable? Should we not make it quite clear to the United States, as an ally, that such practices are totally unacceptable, and are rejected by this House?

David Miliband: Mr. Deputy Speaker, in light of your injunction to be short, I say that, yes, we should always be clear about our own positions, and that is what I shall seek to do.

Dr. Julian Lewis (New Forest, East) (Con): Although it is clear that this revelation has been volunteered by the Americans, and that presumably the Foreign Secretary would not be making this statement if they had not come forward in an honest way, will he take the opportunity to remind our American allies of Britain's long record of not using torture in interrogations, even when the very survival of our country was at stake, as in the second world war? Will he remind them that Sir Robert Thompson, the leading counter-insurgency specialist, wrote:

> "There is a very strong temptation...for government forces to act outside the law...Not only is this morally wrong, but, over a period, it will create more practical difficulties for a government than it solves."

This would not be such an issue if it abandoned such practice.

David Miliband: That is a helpful quotation, which I have not heard before. Obviously, I understand the spirit behind it. The hon. Gentleman will also recognise that there is a live debate in the United States about this very issue, and about the right way to prosecute the struggle against global terrorism.

Mr. Ian Cawsey (Brigg and Goole) (Lab): I thank my right hon. Friend for coming to the House so quickly and for giving us a statement with his characteristic clarity and honesty. Hon. Members have every confidence in his commitment to human rights, but can he give an assurance to the House that the US Government understand our deep disappointment with their actions, and that he is confident that there will be no repetition of their failure in the future?

David Miliband: I am grateful to my hon. Friend for his words. I believe that there is a determination on the part of Secretary Rice and her colleagues, as evidenced by the way in which they have come forward in this case, and by the way in which they engaged with the discussions we had yesterday both at the official and the political level, to get to the bottom of these issues and make sure that they are brought into the public domain in a timely way. I can certainly give my hon. Friend my commitment that I will continue to set out the British case without fear or favour.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The Foreign Secretary said that there was a feeling of great disappointment in the House. I would say that it is alarm. Many right hon. and hon. Members raised these points at the time, based on evidence in the press and authoritative comment by non-governmental organisations such as Amnesty. Should not the Government have made further inquiries at the time?

The right hon. Gentleman referred to "a list of all the flights where we have been alerted to concerns regarding rendition"; who alerted the Government about those, and when did that happen? Finally, the right hon. Gentleman says that he wants to distance himself from rendition of all kinds. Why, then, allow permission to be sought for it to happen?

David Miliband: In respect of the hon. Gentleman's last point, the ISC addressed that issue in a way that the Government recognised and agreed with, which is that so-called extraordinary rendition to torture is always wrong—it is illegal and immoral—but it is not the case that all rendition is, by definition, illegal. I referred earlier to the 1998 cases, two of which were accepted and two of which were refused. They were renditions to the US system, and there were full legal rights for the accused in those cases, although two were refused.

The hon. Gentleman's second question was about who alerted us. It is precisely the organisations and others, including hon. Members, who have written to us. My final point refers to his first one, which is the extent to which the UK Government took up the questions that were addressed. That is a very important point. I can absolutely assure him that, not just in annual meetings with the American Government, but at ministerial and official level, that topic was regularly raised—that is why I used that phrase in my statement. There was a regular seeking of the assurances, precisely in order to assure ourselves that we could confirm to the House that there was no evidence of the type being suggested. The trawls done by the US Government at this time did not produce the evidence, deeply regrettably, but now they have. I totally understand why the hon. Gentleman wants to make sure that we follow through all the allegations that have been made, and I am determined to do so.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Could the Foreign Secretary give any further information about how the truth of this situation came to light?

David Miliband: Exactly as I said in my statement, which is that the United States authorities, recognising the degree of parliamentary and extra-parliamentary concern about the issue, launched their own investigation—a further investigation. The evidence came to light relatively recently and they came to us. This is a US investigation and a US volunteering of the evidence.

Sarah Teather (Brent, East) (LD): The Foreign Secretary has referred several times to the ISC inquiry, which, as he will be aware, looked at the case of my constituent, Jamil el-Banna, as well as that of a constituent of my hon. Friend the Member for Kingston and Surbiton (Mr. Davey), and their illegal rendition from the Gambia—then on to torture and Guantanamo Bay. The Foreign Secretary has admitted today that some of the information used for the wider inquiry by the ISC was incorrect—that is the point of his statement. Does that not underline the need for a full, independent, judicial inquiry into British involvement in rendition?

David Miliband: As the hon. Lady knows, I genuinely respect the way in which she and the hon. Member for Kingston and Surbiton (Mr. Davey) have taken up the cause of their constituents. We have talked about the application that has now been made, in respect of British residents, to bring them back from Guantanamo Bay. I genuinely understand that. But when she talks about British involvement, it is important that we

understand that this is a matter of the United States seeking our permission, and there is no evidence of them having done so, other than in these two cases. Actually, they did not seek our permission in these two cases.

I hope that the hon. Lady will understand that the inquiry she is calling for into British involvement is one that, by definition, is trying to prove a negative, which is a very difficult thing to do. The ISC inquiry was well founded, serious and did get through all the issues. It will be for the ISC and its Chairman—some of the ISC members are here—to decide whether they want to follow that up, and how they may want to do so. I have confidence in that inquiry and I have heard nothing to suggest that anyone should not have confidence in it.

Rob Marris (Wolverhampton, South-West) (Lab): I welcome the statement, but I am confused. The UK Government rightly condemn extraordinary rendition as illegal kidnapping. It looks to me as if ordinary rendition is also kidnapping, to avoid the scrutiny of extradition proceedings. But the UK Government, particularly in the statement today—

Mr. Deputy Speaker: Order. I have asked for short questions, and I have not heard a question yet. I call Mr. Rob Marris—quickly.

Rob Marris: In what way is rendition itself lawful?

David Miliband: The important distinction concerns rendition to torture, which is illegal and immoral in all cases; as the ISC showed, there is a distinction between that and, for example, the 1998 cases, which involved rendition to a justice system. That is an obvious distinction. If my hon. Friend is interested in the legal background to this, I am happy to write to him with some further legal details.

Mr. Peter Bone (Wellingborough) (Con): I congratulate the Foreign Secretary on the speed with which he has come to the House, the manner in which he has made his statement, and his agreement to publish the list. Could he go a little further and say when he thinks that that list will be sent to the USA, and when he expects a response?

David Miliband: A very short answer would be no. I am not able to say that, but I obviously recognise the public and parliamentary interest in this issue. We will certainly try to gather the evidence together with due speed, and I am sure that the American authorities will want to address the issue in a similar way.

Richard Younger-Ross (Teignbridge) (LD): A trust has been breached and the question is how we re-establish it. May I urge the Foreign Secretary to speak to his counterparts in the United States and ask them to carry out an audit of exactly how every detainee arrived in Guantanamo Bay? It is hard to believe that only one went through a British overseas territory.

David Miliband: Certainly the conversation I held with Secretary Rice yesterday revealed determination on both our parts. We went through the hard-to-believe question earlier and I do not want to repeat that. However, the United States recognises the need to move with genuine clarity and transparency on the issues. I certainly want to move forward on that basis.

Point of Order

1.50 pm

Mrs. Maria Miller (Basingstoke) (Con): The Under-Secretary of State for Children, Schools and Families, the hon. Member for Cardiff, West (Kevin Brennan), today issued a written statement about ContactPoint, the children's database. The statement suggests fundamental concerns about the security of ContactPoint, uncovered through a report commissioned at the Government's request by Deloitte. It calls into question the likelihood of the database being delivered on time or on budget. The Government also announced that they will withhold the details of the Deloitte report, making scrutiny of its findings all but impossible.

That is a highly controversial issue. The database deals with the details of 11 million children in the country. A written statement to the House gives no opportunity to question the Government on that important project. What guidance can you give the House, Mr. Deputy Speaker, to ensure proper scrutiny of the issue by Members?

Mr. Deputy Speaker (Sir Alan Haselhurst): It is up to the Government to decide how they report matters to the House. They have the option of using written or oral statements or informing the House in other ways. The Chair is therefore unable to comment on that. However, the fact that the hon. Lady has placed the matter before the House will be noted and I daresay there may be other opportunities to pursue the matter.

Prevention and Suppression of Terrorism

[Relevant documents: The Tenth Report from the Joint Committee on Human Rights of Session 2007-08, Counter-Terrorism Policy and Human Rights (Ninth Report): Annual Renewal of Control Orders Legislation 2008, HC 356.]

1.52 pm

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): I beg to move,

That the draft Prevention of Terrorism Act 2005 (Continuance in force of sections 1 to 9) Order 2008, which was laid before this House on 30th January, be approved.

The purpose of the order is to renew the control order elements of the Prevention of Terrorism Act 2005, which automatically lapses after one year unless renewed by order subject to affirmative resolution in both Houses. The effect of the order is to maintain the powers set out under the Act until the end of 10 March 2009. That will allow us to continue to use control orders to tackle the threat posed to national security by suspected terrorists whom we can neither prosecute nor deport.

I am conscious of the limited time, and I will try to be as quick as I can, but it is important to put the threat that we face in context. As hon. Members know, in the past few years, we have witnessed several appalling attacks on our country. As the director general of the Security Service stated in November last year:

"The number of people...involved in terrorist-related activity in the UK has increased to at least 2,000. And we suspect that there are as many again that we don't yet know of."

The threat is clearly genuine, serious and unparalleled in our country's history. It is unparalleled because of the suicide dimension, which is new.

Faced with a threat of that magnitude, it would be irresponsible to say that there was a simple solution. We need a range of responses to reduce the risk of further terrorist attacks. The order should be viewed in that context.

I freely admit that the balance between human rights and security is paramount and that no party in the House has the monopoly on supporting security or human rights. All hon. Members accept that we all seek that balance. We must ensure that we protect all our fundamental values and civil liberties while defending the most of important—the right to life.

Let me make it clear that prosecution is—first, second and third—the Government's preferred approach when dealing with suspected terrorists. Somehow in the past, a view has been put abroad that we cannot be bothered to prosecute so we invented control orders to avoid that route. In 2007 alone, 37 people were convicted of terrorism-related offences in 15 cases.

However, we are constantly seeking to improve our ability to prosecute suspected terrorists. First, as hon. Members know, we introduced new offences in the Terrorism Act 2006, which have already been used successfully to prosecute those involved in terrorism. Secondly, we propose measures in the Counter-Terrorism Bill to extend post-charge questioning of suspected terrorists. Thirdly, we have accepted the Chilcot recommendation that we should introduce intercept as evidence, provided that the conditions outlined can be met. However, as the Chilcot report states:

"We have not seen any evidence that the introduction of intercept as evidence would enable prosecutions in cases currently dealt with through control orders."

Two other proposals made in last year's renewal debates—about the use of the threshold test and turning Queen's evidence—are already in place.

Mr. David Winnick (Walsall, North) (Lab): On prosecution, does my right hon. Friend agree that there will be much satisfaction that Parviz Khan was found guilty and sentenced to life imprisonment? The charge against him, to which he pleaded guilty, was intention to kidnap a Muslim British soldier and have him beheaded. Others were also prosecuted and convicted on related offences. Is not that excellent news? It is likely that Mr. Khan will never be released unless the authorities are satisfied that he is no longer a danger to people in this country.

Mr. McNulty: I hope that my hon. Friend is right on the latter point. I wholeheartedly agree with his sentiments. It is interesting that roughly half the people who were convicted at the end of 2007 and the beginning of 2008 pleaded guilty. That is testimony to the resolve and expertise of our police and security services.

Dr. Julian Lewis (New Forest, East) (Con): I should like to add my congratulations to the police and the security services on a brilliant operation to protect that brave Muslim soldier whose life was so despicably threatened. However, is not there a lesson to be drawn from that case? Until the matter went to court and the people involved found that they had no option but to plead guilty, there was widespread concern in the Muslim community that they had been wrongly arrested and that Muslims were being unfairly targeted. Does not the case show the importance of getting as many cases as possible into court and keeping as few people as possible under alternative arrangements such as control orders?

Mr. McNulty: I agree 100 per cent. That has been the Government's position throughout. I am currently carrying out a little analysis of the broad press coverage in the wake of Operation Gamble, which involved Khan among others, as my hon. Friend the Member for Walsall, North (Mr. Winnick) said. If I feel so inclined, I may play back their words to some of the people to whom the hon. Member for New Forest, East (Dr. Lewis) refers. It is right and proper that due process takes place. However, there is a difference between those who freely assert their view of reality, largely from a position of ignorance, and the prosecution and police authorities who rightly do not do that to afford the defendants due process.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Minister knows that the terms of reference of control order review groups require them to keep the prospect of prosecution under review, including for breach of the order. Will he answer a more specific question, which was raised in a letter from the Joint

Committee on Human Rights? At control order review groups—CORGs—meetings, does the Home Office inquire whether there is active investigation of the individual by the law enforcement agencies with a view to prosecution, rather than asking the vaguer question of whether there is scope for prosecution?

Mr. McNulty: I would not be so dismissive of the vaguer question. If there is the prospect of prosecution as part of the review, it must be as a result of some activity that has changed since the previous review. I therefore do not accept that point, save to say that CORGs review—and rightly so, as the hon. Gentleman suggests—not only the prospect for prosecution, but exit strategies and revocations, should those prosecutions not be forthcoming, an issue to which the Joint Committee also referred.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The Minister began by saying that there is a threat from about 2,000 individuals. They are clearly linked with Islamic extremism, so will the Minister outline, first, how mosques have provided a safe haven for some of those people and, secondly, how they have helped to expose such individuals and how they can help in future?

Mr. McNulty: I should very much like to go into such detail—most of it positive, rather than negative—but I fear that if I do so, I may stray beyond the bounds of the renewable order before us. Perhaps this is a hostage to fortune, in the general sense, but a fuller debate on the Government's prevent and contest strategy—in particular the prevent part, which goes to the hon. Gentleman's suggestions—might be long overdue, so I will happily take that back to the appropriate business channels.

Mr. Dominic Grieve (Beaconsfield) (Con): I want to bring the Minister back to the narrower issues of the motion. He mentioned the control order review groups and he will be aware that Lord Carlile has talked about his increasing concern that there should be a finite limit on the period to which control orders should apply. He gave a figure of two years. Can the Minister help the House by saying in how many cases we are already beyond that two-year point and how the Government are responding to the issue?

Dr. Evan Harris: Seven.

Mr. McNulty: It is seven, but I shall develop the point about our response, in respect not just of exit strategies, but light touch orders—the lower end of control orders, as it were—in the body of my speech.

Mr. Ellwood: Will the Minister give way?

Mr. McNulty: In a moment. I said what I did at the beginning, before delaying and allowing my hon. Friend the Member for Walsall, North to intervene, because an hour-and-a-half long debate can go one of two ways: either I can try, vainly, to get through my speech and, being a generous soul, take as many interventions as I can, because this is an important and serious debate; or I can put my head down and plough through the speech, and then allow hon. Members to have their say. We are in a hybrid mode at the moment, which I am perfectly happy with. I will give way to the hon. Gentleman, then address some of the questions that the hon. Member for Beaconsfield (Mr. Grieve) raised.

Mr. Ellwood: I should be grateful if the Minister continued to take interventions, which would allow us to tease out the Government's strategy on countering terrorism, because I understand that we have not had a proper debate. If this is it, I am afraid that one and a half hours does not do the issue justice. To bring him back to my question, he says that he does not have time to talk about what the threat in Britain is, but surely that is the starting point. The House should understand and debate what that threat is before renewing any more orders.

Mr. McNulty: I dispute the hon. Gentleman's tail-end point, but this is most profoundly not the occasion on which to have that wider debate. I said—if I may be rather modest and generous to myself—that I thought that the suggestion that we should have that broad debate about the Goverament's wider strategy, of which the order is but a very small part, is one that I would certainly take up with the relevant business channels. The hon. Gentleman knows that we are constantly discussing such matters in one form or other—*[Interruption.]* No, here, too. However, a broad debate about all aspects of the Government's counter-terrorism strategy, not least the preventive dimension, is one that we should have, with time set aside, and I shall take that suggestion back. I agree with the hon. Gentleman's introductory point in part, which is why I have tried to reiterate what I think everyone in the House knows anyway, which is the serious nature of the threat. However, in respect of his broad comments about how we should have that wider debate with regularity, I am happy that that should be the case.

Notwithstanding my brief introduction to the nature of the threat and some of the other things that we are doing, I need to continue. Control orders remain an important part of what we seek to do in that broad strategy. Notwithstanding all the improvements that I have outlined—in terms of legislation, how we do what we do and what the Chilcot implementation group might come up with—as Lord Chilcot has said, we believe that there remains a small number of suspected terrorists whom, for now, we can neither prosecute nor deport. Control orders remain the best available means of dealing with such individuals, but absolutely not the most satisfactory way, as I and many members of the Government have said in the past.

In the past three years, control orders have been an important part of the fight against terrorism. Through a tailored set of obligations, they have helped to prevent individuals from engaging in terrorism-related activities, as well as restricting and disrupting them. Control orders are not imposed arbitrarily, which is a view that is sometimes abroad. A judge must agree that a control order is necessary and proportionate, and they are subject to regular and rigorous control. There are currently 14 control orders in force, and only 31 individuals have ever been subject to one over those three years.

We think that control orders are an important tool and they continue to enjoy support from outside the Government. First, in the landmark House of Lords

[Mr. McNulty]

judgment in October 2007, the Lords crucially upheld the control order system, although not in all terms, so we were disappointed that they did not agree with the Government on every issue. On article 5 of the European convention on human rights—the right to liberty—the Lords judged that no control order then in effect needed to be weakened. Indeed, the judgment put the Government in a stronger position than before, as the Lords effectively indicated that a 16-hour curfew would not breach article 5.

On article 6—the right to a fair trial—the judgment was complex and has therefore been widely misreported. The Lords did not say that any case before them had breached the right to a fair trial; rather, they said that in some, possibly exceptional cases, the current provisions in the 2005 Act might breach article 6. The Lords therefore read down the Act, to ensure that the procedure adopted under it would be compatible with article 6 in every case and concluded that the High Court should consider the point case by case. That forms part of the mandatory review of each individual control order by the High Court, which is one of the many safeguards in place to secure the rights of the individual. Therefore, we remain firmly of the view that the legislation and the order before us are fully compliant with the ECHR.

Secondly, the independent reviewer of the operation of the 2005 Act, the noble Lord Carlile, continues to view control orders as necessary. He said that

"as a last resort (only), the control order system as operated currently in its non-derogating form is a justifiable and proportional safety valve for the proper protection of civil society".

The other two statutory consultees—the intelligence services commissioner and the director general of the Security Service—share that view. I should like to place on record the Government's thanks to Lord Carlile for another thorough report, which I am sure will add a great deal to today's debate. We will, of course, reply in due course.

Dr. Harris: Will the Minister give way?

Mr. McNulty: Probably not, because I am mindful that others want to speak, but if I have time towards the end of my speech I shall do so.

Of course, control orders are not perfect. However, we have worked hard over the past year to improve them. *[Interruption.]* It is not in my nature to refuse people, and as the hon. Gentleman is on his toes, I will let him intervene.

Dr. Harris: The Minister said that he felt that the Carlile report was useful to aid debate, but does he accept that it would have been more useful had there been more time to consider it? As with last year, it was published only days before this debate, which does not give enough time either to Select Committees to give it due consideration or even the Government to consider it and respond to the specific inquiries that people may have. That has happened previously and the Joint Committee has expressed its concern previously. Will the Minister give an undertaking, in line with what the Prime Minister has said, that there will be more opportunity for parliamentary scrutiny, including of the independent reviewer's report, in future years?

Mr. McNulty: I would hope so. I certainly cannot give that undertaking, other than to say that I will try my best. To be entirely fair to Lord Carlile, the delay last year, such as it was, was entirely the Government's fault, as I said at the time, and not his. To be perfectly fair, this time round we got the report on the Sunday or Monday of the half-term week and published it at the very first opportunity, on the Monday just gone. I understand the point about that being less than satisfactory, in respect of this debate three days later, except that the report is effectively the fourth quarterly report, which sums up the other three, too, so that people should at least be clear about the background numbers and actions taken under the Act. But I take the hon. Gentleman's point that a bit more time would have been useful for everyone concerned.

The hon. Member for Beaconsfield has referred to some of the criticisms of the orders. I accept that they are not perfect, but I think it is fair to say that we have worked hard over the past year to improve them. For instance, last year there was much talk of exit strategies for those on control orders. I am unconvinced by the idea that there should be an arbitrary end date for individual control orders, in part because each order addresses an individual risk, but I am firmly of the view that control orders should be imposed for as short a time as possible, commensurate with the risk posed.

Consideration of appropriate exit strategies is an integral part of the formal quarterly review for every control order. An order can be renewed only if it is necessary to do so. Indeed, over the last year we have seen two control orders revoked and another two orders not renewed. In fact, the control orders of 17 of the 31 individuals who have been subject to an order are no longer in force. So I do not entirely agree with Lord Carlile about a two-year limit, although I agree that, if we can put more rigorous review mechanisms in place as a control order remains in place for longer, we should do so. As I have said, however, we should start from the premise that they should be imposed for as short a time as possible, bearing in mind the degree of risk involved.

As I mentioned last year, we take very seriously the prospect of prosecuting individuals subject to control orders. These matters are considered on an ongoing basis and reviewed formally each quarter. Over the past year, we have put new procedures in place, and the police and CPS provide more detail on the prospects for prosecution to the court.

As well as greater use of exit strategies, Lord Carlile also notes the difficulties in enforcing so-called light touch control orders. I agree that this is problematic but I am not convinced by his suggested alternatives. Over the past year, we have reviewed all current control orders, and the monitoring procedures to which they are subject, in order to ensure that they are as effective as possible. In a number of cases, where it was necessary and proportionate to do so, the control orders were strengthened. That does not mean that my mind is closed to the notion of dealing differently with the so-called light touch end of the control order regime. I just mean that I am not entirely sure that the antisocial behaviour order and other routes suggested by Lord Carlile are appropriate.

We have also been working on legislative improvements to control orders. The Counter-Terrorism Bill, which was introduced on 24 January, includes measures to improve the policing of control orders. The Bill will also give hon. Members a further opportunity to debate the control order system more generally, including points raised in the JCHR report published yesterday. I look forward to seeing those suggested amendments.

In summary, we are confronted by a threat from terrorism which is determined, indiscriminate and brutal. We must protect the public while ensuring that our fundamental rights and values are protected, and we must do that overwhelmingly within the body of the rule of law, our statutes and the terrorism legislation framework. There are and will be very small matters of exception in that regard, of which control orders are a part. I say freely that they are part of the delicate balancing act between security and human rights. They are also a significant part of the Government's, um, ability to protect the public from the risk of terrorism. I hesitated because my speaking notes use the word "toolkit", which is a rather pathetic word in this regard. It belongs in the dustbin, along with "roll-out", "stakeholder" and all those sorts of things.

In all seriousness, not renewing the 2005 Act would increase the risk to the public. That is a prospect that we cannot allow. I take on board many of the issues that hon. Members, Lord Carlile and the Joint Committee have raised in order to try to improve the system, but, as Sir John Chilcot has said, the system needs to remain to fill a vital gap in regard to risk. I commend the order to the House.

2.14 pm

Mr. Dominic Grieve (Beaconsfield) (Con): The Minister delivered one of his characteristic speeches. He tends to look at the general rather than condescend to the particular. This is an important issue. When my hon. Friend the Member for Newark (Patrick Mercer), who is in the Chamber today, opened the debate for the Opposition last year, he said, with good reason, that he thought it most unlikely that we would be able to support the renewal of the control order arrangements again.

The background to this matter is, in a sense, engraved on my heart, given that it started with a marathon 36-hour sitting of the House in 2005. It is significant that much of what was proposed by the Government in an effort to reach a compromise at the end of the stand-off between the House of Commons and the House of Lords has not really occurred. At the time, it was intimated in debate that these powers were required to deal with several hundred people. That is what the then Prime Minister, Mr. Blair, said; it was one of the strongest arguments advanced. We now know, however, that a maximum of 31 individuals have been dealt with under this procedure.

Furthermore, the stand-off was ended when the then Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke), told the House that he was working on the basis that there would be an early opportunity for an entire review of the architecture of the anti-terrorism laws, which would allow the issue of control orders to be looked at afresh. Indeed, he put forward a timetable that envisaged that, during 2006, we would have a new anti-terrorism Act, that we would be able to consider it with great care, and that there would be an opportunity during its passage for us to conduct a complete overview of the existing anti-terrorism legislation and to consider carefully reports such as that produced by Lord Carlile in early 2006, when the first renewal of control orders would come before the House.

In fact, that did not happen. In fairness to the Government, it did not happen because the July 2005 bombings led to the next anti-terrorism measure being introduced earlier than the Government expected. In fact, it was passed, after ping-pong with the House of Lords, on the very day that the first renewal came up, as my hon. Friend the Member for Newark will remember. Far from that legislation providing us with an opportunity to take an overall view of anti-terrorism measures in the round, it was so narrowly crafted—and, most regrettably, sufficiently harshly guillotined as to prevent adequate scrutiny, as is characteristic of the way we legislate in this place today—that no such opportunity existed to examine, by amendment in Committee, how the existing anti-terrorism powers might need to be reviewed or got rid of. Instead, our deliberations were dominated by such issues as glorification and the proposal for a 90-day pre-charge detention period.

For that reason, when this matter came up for review on its first review date, we did not oppose it. We looked at Lord Carlile's report. It is noteworthy that, with each of his reports on the operation of control orders, he has become more lukewarm. He has also become more anxious about the impact that they will have by lasting a longer time, and about the fact that, in many cases, it is difficult to see how they provide adequate protection for the public, given that it appears relatively easy to abscond or to breach their terms. He also highlights the fact that they have—mercifully, perhaps—been applied only to a very limited number of people.

Currently, as the Minister highlighted, only 15 control orders are in force. Although I do not think that there has been any dispute of the view that several hundred people—it might possibly run into several thousand—in this country may pose a threat, 15 is a very small number. Because we are concerned with only 15 people, it raises the question, which the Minister has to answer, of whether we could do without this mechanism at all, particularly when the Minister has acknowledged that in its impact on civil liberties, human rights and the rule of law, it is an undesirable mechanism of last resort and not one that any Government would wish to see on the statute book for a day longer than is necessary.

It is worth looking at Lord Carlile's comments. The Minister was rather dismissive of the suggestion of replacing light touch control orders with antisocial behaviour orders. When I read that, my eyes started out of my own head, because my personal view of ASBOs, in terms of being an effective mechanism for controlling people's behaviour, is not very high. However, if someone with the authority of Lord Carlile thinks that an ASBO would probably be as good as a light touch control order, it really highlights an issue that the Minister must deal with in his reply.

[Mr. Dominic Grieve]

because on the face of it, the light touch control order clearly appears to Lord Carlile to be of very little benefit indeed.

Lord Carlile also highlighted the extent to which the implementation of control orders will require considerable human resources for surveillance. One issue that clearly arises is the extent to which that surveillance is available. The number of cases of absconding suggests that the surveillance supplied may be relatively limited. Of course, one could reverse the argument and say that if large levels of surveillance are already available, we might not need a control order in the first place—one of the arguments raised when we first discussed this issue some three years ago.

Another matter that troubles me is the length of time for which these orders have lasted. We know that seven individuals have been subject to control orders for more than two years and there is plainly great anxiety on Lord Carlile's part about the propriety of such lengthy infringements of liberty. It is important to note that he thinks that the likely value of an individual to terrorists after a prolonged period of being subject to a control order is, in reality, going to be very slight. That being the case, finding some way of dispensing with control orders is clearly going to be very desirable.

What troubles me—and it may trouble the House—is what practical steps the Government are going to take over the next 12 months before we come back for the next renewal to see whether we can, in fact, get rid of control orders for good. That is the challenge that the Minister has to answer. It is a challenge that I have also had to consider as Opposition spokesman deciding whether to support the renewals or to seek to oppose them. On balance, and with a considerable degree of reluctance, our conclusion is that we should allow renewal to take place this year. There is a very specific reason for that, which I want to bring to the Minister's attention, and I shall seek some assurances that he will not only note it, but act on it.

We know that a Counter-Terrorism Bill has been published and it is believed that it is likely to secure its Second Reading before the Easter break. That provides an opportunity, if the Government wish to provide it, for an overall review of counter-terrorism legislation. I have to say that I am rather cynical and not very confident that that is what will happen. The history of such legislation suggests that we often tend to get bogged down in confrontation—and there may well be serious confrontation over the plan to extend pre-charge detention to 42 days—and that the way in which such Bills are considered in Committee and, indeed, on Report makes it virtually impossible to table Opposition amendments to probe and review the current operation of existing terrorism legislation, which would allow us to have precisely the sort of debate that the Minister suggested earlier would be so desirable in order to examine things with a broader perspective rather than focus on the narrow issue of renewal.

If the Minister and the Government are prepared to rise to the occasion, I like to think that we could use the Counter-Terrorism Bill and the opportunity for debate surrounding it to have some sensible discussions that could lead to the Government having sufficient confidence to decide that this order will not require renewal at all next year. It is only on those grounds that we have decided not to vote against the renewal motion this afternoon. I have to tell the Minister, however, that the longer this process goes on and the longer control orders remain in place on individuals, the more difficult the renewal process will become. If we come back next year and find that seven individuals will have been subject to control orders for more than three years, the Government's position will start to become even more difficult.

I acknowledge, as we acknowledged at the outset, that there might be circumstances in which control orders are necessary. That is why, when we first debated the matter three years ago, we accepted the principle. Our argument was over the question of having a sunset clause. We wanted such a clause, which is different from an annual renewal, in order to ensure that, at some point in a reasonable time frame, this matter could come to the crunch and the Government would have to justify their position by primary legislation and a full Bill rather than by a mere one and a half hour debate. We were right in that, and everything that has happened since makes me think that our position was reasonable, moderate and correct. Now, however, the question is whether the Government will take advantage of the opportunity presented by the Counter-Terrorism Bill. I hope that the Minister will give us an assurance this afternoon that he has taken our points seriously into account.

2.17 pm

Mr. David Winnick (Walsall, North) (Lab): I am not normally a great supporter of consensus. I doubt whether many Members would say that I have urged consensus during my time in the House, especially when I sat on the Opposition Benches. I certainly did not—and for good and valid reasons. When it comes to combating terrorism, however, I depart from my perhaps more controversial position because I believe that there is room to find a consensus.

We are all opposed to terrorism—that goes without saying. Not a single Member of the House would argue that there was any possible justification for inflicting terror, and we are not likely to forget in a hurry the 52 totally innocent people who were slaughtered on 7/7. They had as much right to live as the rest of us. In the House and in the country we have a pretty long collective memory, and I hope that what occurred then will not be forgotten for a long time to come. Neither should we forget that those who were responsible acted from a fanatical religious position that was at odds with everything that scholars of Islam have said repeatedly, arguing that the mass murderers had totally distorted the religion of Islam.

As the hon. Member for Beaconsfield (Mr. Grieve) has just said, we will probably debate the Second Reading of the Counter-Terrorism Bill before the Easter break. I hope it will be possible to use the short period before that debate to try to reach a consensus, particularly on the number of days for which terror suspects can be held without charge. As I have said repeatedly in the Home Affairs Committee and elsewhere, it would be unfortunate to have once again division of the sort that occurred in November 2005.

Obviously, I am not keen on control orders—is anyone?—but I go along with them, perhaps more so than the hon. Member for Beaconsfield, because I well understand that in certain circumstances it is not possible to prosecute although there is a pretty strong feeling—or evidence, rather than feeling—that certain individuals could pose a danger or a threat to this country. In such circumstances, I suppose that there is an argument for control orders, but they should not be indefinite. I hope that, over a shorter period rather than a longer one, we can find a different solution. However, I certainly would not wish to divide the House on the issue, and if the main Opposition were to do so, which they will not, I would not be other than on the Government's side, because I understand their position.

I return to the intervention that I made in the Minister's speech: at the end of it all, there is no adequate alternative to prosecution. It is essential that, in so far as it is possible, the normal process of law should take place. Indeed, before this debate we had exchanges on rendition and the situation in the United States, and no one who spoke was other than critical of the situation there.

We want to remain entirely committed to the rule of law—let us compare the situation in the UK with what is happening in the United States—which is why I am pleased that Parvis Khan has been convicted, for the reasons that I stated earlier. The case is indeed monstrous and he pleaded guilty. The intention was to kidnap and behead a British Muslim soldier. Rightly, the court decided on a life sentence—a minimum of 14 years—and as the judge pointed out, Khan might not be released at all, unless the authorities feel that it is safe to do so.

Dr. Julian Lewis: I entirely endorse what the hon. Gentleman has just said. May I impose for a second longer on the House with the observations of Sir Robert Thompson, whom I quoted earlier? He also said that

"the firm policy of the government to bring all persons who have committed an actual offence to public trial"

is vital. He went on:

"This has the great advantage not only of showing that justice is being done but of spotlighting the brutality of terrorist crimes and the whole nature of the insurgent conspiracy".

That is precisely what the trial of that terrible case has just done.

Mr. Winnick: I entirely agree with the hon. Gentleman.

Another point I want to make arising from the conviction of Parvis Khan and others relates to the remarks of the assistant chief constable of the west midlands, Anil Patani, who is head of security and cohesion for West Midlands police. He urged everyone to recognise that the terrorist threat is genuine, and he was rather critical of comments made by some in the Muslim community in the Birmingham area. For example, the chair of the Birmingham central mosque compared the raids that have occurred to the situation in Nazi Germany.

It is important for everyone to recognise the terrorist threat, and the overwhelming majority of the Muslim community, whether in the west midlands or anywhere else in this country, knows and recognises that terrorism is wrong. Those people recognise, as was the case with 7/7, that if terrorism takes place, Muslims can be the victims—slaughtered or seriously injured like anyone else. They have no illusions on that score. It is therefore important for those who are, or claim to be, representative of the Muslim community not to make remarks like the one that I have just quoted. It serves no purpose whatever.

Mr. Ellwood: Will the hon. Gentleman explain how we can sensitively understand what sometimes happens behind the closed doors of mosques that have been seen to harbour a form of extremism?

Mr. Winnick: In my borough, there is no such problem. The Muslim community in the Walsall area has always been moderate and totally opposed to any form of terrorism or anything of that kind. I believe there are very few places of religious worship that would wish to help or encourage those engaged in terrorism, but of course any that exist should be exposed. What the assistant chief constable of the West Midlands police said is important: everyone should recognise that the terrorist threat is real, and must be combated in every way possible.

Mr. Grieve: As it happens, I visited the Birmingham mosque shortly after those words were uttered by its chairman. I do not think the chairman's words necessarily represented the views of the worshippers in the mosque, or indeed anyone's views. It should also be said that one of the regrettable aspects of the police operation in Birmingham—I hasten to add that it was none of their fault—was that, as the hon. Gentleman probably remembers, details of it were leaked to the press in a manner that turned the central mosque and the main area in which Muslims were living into a goldfish bowl. I am afraid that it produced the very circumstances in which paranoia can thrive.

Mr. Winnick: What happened in Forest Gate is another example. I hope that the authorities—the police, the Home Office and the rest—will always bear in mind the fact that if certain steps are taken which are not appropriate, they can prove entirely counter-productive in the fight against terrorism.

I hope that in the short period between now and the Second Reading of the Counter-Terrorism Bill the Government will make some attempt to find a consensus, particularly on the number of days for which people can be held without charge. There is already a broad consensus in the House that the period should be 28 days, and no evidence has been produced suggesting that it should be longer. If the Government want to secure a consensus, they should again enter into negotiations with those of us who are highly critical of an extension beyond 28 days, and certainly with the Opposition parties.

2.37 pm

Tom Brake (Carshalton and Wallington) (LD): In preparation for the debate, I studied last year's debate carefully and noted the points raised by my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg). In his opening speech, he identified four points relating

[Tom Brake]

to control orders which he felt should be addressed. In his view, the standard of proof required for the Secretary of State to sign non-derogating control orders was too low, the power to impose the orders should reside with the courts, the orders should be strictly time-limited, and they should be subject to regular and thorough reviews. It is worth considering what progress has been made since then, and what progress has been made generally.

Some progress has been made on at least one issue, that of intercept evidence. Notwithstanding the Minister's proviso that intercept evidence does not necessarily supply a silver bullet, I am glad the Prime Minister has said that he is examining the Chilcot report to establish which of its recommendations can be implemented as soon as possible. I hope the Minister will be able to tell us a little more about how those recommendations will be implemented.

Patrick Mercer (Newark) (Con): Do I understand from what the hon. Gentleman is saying that we have the ability to use intercept evidence in court? No, we do not. And have we made any progress in that regard? Absolutely not.

Tom Brake: I think we have made some progress. I think it may now be more widely accepted on the Government Benches that intercept evidence should be considered. The Prime Minister's statement makes it clear that he is willing to consider it, and presumably willing to allow it to be used at a future date. The progress could, however, be described as limited rather than extensive.

Patrick Mercer: In other words, the hon. Gentleman is saying that we are just talking and creating hot air yet again.

Tom Brake: Far be it from me to suggest that the Government are creating hot air. We have a statement from the Prime Minister that makes clear his willingness to look at the report's recommendations, and one can only anticipate that his Government will act on them.

I had also hoped that we would make some progress in terms of the official Opposition's position. The hon. Member for Beaconsfield (Mr. Grieve), and the hon. Member for Newark (Patrick Mercer) when he spoke 12 months ago, made clear their position on control orders. The hon. Member for Newark said:

"this system does not work and it has to be replaced by something competent"

and

"there have been a series of shambles."—[*Official Report*, 22 February 2007; Vol. 457, c. 440-41.]

Unfortunately, despite the fact that he described control orders as "a series of shambles", the official Opposition then chose to vote in favour of them. The hon. Gentleman also stated 12 months ago that it was very likely that the official Opposition would again support control orders this time, and the hon. Member for Beaconsfield has made it clear that that will be the case.

Mr. Grieve: Let me take the hon. Gentleman back to the matters we were discussing a few moments ago, such as the use of intercept evidence. The proof of the pudding will be in the eating: a Counter-Terrorism Bill is imminent, and if it implements the measures we want, it ought to go a long way towards giving the Government the confidence to abandon control orders. I also think that once it is on the statute book it will strongly strengthen the hands of those who are unhappy about control orders. The hon. Gentleman will therefore understand why, despite our great reservations, we have adopted the position we have this afternoon.

Tom Brake: I echo the hon. Gentleman's point about expectations of how the Counter-Terrorism Bill might assist by making it likely that the need for control orders diminishes or goes away entirely. However, I must remind the hon. Gentleman of what he said about how he thinks the Government will deal with the Counter-Terrorism Bill: he said that he was cynical, and not confident that they will address it in the way he hopes.

There has been little progress on the four points my right hon. Friend raised 12 months ago. Members have rightly drawn attention to the time limits issue. The Minister quoted Lord Carlile's report, and he will therefore be familiar with the points Lord Carlile made about what he describes as the "endgame" in relation to control orders. He said:

"I remain concerned about the ending, or endgame, of each control order",

and he also stated that they

"cannot be continued indefinitely".

He also said that, 12 months ago,

"I advised that, as a matter of urgency, a strategy is needed for the ending of the orders in relation to each controlee",

and

"it is only in rare cases that control orders can be justified for more than two years."

He also advises—the Minister has responded to this—

"that there should be a recognised and possibly statutory presumption against a control order being extended beyond two years".

The Minister has made it clear that he does not support Lord Carlile's view. However, I hope he will at least agree that his position is worthy of debate, and possibly of a vote in this place at some point in the near future.

While we are on the subject of time limits, it might be useful to mention that there is a need for a time restriction on the curfew of 12 hours, following the House of Lords judgment that an 18-hour detention period is unacceptable. The Joint Committee on Human Rights requested that restriction. I hope the Minister will make clear his position on that issue and whether the Government have a view on what an appropriate detention or curfew period might be.

My right hon. Friend the Member for Sheffield, Hallam also raised concerns about the review process 12 months ago. We welcome the creation of the control order review group and how it is operating.

Dr. Evan Harris: My hon. Friend is right to draw attention to the report of the Joint Committee on Human Rights, which indicated that 12 hours would

appear to be about right for the maximum time limit. The Government do not accept that. When the Law Lords indicated that 18 hours was too long and 16 hours was right and thus quashed a control order, the Government subsequently increased some control orders from 12 to 16 hours. They have made their view clear, but it is regrettable.

Tom Brake: I can only echo my hon. Friend's concerns.

I was discussing control orders being subject to regular and thorough review. I appreciate the work that the control order review group is doing, but hon. Members have referred to the issue of how Lord Carlile's review of control orders is conducted. More specifically, we need to consider the time scale for conducting it, passing it on to Government and publishing it. The Minister rightly put on the record what happened in a previous year and what happened this year. He acknowledged—hon. Members and the Joint Committee on Human Rights have also flagged this up—that we could do better on the length of time the report is available for hon. Members and the Committee to consider.

The Minister put his case in a measured manner, acknowledging that control orders are not perfect. I regret that little new has been said this year. Our concerns have not been addressed this year, so to be consistent with the position we adopted last year we intend to divide the House on this issue again this year.

2.47 pm

Mr. Andrew Dismore (Hendon) (Lab): I should like to discuss the 10th report of the Joint Committee on Human Rights, which I chair. The report is one of the relevant documents in this debate, and as we have had a wide-ranging debate, it is important that we focus on the motion.

The Committee is in full agreement with the Government about the positive obligation of human rights law to take effective steps to protect the public from the real threat of terrorism, and the need to keep measures under review to ensure that the authorities are properly equipped, both legally and physically, to respond to the threat and to ensure that measures taken are not incompatible with human rights in the light of experience. If the measures are incompatible, that will ultimately become counter-productive.

The Committee agrees with the Government that the control order regime is the second best option to prosecution—I think that there is a general consensus about that. It is also clear that control orders, in some form, will be needed for the foreseeable future. We need to examine them in detail in the light of experience and court judgments to see what changes to the regime are needed. Our recommendations fall into four broad categories: the need for better parliamentary scrutiny; the need to look at the obligations and restrictions contained in the control orders; the need for due process; and, last but not least, the need for an exit strategy.

I shall deal first with parliamentary scrutiny. Lord Carlile's report was published only three days ago. I do not blame the Home Office on this occasion, but inevitably our report could therefore only be published yesterday to inform today's debate. According to statute, Lord Carlile's report should have been prepared as soon as practicable after 10 December 2007—the date of the previous quarterly review. The way that this situation has occurred year after year frustrates the scrutiny provisions set out in section 14 of the Prevention of Terrorism Act 2005. It prompts a question, because very similar terms on the parliamentary review of pre-charge detention are provided for in the Counter-Terrorism Bill. The issue needs to be examined.

My Committee recommends that we should have the report at least a month ahead, to enable us to produce our findings on it and to inform debate more effectively. We also think it is important that the reviewer should be appointed by and report directly to Parliament, and that the Secretary of State should produce an annual report to Parliament.

Dr. Evan Harris: Given that the deadline for renewal is not until 11 March, and the Government chose to have the debate today rather than in a week's or two weeks' time, it is the scheduling of this business for today that has in part led to the contraction of time available for the Joint Committee on Human Rights to consider the independent reviewer's report and for Members to read any report from the Joint Committee.

Mr. Dismore: The hon. Gentleman makes a fair criticism, but the serendipitous effect of having the debate at this stage is that it enables us to put before the House our recommendations for reform and gives the Government time to consider those recommendations when we consider the terrorism Bill later. It would, however, be far better if we had the time to debate the issues properly and in an informed way.

On the terms of the control orders and whether they amount to deprivation of liberty, the Government say that none of the control orders now in force—or indeed ever made—derogate from article 5 of the convention on the right to liberty. If that were the case, only courts could make such orders. We need to consider the restrictions in the control orders in combination with each other and with the daily length of the curfew. As has been said, the Government have extrapolated from the House of Lords decision the belief that 16 hours is satisfactory, but that is to quote only part of the views of Lord Brown, who goes on to say in his judgment, on which the Government rely:

> "It may be, indeed, that 16 hours is too long. I would, however, leave it to the Strasbourg Court to decide upon that".

Our view is that 16 hours is too long. The average control order is now 10 hours, and our view is that 12 hours would be an appropriate length. Indeed, the European Court of Human Rights, in a case involving Italy, has found that nine hours amounted to deprivation of liberty, so there would be severe and serious consequences for liberty if the maximum daily limit were not reviewed.

One of the Committee's main concerns arises from questions of due process. We are in something of a Kafkaesque world when it comes to the way control orders are brought forward—or perhaps I should cite Henry VIII's star chamber, as that was only a few yards away from where we are today. The Secretary of State gives no reasons for making the control order to the

[Mr. Dismore]

controlee, who is not told of the case against him to the extent that it is based on closed material. The special advocate—the controlee's lawyer—cannot discuss the case with his client. The control order is made solely on the basis of reasonable suspicion.

Jeremy Corbyn (Islington, North) (Lab): In the Committee's consideration of the matter, did my hon. Friend come across any parallel situations in any European country in which the defendant was denied access to the crucial information about why he or she was being prosecuted in the first place?

Mr. Dismore: We have not done any detailed comparative work to that effect, so I cannot answer my hon. Friend's question one way or the other. However, I would be surprised if that were the case and we had a very different regime under common law, looking at the issue of terrorism more generally, compared with some of the civil law countries.

It is important to recognise that mistakes can be made, especially when one is working on the basis of intelligence, as the Lotfi Raissi case graphically illustrated a couple of weeks ago—although in a very different context to control orders. We believe that we must have safeguards against such problems commensurate both with public safety and protection of sources. For that reason, we would like to see incorporated in the law an absolute guaranteed right to a fair hearing. The House of Lords, in a recent case, said that those words should be read into the statute, but they do not appear there. Without that reference, there is a lack of certainty in the law and we need that express reference.

We believe that the gist of the closed material should be disclosed to the controlee. That can be done in a way that protects sources, but the controlee is entitled to know at least the basis of the case against him. We believe that special advocates, with the leave of the court—through an application to the High Court ex parte—should be permitted to discuss closed material in those circumstances with a controlee, if authorised by the court to do so. We believe that the Secretary of State should give reasons for the making of the control order.

The standard of proof is also important. Reasonable suspicion is a very low standard, compared with the seriousness of the consequences for the controlee of the making of the order. We think that the balance of probabilities would be a better test. We also think—although it would probably be of less utility—that the special advocates should be able to call rebuttal witnesses. At present, their right to do so is questionable.

I mentioned the need for an exit strategy. Seven of the controlees have been under a control order now for two years. Two of the 15 have been under a control order for three years, and we believe that for the three years before that they were in indefinite detention in Belmarsh. That makes six years, all together, in detention or under control for people who have not been convicted of any offence at all. We run the risk of creating Guantanamo-style martyrs. Perhaps they are not as visible. They are not under the same sort of oppressive regime, for sure. Perhaps they are in the gilded cage of Acacia avenue rather than the harshness of a Cuban camp, but we have still seen indefinite restrictions on their freedom and six years is far too long.

After such a length of time, as Lord Carlile says, those people will be of questionable use to any terrorist group. Such groups prefer to work with people with clean skins, as we saw in all the terrorist attacks that have taken place so far. The individuals concerned are clearly fingered and subject to ongoing monitoring.

Jeremy Corbyn: I thank my hon. Friend for giving way again. On that general point, in its discussions has his Committee come across any view from anyone within the communities from which the detainees or those who are subject to control orders come that shows a changed attitude to the police and security services in our society?

Mr. Ellwood: On a point of order, Madam Deputy Speaker. I seek your advice. Is it appropriate for an hon. Member to join such an important debate late in the day, and when time is urgent, to delay or procrastinate during a speech when many other hon. Members want to participate?

Madam Deputy Speaker (Sylvia Heal): It is certainly unusual for hon. Members to come in late, but nothing prevents an hon. Member from making interventions if the hon. Member on his feet is prepared to accept them.

Jeremy Corbyn: Further to that point of order, Madam Deputy Speaker. I apologise to the House for not being here for the opening section of the debate. I was conducting an advice bureau in my constituency. I feel strongly about this matter and wanted to intervene on my hon. Friend the Member for Hendon (Mr. Dismore); I was not trying to delay the debate.

Madam Deputy Speaker: Thank you, Mr. Corbyn.

Mr. Dismore: I think that my hon. Friend raised the issue of the general impact on community relations and co-operation in the minority communities, which might be feeling somewhat targeted. That issue is very much on my Committee's mind.

On the question of an exit strategy for control orders, we welcome the creation of the control order review group. We think that there should be a positive duty to keep the control orders under review in each case. There are a series of options available to the CORG. Prosecution is, of course, the primary option and the most preferable. However, the fact remains that not a single controlee has been subject to prosecution so far. We believe that control orders should be made only when there is no realistic prospect of a prosecution being brought successfully, except in urgent cases, and that there should be a duty to that effect. In fact, in 2007 there was only one such urgent case. Our view is that controlees should be subject to a three-monthly review, with a view towards prosecution.

Deportation is very important. Nine notices have been served and six people have been deported. It is a question of modifying the restrictions, revocation, non-renewal and the important option of de-radicalisation. However, that does not get round the question of the

maximum duration of the control order and indeed the question of the people we mentioned who might be subject to controls for up to six years.

There is no clear answer in human rights law to this question, beyond saying that human rights law prohibits the severe controls of indefinite duration. Lord Carlile's recommendation is for a maximum of two years as a rebuttable presumption in statute other than in genuinely exceptional cases. We tend to favour that approach. It is a difficult question and we feel that it is worthy of a debate in Parliament. In due course, we hope to table an amendment to facilitate such debate.

In conclusion, I repeat the fact that human rights law imposes a duty on the state to protect us all from terrorism and that the Committee sees control orders as second best. We must ensure proper parliamentary scrutiny, that the restrictions we impose on people are proportionate and the subject of due process, and that there is a proper exit strategy available in each case.

The Joint Committee on Human Rights will propose amendments to the new Bill to facilitate debate on the control order regime and other things that we think should be considered in detail. I shall certainly support the Government this afternoon, because the order is not amendable. I hope that by next year experience will have led to the sort of changes that we believe will make the control order regime not only fairer but ultimately better in the overall strategic objective of combating terrorism.

2.59 pm

Patrick Mercer (Newark) (Con): It is a pleasure to follow the hon. Member for Hendon (Mr. Dismore), and it is a great pleasure to be able to address the Minister for Security, Counter-Terrorism, Crime and Policing as right honourable. I pass my congratulations to him.

The people we seldom properly support, praise and laud are our security services, including the police, MI5, MI6 and GCHQ. Were it not for the outstanding and gallant behaviour of those men and women over the past 12 months I have little doubt that we would have seen further atrocities, further dead and further injured. It is in the nature of their duties that they remain unsung and low profile. All of us, from whichever side of the House we speak, have a duty to record our thanks and admiration for the brave men and women who do that job on a daily basis.

It depresses me that I am experiencing almost déjà vu. Last year I spoke from the Opposition Front Bench, opposite the right hon. Gentleman, and when I look at the words I uttered then I see that almost nothing has changed. It depresses me that in matters of life and death—as I believe these are—the House is so dilatory in making real progress on subjects that can make a difference to the liberty and indeed the continued life of terrorists. For instance, this time last year, we were talking about one of the most important measures that we could possibly put in place to displace the control order regime—intercept evidence. There were signs—green shoots of hope—that the Government might consider the use of intercept evidence. This year we know that the Government will indeed accept the use of intercept evidence—after yet another period of review. Why do we need to be so slow?

Why have we not thought of making it very clear that we can use post-charge questioning? My hon. Friend the Member for Beaconsfield (Mr. Grieve) has advised me that the powers already exist. Those powers, along with the use of intercept evidence, might mean that one or two of the individuals currently under the thoroughly unsatisfactory, inhuman, and liberty-taking measure of control orders could either be prosecuted or released. In any event, they could be brought to court and put in front of a jury.

Similarly, why have we heard so little about plea bargaining? A number of eloquent speeches have been made about the use of that measure yet it is one of those things that is seldom talked about, even though we can see how it is used by the American judiciary. Will the Minister give us some of his words of wisdom about those three measures, which could probably take people off control orders?

Exactly like last year, the Minister said that control orders were an "important tool". I think I quote exactly his words of last year, and certainly of this year. If the orders are an important tool, why are they so inefficient? Why do they not produce the results we want? Why are individuals allowed to abscond? Why have the orders been compared to antisocial behaviour orders? As we have heard, we are talking about dangerous terrorists, in many cases bent on mass destruction. We must not conflate a measure that we might use against a young hooligan on the streets of Newark with measures against people who are hellbent on creating mass destruction and killing hundreds, if not thousands, of our fellow citizens.

Lastly, because although the subject is important others must speak, will the Minister talk—if he can—about a programme for rehabilitation of individuals who are either in prison already or subject to control orders? Singapore, Malaya, Indonesia and the Philippines all have a well developed rehabilitation programme for individuals under close supervision. As we have heard many times this afternoon, such individuals are of no further use to terrorist organisations so what are we doing to bring them on-side? What are we doing to suck dry their expertise on their previous thoughts and how they were suborned? How can we use them against the very people who turned their minds? I appreciate that the Minister might not want to go into detail about that, but I would none the less like to hear from him this year—he avoided the issue last year—about what we are doing in that respect.

The control orders are thoroughly unsatisfactory. We are going to have a huge debate and confrontation over the amount of time for which we can hold terrorists without charge, be it 28, 42 or 90 days. In my view—I am probably one of the few people in the Chamber who would say this—28 days is far too long, but we are where we are, and I accept the fact that we have decided on it. However, I hope that that debate and the Counter-Terrorism Bill will provide the opportunity to get the wicked, inefficient and incompetent series of measures known as control orders off the statute book.

Mr. Winnick: We have deliberated on the matter in the Select Committee on Home Affairs. Do I take it from what the hon. Gentleman said that he will not vote for an extension beyond 28 days?

Patrick Mercer: The hon. Gentleman understands it completely rightly. My personal view, as I will iterate, is that 28 days are far too many. We are where we are, but I will not vote for an extension beyond 28 days. I would like the Bill to involve a thorough review of the control order regime. On that basis, in line with the words of my hon. Friend the Member for Beaconsfield and despite what I said this time last year, I will not oppose the Government.

3.6 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): I apologise to the hon. Member for Islington, North (Jeremy Corbyn). He speaks passionately about these issues, and I think that my frustration is shared throughout the House that one and a half hours is not enough time to debate them. The Minister has acknowledged that, and I appreciate his suggestion—I hope that the Government Whip, the hon. Member for Workington (Tony Cunningham), is listening—that we might have an opportunity to discuss the wider picture and the impact that the order will have as one part of the jigsaw of tackling terrorism in the United Kingdom.

The Minister also said that prosecution was the Government's first, second and third priority. Leading on from what my hon. Friend the Member for Newark (Patrick Mercer) said about rehabilitation, I just came back from Saudi Arabia, where 300 to 400 detainees are being put through a rehabilitation programme, with huge success. When the Minister sums up, will he comment on that? Perhaps we are not doing enough to get into the mindset of such individuals and prevent home-grown British Muslims from putting on the suicide jacket. I was shocked to hear that Guantanamo Bay has no such programme, and goodness knows how long the people there have been held. The Saudi programme was incredible. It brought in imams and people familiar with lecturing and teaching not only in Saudi Arabia but throughout the middle east to make the terrorists understand that their version and understanding of the Koran were simply out of context and wrong.

Jeremy Corbyn: I thank the hon. Gentleman for his kind remarks a moment ago. Does he not accept that one of the problems with his concept of rehabilitation, to take up the point made by the hon. Member for Newark (Patrick Mercer), is that the people whom we are discussing have not been convicted of anything? They have therefore not been found guilty. What are they being rehabilitated from if they have not been through a legal process?

Mr. Ellwood: The hon. Gentleman makes his point. I do not want to take away from the suggestion that a rehabilitation programme needs to be considered; where it will fit into the procedure is a matter for further debate.

As a result of the shortness of this debate, we have not had the opportunity to discuss exactly what the threat is. The Minister mentioned that there were 2,000 or so detainees. Interestingly, the US national security adviser, Secretary Chertoff, made it clear a month ago that the threat to the US now comes from Europe and the United Kingdom. That warrants a debate in the House. We have touched on the issue of mosques and the role that they play in the United Kingdom. It is important to stress that the 1.5 million people in the UK who go to its 1,300 mosques are law-abiding and peace-loving people, but there are individuals who choose to use the Koran and the words of Islam in their own way. They are the ones whom we need to seek out, in order to understand what they are doing. The community is diverse and there is no leader—no papal figure—who speaks for everyone. Because we have such a free and open society, it allows terrorist groups to operate in the United Kingdom in a way that we have not seen before and we are suffering the consequences. There is now a well trodden path between Britain and the mountains of Pakistan, where they complete their training, before coming back to this country.

We have had no discussion of that. We have gone straight into the detail, without understanding why home-grown Muslims decide to don the jacket and blow themselves up, along with British citizens. Richard Wright, the shoe bomber, was British. Mohammad Sidique Khan—

Madam Deputy Speaker: Order. I remind the hon. Gentleman that we are speaking about the renewal of an order. Perhaps he could direct his remaining remarks to that.

Mr. Ellwood: I am grateful for your guidance, Madam Deputy Speaker.

I asked the Minister about the guidelines given to the police when dealing with extremist literature if it is discovered in UK mosques. He said that powers are given to the police, and that the police issue guidelines to their officers that say that they are not allowed to go into mosques and remove any literature or artefacts. If that is the case, how can we understand what is happening in our mosques?

Another illustration of whether the order is working is the hesitancy with which we dealt with the demonstrations that took place outside the Danish embassy. It took months for any arrests to be made. That suggests that the measure is not working as it should. *[Interruption.]* The Minister says that there were prosecutions. No arrests were made on the day.

I conclude by saying that today's debate is inadequate for the scale of the subject that we are considering—the threat, the sums of money being spent, and the impact on our daily lives. We need to understand the bigger picture and focus on why a British-born Muslim is radicalised to the point of wearing a suicide jacket with the aim of killing British citizens.

3.11 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I have only a few minutes to set out the reasons why my hon. Friends and I will be voting against the renewal order today.

There are three broad reasons for our decision. First, as my hon. Friend the Member for Carshalton and Wallington (Tom Brake) said from the Front Bench, fundamental problems with control orders have not been addressed, which is why there were grave difficulties in getting the House, and certainly those on the Liberal Democrat Benches, to agree to them in the

first place. Secondly, there is the problem of inadequate parliamentary scrutiny. The third reason is the points made in successive reports from the Joint Committee on Human Rights, which were eloquently summarised by the hon. Member for Hendon (Mr. Dismore).

Parliamentary scrutiny is rubbish when it comes to control order renewal—I think that the Minister was on his way to accepting that. There should be more than a one and a half hour debate so that we do not have to rush the points that we wish to make, although I agree that they should be narrowly on the question of control orders and parliamentary scrutiny.

The report of the independent reviewer, upon which so much reassurance was staked by the Government in the original legislation, is available several weeks ahead of a decision that the House takes so that it can be considered by Members, and so that Select Committees—not just the Joint Committee on Human Rights, on which I serve—can consider it, take evidence if necessary and issue a report.

The detailed report from the Joint Committee was produced in rapid order and was published only yesterday. That does not allow enough time for many people to consider it, not least the Minister. There must be a way of ensuring that that report is made available in good time, whoever has responsibility—I accept what the Minister said in respect of this occasion—or at least ensuring that the debate is held a few days later, nearer the deadline. That request was raised previously.

The Joint Committee proposed many amendments to the control order regime. One was in respect of due process and a fair trial. It is not satisfactory for the Government to rely on the House of Lords judgment, reading words into it and making a circular argument—it is bound to be a fair trial because it will be a fair trial. Given the controversy about the detail and the framework of control orders, it is incumbent on Parliament to make clear the requirements for a fair trial, not just in terms of releasing the gist of the case against the controlee, but with respect to other matters. It is not satisfactory for the Government to rely, as they do, on scraping through on majority decisions, reading in words in the House of Lords. They may or may not come to grief in Strasbourg, but it is not satisfactory. That is one of the reasons why my hon. Friends and I will be voting against renewal today.

3.15 pm

Mr. McNulty: As I tried to say at the start of my contribution, I broadly agree that we should have the time to debate in greater depth the Joint Committee on Human Rights and the annual reviewer's reports—and not necessarily just in respect of the narrow point of the renewal of the order. I am happy to take the matter back to the relevant authorities. I am not entirely sure whether it would be appropriate as part of the narrow focus on renewal, but a broader, in-depth discussion of both reports, on the issue of control orders and perhaps more broadly, would be welcome.

Patrick Mercer: Will the Minister iterate his desire for us to have a wider-ranging debate on Government counter-terrorism strategy?

Mr. McNulty: Yes, I will—as I also said earlier. However, that would be a separate debate; the business managers will love me. Three years on, there has not been an in-depth debate about the pros and cons of control orders. To be fair, the renewal of the order on our narrow parliamentary basis, defined by our rules for the hour and a half, will never be that satisfactory, so such a debate would also be appropriate.

I would still welcome a broader debate on counter-terrorism strategy and a debate, here or elsewhere, on prevention—a key aspect that relates in part to the points made by the hon. Member for Bournemouth, East (Mr. Ellwood). His points were probably inappropriate for today, but no matter; some, although not all, of them—I have no time to discuss which—were entirely valid.

Tom Brake: Will the Minister give way?

Mr. McNulty: I will, but only if the hon. Gentleman promises not simply to reiterate last year's speech, which is all he did today.

Tom Brake: I thank the Minister for giving way; I shall not be reiterating last year's speech. He says that he will facilitate the debate that he thinks we should have. Will he also facilitate an opportunity during that debate for a vote on whether two years is the appropriate cut-off point for control orders?

Mr. McNulty: No, I will not; the hon. Gentleman is being rather silly. He asks me to make up policy on the hoof. I cannot facilitate debates; I have said that I shall urge the relevant authorities to afford us those debates on the Floor of the House. I have said that although I take the point that indefinite control orders are certainly inappropriate and probably counter-productive, somewhere around two or three years is the norm.

However, the hon. Gentleman asserts—with confidence, of course, as Liberal Democrats do—that there is absolutely no need for a control order beyond two years. It is not his fault, but he has no idea of the security threat, the risk or the assessment made by professional police officers, the Security Service and the judiciary about the length of a control order in respect of the caveats and conditions put on it. He blithely says that two years is about enough—and, by the way, makes no allowance for exceptions. At least Lord Carlile and the hon. Member for Beaconsfield (Mr. Grieve) had the grace to say that there would be exceptions.

Intuitively and naturally, somewhere around two or three years is the norm. As a matter of policy, unlimited, indefinite control orders are probably not appropriate. As I said this time last year, I hope that with all the other things that we are doing, we are moving towards even further diminution in terms of the number of control orders used.

The hon. Member for Newark (Patrick Mercer) was churlish to say that there has been no progress on intercept as evidence. Given that people far greater than I have been looking at this thing for about 20 years, there has been enormous progress in the past year. We are not simply setting up another review but setting up a cross-party implementation process to go through all the hoops that Chilcot talks about, none of which is straightforward, to see whether we can make further progress.

The same applies to post-charge questioning. As the hon. Member for Beaconsfield will attest, there are already very limited circumstances under the Police

[Mr. McNulty]

and Criminal Evidence Act 1984 where there is scope for post-charge questioning. What we are trying to do in the Counter-Terrorism Bill goes way beyond that. I say again, not blithely, that there must be safeguards in that regard too, and a full look at the law; none the less we have moved in that direction. I hope that, with what we are doing in terms of incitement—the hon. Member for Beaconsfield also referred to that—and other subsequent offences such as acts preparatory, on which people have been convicted, this will all add up to less and less scope for the utilisation of control orders, which everyone in the Chamber agrees are not the most satisfactory mechanism.

Sir John Chilcot, among others, said that intercept as evidence does not obviate the need for control orders. Our contention is that even with, we hope, a diminishing number of such orders, there will still be a narrowly defined grey area where there is sufficient information but not sufficient evidence on individuals to warrant the sort of control—

It being one and half hours after the commencement of proceedings, MADAM DEPUTY SPEAKER *put the Question, pursuant to Standing Order No.16(1) (Proceedings under an Act or on European Union documents).*

Question put:—

The House divided: Ayes 267, Noes 60.

Division No. 090] **[3.21 pm**

AYES

Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gibson, Dr. Ian
Goggins, Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey

Rooney, Mr. Terry
Ruane, Chris
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Dave Watts and Mr. Frank Roy

NOES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Mr. Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Clarke, rh Mr. Kenneth
Corbyn, Jeremy
Davey, Mr. Edward
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Harris, Dr. Evan
Hemming, John
Hoey, Kate
Holmes, Paul
Horwood, Martin
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jones, Lynne
Keetch, Mr. Paul
Kramer, Susan
Laws, Mr. David
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
McGrady, Mr. Eddie
Moore, Mr. Michael
Mulholland, Greg
Oaten, Mr. Mark
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Robertson, Angus
Rowen, Paul
Russell, Bob
Short, rh Clare
Stunell, Andrew
Swinson, Jo
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Younger-Ross, Richard

Tellers for the Noes:
Sir Robert Smith and Mr. Adrian Sanders

Question accordingly agreed to.

Resolved,

That the draft Prevention of Terrorism Act 2005 (Continuance in force of sections 1 to 9) Order 2008, which was laid before this House on 30th January, be approved.

Social Security

3.35 pm

The Minister for Pensions Reform (Mr. Mike O'Brien): I beg to move,

That the draft Social Security Benefits Up-rating Order 2008, which was laid before this House on 23rd January, be approved.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following motion:

That the draft Guaranteed Minimum Pensions Increase Order 2008, which was laid before this House on 23rd January, be approved.

Mr. O'Brien: I am satisfied that the orders are compatible with the European convention on human rights.

This year's uprating adds almost £4 billion to Government spending and reinforces our commitment to build an active welfare state and tackle poverty by helping those most in need. The uprating order will increase most national insurance benefits by the retail prices index, which was 3.9 per cent. in September 2007, and increase most income-related benefits by the Rossi index, which is the retail prices index excluding rent, mortgage interest, council tax and depreciation, which was 2.3 per cent. on the same date. The reason the latter is used is that housing-related costs are dealt with in other benefits.

Mr. David Gauke (South-West Hertfordshire) (Con): I am grateful to the Minister for giving way so early in his speech. He has outlined how benefits will increase by 2.3 or 3.9 per cent. However, the Government say that public sector increases of above 2 per cent. will be inflationary—a bogus argument in my view—so can he explain why the increase in benefits will not also be inflationary? My view is that neither would be inflationary, but could he explain the distinction that the Government have made?

Mr. O'Brien: We have a primary aim of helping the poorest in our society and ensuring that they do not get poorer. They are the people on the lowest incomes. When inflation rises, it is important that we should seek at least to maintain—or, where we can, improve—the situation of the poorest. It is interesting that the hon. Gentleman says that, for him as a Conservative, it does not matter by how much people's pay rises. I suspect that those on his Front Bench will take a different view.

Mr. Gauke: I will not detain the House too long on this, Madam Deputy Speaker, but the reason the Government are refusing to increase public sector pay is that they are running out of money, owing to the state of the public finances. All I am saying is that it is bogus to argue that the reason is to do with inflation. The very fact that the Government are, rightly, prepared to increase benefits in line with the RPI demonstrates that the argument does not work.

Mr. O'Brien: I am afraid that it does not demonstrate that at all. If the hon. Gentleman takes the view that pay rises have no impact on inflation and that inflation does not matter, he is taking us back to

[Mr. Mike O'Brien]

the days of Thatcher, Major and roaring high inflation. That just shows that the Tories have learned nothing in the past 20 years.

Let me return to the orders before us. The Guaranteed Minimum Pensions Increase Order sets out the amount by which contracted-out defined-benefit pension schemes must increase members' guaranteed minimum pensions that accrued between 1988 and 1997. Where the annual increase in the retail prices index exceeds 3 per cent., the guaranteed minimum pensions indexation requirement is capped at that level under primary legislation. This year's order therefore provides for an increase of 3 per cent.

The order provides an extra £2.8 billion to pensioners. This underlines our commitment to today's pensioners. In real terms, the Government have done more for older people than any Government before them. Today, for the first time in a period of sustained economic growth, pensioners are less likely to be living in poverty than the population as a whole. Today's pensioners are, on average, £1,500 a year better off than they were under the last Conservative Government. We have focused on the poorest pensioners, and they are now £2,200 a year better off.

Sir John Butterfill (Bournemouth, West) (Con): I am slightly puzzled by that assertion, because the number of pensioners going bankrupt has more than doubled in the past five years, from just 900 in 2002 to 7,900. How does that fit with the Minister's assertion that pensioners are doing rather better than most?

Mr. O'Brien: The hon. Gentleman will be well aware that the figures that I have just given the House show the increase that pensioners have had. Many pensioners are on very low incomes, but they are not in the position that he has identified. I accept that some people on low incomes go bankrupt; housing and other issues can lead to that happening. However, we are talking about helping the poorest third of pensioners to improve their lot in our society and reducing the level of pensioner poverty in this country. I repeat that the poorest third of pensioners are now £2,200 a year better off. I do not think that there is any real doubt that that is the case.

We are spending £11 billion more this year than if we had merely continued the policies of the previous Conservative Government. As a result, pensioner poverty has reduced by over a third since 1997. That is a real achievement, of which Labour Members can be very proud. However, we must do more. We have been reducing pensioner poverty, and we treat that as a high priority, but our policies need to take more people out of poverty than we have done up to now.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): The Minister is right to highlight the issue of pensioner poverty. One contributory factor is that between 1.1 million and 1.7 million pensioners do not claim the pension credit to which they are entitled. What is the Minister doing to raise the number of people claiming such benefits, given the complexity of the means-tested system that the Government have put in place?

Mr. O'Brien: The hon. Gentleman has raised an important point, and I shall come to that matter in a moment. It is one that has greatly concerned me, and I hope that I shall be able to provide him with some reassurance.

Pension credit ensures that no single pensioner need live on less than £119.05 a week. That [illegible] increase to £124.05 from April. However, I want to ensure that everyone receives the benefits to which they are entitled, which is the point that the hon. Gentleman has just made. Where we can make improvements further to simplify and increase uptake, we will.

In my uprating statement last December, I was able to outline an important package of measures further to simplify the state pension system. These changes will make the system less confusing, less intrusive and more transparent. In particular, they will automate council tax and housing benefit assessments, enabling thousands more pensioners to receive those important benefits with the minimum of fuss. And we will do more.

Yesterday I announced detailed plans to deal with exactly the issue that the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) has raised. We are seeking to increase the uptake of pension credit. We recognise that there are those who, for a variety of reasons, do not claim. Many just do not think that they will be eligible; others do not realise how easy it is to find out about their entitlement. Pensioners can currently claim up to five benefits from one telephone call. The amounts of money involved can be substantial, with average awards of pension credit of around £50 per week.

Chris Ruane (Vale of Clwyd) (Lab) *rose—*

Anne Snelgrove (South Swindon) (Lab) *rose—*

Mr. O'Brien: I will give way in a moment.

We are working jointly with Help the Aged, Age Concern, Citizens Advice and other partners to get this message across: "If you are entitled, this money is rightfully yours and we're here to help you get it." We will target the areas where take-up is low, using intermediaries and local channels and joining up with other organisations to create innovative communications strategies. For example, we are working with the Scottish Executive to extend pilots that will test methods for increasing take-up. In Birmingham, we will send out more than 500,000 targeted mailings and advertise through local radio, GPs' surgeries, libraries and post offices. I will be writing to all Members of Parliament shortly to outline our plans and show how hon. Members can help. This will make pension credit even more accessible and get money to those who are most in need.

Chris Ruane: I am pleased to hear that the Minister will use intermediaries to help with take-up campaigns, but may I ask whether such campaigns will include, in addition to pension credit, attendance allowance, which can make a massive difference to spending power of between £30 and £60 a week? Will attendance allowance be included, and if the Department is working with intermediaries, will financial help be available for them to do that additional work?

Mr. O'Brien: Attendance allowance is not one of the five benefits that we are particularly targeting, but people can be referred to departmental centres where they can get advice and will be able to get attendance allowance. May I add that getting that allowance is now much easier than in the past, and we have sought to improve the speed at which people can get it? When applications need to be made, it is important to get on and make them quickly. Some recent family experience of trying to do that for a relative showed that it can indeed happen pretty quickly—and I do not believe that those involved knew that I was the responsible Minister!

At the request of Age Concern and Help the Aged—they are anxious to work with us in the run-up to October, when some of these changes will occur—we are changing the way in which benefits are accessed. We want to ensure that we get as many people as possible on to pension credit in particular. Up to October this year, pensioners will be able to receive up to one year's backdated pension credit. That can amount to a lot of money for often very poor pensioners and it can help them to improve their standard of living. We have talked to the relevant agencies, which are very happy to work with us, so I shall not offer funding when we already have volunteers happy to do so.

Anne Snelgrove: I commend the Minister on the initiatives that he has just mentioned. He said that he was going to write to MPs, so may I give him an example of how MPs can work proactively with Age Concern? In January, I held a joint advice surgery with one of Age Concern's advice workers, which was specifically targeted on senior citizens. It was extremely helpful to me and to the senior citizens and it enabled Age Concern to reach a different group from the people it usually reaches. We all thought that it was a great success and we intend to repeat it. Would my hon. and learned Friend consider referring to that example in his letter to MPs?

Mr. O'Brien: I find that to be a very good example and I will certainly consider doing so. It sounds like just the sort of initiative that MPs could use to help put more pensioners in a position to deal with problems relating to lack of income.

Mr. Ben Wallace (Lancaster and Wyre) (Con): I am aware that the Government are very keen on targets and the Minister has already said that he is keen to target areas where uptake has been low. Does he have a target in mind for the level of uptake that he is aiming for?

Mr. O'Brien: Our basic aim is to get as many pensioners as we possibly can to take up the rights to which they are entitled. The money is there, so we are able to cover the costs. Getting pensioners to make a telephone call to one of the helplines is basically all it takes: we would like a 100 per cent. take-up if we could get it, but we do not have it at the moment. If we could get pensioners to make those telephone calls, it would be very helpful; people are waiting on the end of the line to receive them. The straight answer to the hon. Gentleman's question is that in that sense there is no specific target percentage; the objective is to get everyone signed up.

The change that I announced last December should help us substantially in that regard. One of the problems we have faced is that pensioners often feel that they do not want to fill in the forms, they do not want other people to know their business or their private information and they perhaps do not like accepting charity. But one thing that pensioners certainly do not like doing is paying council tax. *[Interruption.]* Well, nobody likes paying tax, as Conservative Members are pointing out from a sedentary position. It is probably true that nobody likes paying taxes, but we need to pay them. However, after October we will change how we make available those access points to benefit.

Rather than a pensioner having to make a telephone call, receive a form, sign the form and send it on to the local authority to access some help with council tax, we are aiming to automate all that. The pensioner will make one telephone call and the Department will be able to do all the work. All the Department will then have to do is send a letter to the pensioner saying, "It is done." It will also send a letter to the local authority, or probably an e-mail in this example, saying, "This now has to be put into payment." Some of the various pensioner groups have been asking for that for a long time. It is what I announced last December, and we will bring it into effect in October. That will require evening up some benefits. We will pay for that by reducing the back payment of pension credit as from October to three months rather than a year. We are finding the funding for that, and as a result we hope to lift about 50,000 pensioners who are in poverty out of it.

Anne Main (St. Albans) (Con) *rose—*

Mr. O'Brien: If the hon. Lady will excuse me, I think that there is a queue behind me.

Paul Flynn (Newport, West) (Lab): Does the Minister agree that many pensioners who have never claimed benefits in their life see the pension credit and income support as handouts, and the basic pension as an entitlement? Should we not be working to ensure that the entitlement is increased and that those benefits that are seen as handouts are incorporated into the basic pension?

Mr. O'Brien: I have a lot of sympathy with that position, and if our resources were infinite we would be able to do that. We are trying to move towards the point at which we have to rely less on means-testing, but at the same time our objective has been to help the poorest pensioners first and to remove the scourge of pensioner poverty, remembering that, back in 1997, the poorest pensioners were relying on £69 a week. We have increased that amount substantially, and as from April it is going up to £124, which is a big, important change.

We are lifting pensioners out of poverty, but that has meant means-testing. I share some of the concerns about means-testing that were expressed by my hon. Friend the Member for Newport, West (Paul Flynn), but as resources are limited, it is a way to ensure that

[Mr. Mike O'Brien]

those resources are targeted on the poorest people. With all those caveats, I hope that he accepts that response.

Anne Main: I was interested to hear that, under the automated system, everything will be put in place by one telephone call. I am sure that that is laudable in respect of those who are eligible to claim those benefits, but, given the high profile case of a lady who made 200 telephone calls and swindled £20,000 of child benefit, I would hope that some checks and balances are being put in the system that the Minister has just announced to us, to ensure that people who are claiming those benefits are entitled to do so. Otherwise, if it really takes just one telephone call, we will have another scam in which the fraudster out there—I am not saying that any of my pensioners will be doing this—becomes used to milking the system.

Mr. O'Brien: A few more checks are made, rather than just a telephone call. These days, we do not have to rely on a telephone call to make checks on people. We want to ensure that people are able to provide us with information about their various sources of income. Today, most pensioners rely not just on the basic state pension plus pension credit, but on a number of other sources, such as savings or a second pension, which many people have.

We must take it into account—this is a major part of the work done by the Pension Service—that checks must be carried out on the financial circumstances of individuals. When dealing with millions of people, there are always a few who try to milk the system and defraud it, so it is important that we put in place the appropriate checks. That is what we have done. Indeed, it has been done particularly successfully in recent years as we have targeted those who might seek to defraud the system. What we are doing will build on the hard work of the Pension Service.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): The Minister says that pensioners should make telephone calls themselves, but how about some proactivity? Could the Department not target the category of pensioners in greatest need?

Mr. O'Brien: We are sending mailshots to about half a million people in Birmingham in an attempt to persuade them to take up their entitlements. However, we have experienced problems with the take-up of, in particular, pension credit, although we have written to some of those who we think should be taking it up. Our information, limited as it is, suggests that people living in certain areas may well be on low incomes, but although we have sent them up to four mailshots a year, we are not achieving the take-up we would like, for the reasons that I gave earlier.

The hon. Gentleman suggests by means of signals that telephone calls might be appropriate. We rely on pensioners' telephoning the hotline. Our objective is not to start making what would amount to unsolicited calls to pensioners, and I would be rather cautious about introducing such a procedure.

In 2007-08, to date, there have been over 200,000 successful new applications for pension credit, and we are on track to surpass the target of 235,000 for the year. This year 680,000 home visits to hard-to-reach customers have been conducted through partner organisations, offering pensioners an holistic service that takes account of all their needs, including benefit eligibility. I am confident that our record in combating pensioner poverty is good, and that the measures I have announced will help thousands more pensioners to move out of poverty.

We will also uprate benefits and allowances for the working-age population. The order provides for an extra £630 million for disabled people and carers, and an extra £420 million for those of working age. Child-related allowances paid in the income-related benefits will be increased in parallel with child tax credits. That is intended to ensure that families entitled to such benefits see the full value of increases in the tax credits. Next April, the allowance paid for a child who is dependent on the income-related benefits will increase by £5.14 a week to £52.59, a rise of almost 11 per cent. That shows our commitment to providing financial support for families on low and moderate incomes. Tax credits currently benefit nearly 6 million families and 10 million children.

As in previous years, the uprating provides an opportunity for us to deal with anomalies and make the system simpler. From next April, the single-person rate for income support and jobseeker's allowance will be the same for all 16 to 24-year-olds. For the relatively small number of 16 and 17-year-olds who claim, that amounts to an increase of £12.30, raising their weekly benefit from £35.65 to £47.95. The change will give extra help to a small number of vulnerable teenagers, as well as simplifying the benefit structure.

This year's uprating strengthens our pledge for an active welfare state that gives people an opportunity to return to the labour market and contribute to our society, and provides the security of an essential safety net for those who fall on hard times; but we can never be complacent. Our welfare state must continue to foster independence by giving people the support that they need, not so that they can become dependent but precisely so that they do not. Our goal is a welfare state that gives a hand up rather than a handout, and a way out of worklessness, not worklessness as a way of life. Our goals are ambitious—we want to remove 1 million people from incapacity benefit, and to enable 300,000 more single parents and 1 million more older people to work—but we are building on a platform of strength and stability. We can talk with real confidence about what has been achieved in the last 10 years: more jobs, more skills, more opportunity and less poverty. Since 1997, we have had the longest period of sustained growth in a generation. The number of people in work is at a record level: 29.4 million. Since 1997, the number of people on benefits has fallen by 1 million. The new deal has helped more than 1.7 million people into work.

Chris Ruane: And that is with the minimum wage.

Mr. O'Brien: As my hon. Friend says, that is with a minimum wage in place for those on low incomes. He will remember that under previous Governments

people were paid, quite legally, hourly wages in the region of £1.20. We are now dealing not only with poverty in terms of the welfare state, but with poverty issues where people are in work. *[Interruption.]* The hon. Member for Hemel Hempstead (Mike Penning) says from a sedentary position: "Comrade." Well, I am pleased to see that he has now joined the ranks of other comrades—and it also appears that he has raised his fist.

Mike Penning (Hemel Hempstead) (Con) *rose—*

Mr. O'Brien: I thought the hon. Gentleman might protest. I want to make some progress, but as I mentioned him I shall give way.

Mike Penning: Far be it from me to spoil the Minister's fun, but as he might know, I was a member of a trade union 20 years ago when some of his Back-Bench colleagues were not.

Mr. O'Brien: I am pleased to hear that the hon. Gentleman is a member of a trade union, and by the sound of it, and on the evidence of his apparent fist-waving, he has not lost some of his background, so I suspect that those who sit on his party's Front Bench had better watch their backs. *[Interruption.]*

Madam Deputy Speaker: Order. I ask Members to refrain from making sedentary remarks and to concentrate on—*[Interruption.]* I hasten to add that I did not apportion blame; I merely referred to sedentary remarks.

Mr. O'Brien: Thank you, Madam Deputy Speaker.

We are dealing with some very serious issues. It is right that we exchange pleasantries and conduct our proceedings with good humour, but some of these issues are of great importance for some very poor people in our society, and we must get them right. That is why it is enormously important that the record shows that we have reduced child poverty by 600,000 since 1998. We should be proud of that. Such achievements have helped millions climb out of poverty, and they serve to contrast vividly with the poverty of thinking on the Opposition Benches—and the creation of millions of unemployed under previous Tory Governments.

My commitment today is that we will continue to build on the progress we have made to date, ensuring that we create in this country a welfare state that is rooted in social justice and provides a vital safety net. Those who can work should work, and we must put in place the mechanism to ensure that they do so; but those who genuinely cannot work must be provided with the help and safety net they need.

Anne Snelgrove: My hon. and learned Friend's comments on lone parents going back to work are right, but is it not the case that 12.5 per cent. more lone parents are in work now than in 1997, and that work is the best way of lifting children out of poverty?

Mr. O'Brien: That is absolutely right. It is important that we continue to assist lone parents to move out of poverty and into work and to ensure that their children get a better future. That is one of the Department's key objectives. Our aim of providing help to lone parents has involved putting in a lot of resources, but it has been successful to date and we need to improve further still our ability to help lone parents. We are reducing the age level at which we want lone parents to move into employment, because we want their children to have the benefit of having parents who have jobs and who are able to lift their future—to raise the eyes of their children so that they can see a future of hope and of jobs and of a route out of poverty.

Mr. Gauke: When I looked into this subject last year, we had the lowest rate of lone-parent employment in Europe. Is that still the case?

Mr. O'Brien: Far more lone parents are in employment than was the case when this Government came into office, and we are ensuring that we get more lone parents into work. If the hon. Gentleman were to examine and compare our record with that of the previous Government, he would find that his party—I accept that he was not in Parliament at that stage—has something to be ashamed of whereas our party has something of which to be very proud. We will be even more pleased by the time of the next election because we will have helped even more lone parents into work.

The cost of uprating benefits for next year is nearly £4 billion, more than two thirds of which will go to pensioners. Together with the further measures to increase pension credit take-up that I announced recently, the money represents a substantial further investment in an active welfare state, social justice, reducing poverty and helping those in need. I commend these orders to the House.

4.5 pm

Mr. James Clappison (Hertsmere) (Con): Conservative Members welcome the opportunity to debate a subject of great importance to many of our constituents. We share many of the Minister's general objectives, although we perhaps do not entirely agree with his narrative.

Mr. Mike O'Brien: I must seize the moment, because the hon. Gentleman says that he shares the objectives. Does he share the objective of our child poverty reduction target? Does he have such a target?

Mr. Clappison: The hon. and learned Gentleman is going over ground that we went over during questions on Monday. Of more material significance to this debate is whether the Government believe that they will hit their own target—a long period of silence will follow my saying that. I will come back to that point and give him another chance to intervene. Perhaps he will be able to tell us then whether the Government will hit their own targets.

I do not entirely share the hon. and learned Gentleman's narrative. I am not sure that many of my constituents, particularly those who are saving for a pension, those who are part of a pension scheme or those who are in receipt of a pension would regard their finances with the same immense satisfaction as he seemed to feel about them. I shall say more about that in a moment.

[Mr. Clappison]

Conservatives recognise that today's debate is being held against a background of renewed impetus in the wider debate about how to help our fellow citizens who struggle to get by, particularly our pensioners. I am pleased that the hon. Member for South Swindon (Anne Snelgrove) implicitly paid tribute to the work that Conservatives have done, as did the hon. and learned Gentleman in his remarks about lone parents. I pay tribute to the groundbreaking work of my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) and his social justice commission. We regard this matter as being of the utmost priority. We want to help the workless to get back into work, where possible, and we want to find the best possible ways of enabling people to avoid poverty, including poverty later in life. We recognise the strong connection between worklessness and children growing up in poverty, and that it leads to fewer chances in life for those children.

Anne Snelgrove *rose—*

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op) *rose—*

Mr. Clappison: I shall give way in a moment.

My next line was going to be the answer to a question put in an earlier intervention by my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke), to that answer being that Britain has the highest proportion of children in workless families of anywhere in Europe. If either the hon. Member for Swindon or the hon. Member for West Bromwich, West (Mr. Bailey) wants to deny that, I give them the chance to do so.

Anne Snelgrove: When I became a councillor in Berkshire in 1993, I was concerned about the huge number of people—lone parents with children and others—who were on incapacity benefit in my constituency. Doctors were putting such people on incapacity benefit because the benefits system was so low. The hon. Gentleman's Government tripled the number of people on incapacity benefits between 1979 and 1997—an appalling target was hit.

Madam Deputy Speaker: Order. Before we go too far down this road, I ought to remind hon. Members that this order is about the uprating of benefits, so perhaps remarks will be confined to that.

Mr. Clappison: I was trying to set the scene for the details, and I shall come to those now. There is a provision for uprating incapacity benefits, so the salient answer to point made by the hon. Member for South Swindon is that it is likely, given the Government's wretched record in getting people off long-term incapacity benefit, that many of the people she describes are still on that benefit. That is notwithstanding the fact that, overall—

Anne Snelgrove *rose—*

Mr. Clappison: Perhaps the hon. Lady will contain herself until I come to that part of my speech, bearing in mind your strictures, Madam Deputy Speaker. The Minister pulls a face, but he or one of his colleagues told me in a written answer last year that since 2000 the number of people who have been on incapacity benefit for five years or more has risen by 270,000. That is the problem with long-term incapacity benefit—

Anne Snelgrove *rose—*

Mr. Clappison: I shall give way to the hon. Lady, given that there is an uprating of long-term incapacity benefit and the Minister did not touch on it very much—although I am not surprised about that.

Anne Snelgrove: What is important is what the Government are doing now. I pay tribute to Jobcentre Plus in my constituency, which has signed up more than 100 employers to work with people on incapacity benefit. It is very important to get them off that benefit and the Government are the first to tackle that issue. The hon. Gentleman should recognise that, because his Government did nothing—

Madam Deputy Speaker: Order. I shall repeat my remarks. This debate is about the uprating of social security benefits and pensions, rather than the much wider scope, however interesting and tempting that might be.

Mr. Clappison: I shall now follow your strictures very seriously, Madam Deputy Speaker, and turn to the details of the order.

The Minister mentioned a global figure for the uprating of £4 million. I have to ask about that, given the way in which things have gone missing recently. The Government Actuary's Department reported, on the basis of the draft uprating order, that the estimated increase in benefit payments in 2008-09 is £2,663 million, which is some £2.6 billion, not the £4 billion that the Minister mentioned. I have been guided by a helpful note from the Library. The Minister pulls a face again: if he wants to give me some better information on what the Government Actuary's Department said on the basis of the draft, I should be happy to receive it, as well as an account of the seemingly missing £1.4 billion. I ask because, today especially, it is important to scrutinise every item of Government expenditure, including those that seem to get lost.

Whether measured by the retail prices index or the Rossi index, the indexation reflects greater inflationary pressure. We understand from the details of the explanatory memorandum that the benefits indexed by reference to the RPI will rise by 3.9 per cent., and that benefits subject to the Rossi index—RPI less housing costs—will rise by 2.3 per cent. In order to form a view of the order, it is important to compare that with the position in previous years. The indexation compared to RPI last year was 3.6 per cent., and it was 2.7 per cent. in the year before that. The recipients of those benefits are therefore subject to a rising inflationary pressure.

That rising trend is underlined by last week's bleak economic assessment by the Governor of the Bank of England. The Minister pulls another face at the word "bleak", but I suggest he pay heed to the Governor's warning of a rise in inflation that is likely to be so steep that he will probably have to write another letter to the Chancellor of the Exchequer explaining why inflation has risen so far above its target. We have to bear that

warning in mind because, as a result of those inflationary pressures, families face a genuine reduction in their standard of living, unless we make the necessary provision.

That has implications, of course, for the families who are subject to the uprating in this order. They can be vulnerable to the inflationary pressure described by the Governor of the Bank of England, especially as he specifically highlighted the higher level of energy and food prices, which form a higher proportion of the budgets of families on low incomes and pensioners. It would appear that inflation has now risen to a seven month high with a jump last month and that fuel inflation, in particular, is running at 19.3 per cent., which is the highest since records began to be kept in 1997. That is a very high level for fuel inflation.

Some estimates put the average household bill for gas and electricity close to £1,000. We also see alarming reports about the proportion of pensioner budgets that are spent on those items and on council tax, a subject of concern to many pensioners to which I shall return later. We certainly need to keep that well in mind. It is a source of anxiety for pensioners and those close to retirement. One survey from a reputable source recently showed, perhaps in contrast to the rosy picture painted by the Minister, that inflation movements are the biggest retirement worry for people nearing life after work.

Mr. Bailey: I am listening to the hon. Gentleman with great interest. The issues he raises are obviously of some concern. Will he assure me that his party, in the unlikely event of it being in government, would be certain to guarantee matching this Government's uprating under the proceeds of growth rules? On the basis of his argument, will he assure me that his party would put in extra to allay the concerns he has expressed?

Mr. Clappison: It is always a mistake to give cast-iron assurances in politics. I am pleased that the hon. Gentleman has so much interest in the next Government, and can give him the cast-iron assurance that it is beyond peradventure that I will not be the Chancellor of the Exchequer in the next Conservative Government. I can assure him that ours will be a Government based on sound finance.

Through the order, we are seeing an increase in the council tax benefit received by pensioner households. We welcome any measures that will help pensioners to receive the council tax benefits to which they are entitled. However—the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) touched on this important point—almost 40 per cent. of pensioners who are entitled to council tax benefit do not claim it. Take-up of council tax benefit has fallen by 12 per cent. since 1997, which might interest the hon. Member for West Bromwich, West.

The take-up of housing benefit by pensioners has also fallen. The failure to take up benefits, subject to these orders, will have an impact on the lives of pensioners because seven out of 10 pensioners who are entitled to housing benefit but do not claim it are living in relative poverty. That is part of a wider problem of failure to take up benefits and entitlements among pensioner households. Part of the problem lies in the relationship between pensioners and means-tested benefits. The Minister touched on some of the reasons why pensioners do not take up means-tested benefits. Of course, questions relating to pensioners and means-tested benefits have long been recognised. We all know that many pensioners have a certain attitude towards means-tested benefits. As the hon. Member for Newport, West (Paul Flynn) mentioned, other pensioners find it complicated to claim means-tested benefits.

The Minister talked about the historical picture. As he was pleased to talk about the 1990s, perhaps he will remember the pledge given by our Prime Minister when he became shadow Chancellor of the Exchequer in 1994. He told the Labour party conference that year:

> "I want the next Labour government to achieve what in 50 years of the welfare state has never yet been achieved, the elimination of the massive means testing now imposed on the elderly".

Today, almost half of pensioners—45 per cent.—are subject to means-testing. Whether that is a massive number I shall leave it to others to judge, but it is beyond peradventure that means-testing is very much in evidence in the pension credit system set up by the Government. Once again, there is a serious problem of lack of take-up.

Anne Snelgrove: Does the hon. Gentleman recall that his Government increased VAT on fuel—17.5 per cent. on heating for pensioners? The Labour Government kept our promise to reduce it.

Mr. Clappison: We could go round and round the individual changes and I would soon be out of order, Madam Deputy Speaker. However, I am happy to rest my case on the fact that the Conservative Government left in place a strong pension system—a strong system of pension provision—that was recognised at the time as the envy of Europe.

Anne Main: I am well aware of the fact that some people would rather talk about history than the present day. On low take-up of council tax benefit, I am sure that my hon. Friend agrees that areas such as Hertfordshire, and indeed St. Albans, had such a poor settlement that their council tax will inevitably rise, which will hit the very pensioners who do not claim the benefit and struggle to pay their bills.

Mr. Clappison: Council tax benefit is a salient point in relation to the order. I have to tell the hon. Member for South Swindon that many pensioners are recognising the shortfall in their finances given what they have to pay for fuel and food, as well as the high council tax increases they will have to pay. The situation is difficult for many pensioners and I think she will find that few of them regard their finances with the same degree of satisfaction as Labour Members—*[Interruption.]*

Madam Deputy Speaker: Order—

Anne Snelgrove *rose—*

Mr. Clappison: I do not know which is coming first, Madam Deputy Speaker—the stricture or the intervention. I shall take the intervention and wait to see what happens.

Anne Snelgrove: The hon. Gentleman is generous in giving way, but that is about all. The Labour Government have been more generous to pensioners than any previous Government. Fewer pensioners are living in poverty under Labour than under any previous Tory Government.

Mr. Clappison: I am aware of your strictures, Madam Deputy Speaker, so I shall be brief.

Many pensioners in my constituency and in many others—perhaps even the constituency of the hon. Member for South Swindon—wanted a general election last autumn to test these matters. The sooner the issues can be put to the test, the better. I am sure the hon. Lady wants the same thing.

Lord Commissioner of Her Majesty's Treasury (Mr. Dave Watts): Change the subject.

Mr. Clappison: I shall stay on the subject of pension credit because it is extremely important. I am not sure whether the Minister, in his fairly lengthy opening remarks, outlined the full extent of the problem of pension credit take-up. According to a written parliamentary answer of 19 October 2007, total pension credit take-up in 2005-06 was between only 60 and 69 per cent. by case load, and between 70 and 78 per cent. by expenditure. That meant that between 1.7 million and 1.74 million pensioners entitled to pension credit were not claiming it and that between £1.6 billion and £2.5 billion of pension credit was unclaimed.

Mr. MacNeil: Does the hon. Gentleman recognise the advantageous situation for pensioners in Scotland? Their council tax has been frozen this year thanks to the change from a Labour-Liberal Democrat Executive to an SNP Government.

Madam Deputy Speaker: Order. That is testing my patience and going very far wide of the order.

Mr. Clappison: Perhaps we can discuss that general subject on another occasion.

The important point in respect of the order is that up to 330,000 people were not claiming the guaranteed part of the credit—between 70 and 80 per cent. of the case load. That is extremely serious and we must surmise that many of those people are in a grave financial situation.

On the savings element of pension credit—the Minister pulls a face again; he will pull an even worse one when I tell him this—fewer than half of those entitled to it claim it. If he wants to gainsay that, I am happy for him to do so.

Mr. Mike O'Brien: I hear what the hon. Gentleman says about the pension credit. If he listened to my speech, as I am sure he did, he will know that I have just announced that we are working with Help the Aged and Age Concern to increase the take-up of pension credit. In December, we announced proposals that will lift about 50,000 more pensioners out of poverty and get them registered for pension credit as well as for a series of other benefits.

Mr. Clappison: It gives me no great pleasure to recollect that I was one of those who served on the Committee that considered the State Pension Credit Bill during its passage through the House in 2002. If I had said to Ministers then that six years later their system would be so complicated and that so little of the money would be getting through to pensioners that those Ministers would come back before the House to plead for help from various worthy and important interest groups, and even from Members of Parliament, they would have laughed me out of court. We were told at the time that it was a wonderful system that people would find easy to use.

Chris Ruane *rose—*

Mr. Clappison: I do not know whether the hon. Gentleman debated that Bill and is going to tell me that I am wrong, but I will happily give way to him.

Chris Ruane: Can the hon. Gentleman remind us what the take-up of pension credit was under his party's Government?

Mr. Clappison: As the credit was created in 2002, I think that it is within the wit of the hon. Gentleman to know that it was created by the present Government, as a way of redirecting resources.

Chris Ruane: You did not have it.

Mr. Clappison: Well, the serious problem is that there are 330,000 pensioners who do not have it today, and that is what we should be debating.

I noticed the words that the Minister used in his opening remarks. He said that he wanted to see more people claim pension credit, and that the Government "seek to increase pension credit take-up". The fact is that the Government have missed their target of paying pension credit to 3 million households. They should have hit that target two years ago, but in 2005-06 some 2.65 million households were in receipt of the credit. It is against that background that we should view the statistic that today in Britain, notwithstanding the satisfaction that the hon. Member for Vale of Clwyd (Chris Ruane) and his colleagues feel about the matter, 2 million pensioners live in poverty.

The Conservatives join the Minister in the objective of improving the lives of those pensioners and getting through to them the entitlements that they should receive. The National Audit Office estimates that increasing the take-up of pension credit by 10 per cent. would lift an extra 100,000 pensioners out of poverty, while a similar increase in the rate of take-up of housing and council tax benefits would move 130,000 out of poverty. We share the general objective of moving those pensioners out of poverty—we want to see that happen—but the problem is that the Government's present measures, including the uprating order, will not make it happen.

I remember the Government being warned when they introduced the pension credit that they were relying on a complex system. Indeed, at one point we were told that they seemed to be relying on the assumption that working people would not understand the system, as if they did they would choose not to save. To be fair, the Minister acknowledged today as well as in his statement on 5 December some of the problems with pension credit take-up.

As a general principle, we welcome any help that can be given to pensioners and others who struggle with the complexity of the system. Ministers have very fairly admitted, finally, that pensioners find the forms confusing, and the Government are trying to put in place a different system to help them. With that in mind, how does the Minister propose to monitor the effects of the changes that he described today and on previous occasions, particularly changes relating to the claiming of pension credit? What is his most recent estimate of take-up of pension credit, and what expectations do the Government have on that front? As a matter of interest, to put his good intentions to the test, what estimate of pension credit take-up has the Chancellor of the Exchequer used in his spending plans for the years to come? What is the Government's estimate of pension credit take-up for those purposes?

Chris Ruane: I thank the hon. Gentleman for being so generous in giving way. He has rightly given the Minister a list of questions to answer, but if he is not happy with the way the Government are administering and allocating resources to pension credit, will he say how much additional funding his party would allocate to get it to the level he would be happy with?

Mr. Clappison: I was hoping the hon. Gentleman might throw some light on what the Chancellor of the Exchequer believes the take-up will be. As I said, we believe the system should be as simple as possible. We warned the Government against the complexity that they put in place in 2002, which makes it so difficult for pensioners to claim these credits. We will help pensioners in any way we can, both as individual MPs and as the Opposition, but we will not take the blame for the complex system that the Government put in place, when we warned them against it.

Danny Alexander: The hon. Gentleman is rightly drawing attention to the complexity of the benefits system. It is astonishing, therefore, that the report to which he referred earlier from his party's social justice commission did not make a single proposal about benefit simplification. It simply recommended that the whole issue of benefits should be dealt with in another report. Does he himself have any particular proposal on benefits that should be simplified?

Mr. Clappison: I will happily supply the hon. Gentleman with a copy of our proposals in that regard. He knows that we have had debates on the Floor of the House, we have raised and highlighted the issue on many occasions, and we have been complaining for a long time about the complexity of the benefits system and the hundreds of different forms that pensioners have to fill in.

I turn to another aspect of complexity on which it would be useful to have the most up-to-date statistical summary from the Government—some of the issues relating to the order. We understand that the problems that Government Departments experienced last year in respect of data transfer—I am sure the Minister is familiar with those, as are other hon. Members—apparently led to a review by his Department's Permanent Secretary of how data are transferred. As a result, a temporary suspension of the movement of data was introduced.

That has meant, among other things, that the Department's quarterly statistical summary, which should have been published on 13 February, was not released. There may have been a statistician out there who was prevented from giving his or her ideal Valentine's day gift on 13 February, but we need an up-to-date statistical picture of the work of the Department. Can the Minister say how long the review will last? Can he give us an assurance that the information that was not published on 13 February will eventually be published, and can he give us some indication when that is likely to be?

We know that there are many administrative problems affecting the Government in general and the Department in particular, but we would like to see statistics published as soon as possible, so that we will have an opportunity to monitor some of the aspects about which we have been asked many questions this afternoon by those on the Government Benches.

On the subject of administrative problems in the Department, I would be grateful if the Minister could throw some light on the extent of error in the Department's benefit payments. The benefits uprating order is important in that respect. In a written answer to me on 17 September last year, the Under-Secretary of State for Work and Pensions, the hon. Member for Warwick and Leamington (Mr. Plaskitt), told me that the error in benefit payments had risen from a value of £1.1 million in 2000-01 to £1.9 million in 2005-06. It has risen for every year in that period. Can the Minister give us any more up-to-date figures on that? Can he explain the increase? Can he say how much is because of customer error and how much is down to official error, and what steps are being taken to reduce the loss?

A number of the payments specified in the schedules to the uprating order relate to children as, for example, in the case of payments for dependent children in income support, where there will be an increase from £47.45 to £52.59 each week. We need to see how those and other upratings in the order fit into the overall picture on child poverty. Some 2.8 million children now live in poverty before housing costs are taken into account, and 3.8 million do so after housing costs. It may interest Labour Members to know that the number of children living in poverty is on the increase: in 2006, it rose by 100,000 before housing costs and by 200,000 after housing costs.

Chris Ruane *rose—*

Mr. Clappison: I shall give way to the hon. Gentleman if he accepts that child poverty is on the increase and if he can give us an explanation for that.

Chris Ruane: This is the third time the hon. Gentleman has given way, and I thank him for that.

The hon. Gentleman is critical of what the Government have done about child poverty. May I remind him of the words of the shadow Minister with

[Chris Ruane]

responsibility for family welfare, the hon. Member for Basingstoke (Mrs. Miller)? She said:

"As all speakers have acknowledged, aspects of child poverty have improved significantly."—[*Official Report, Westminster Hall*, 6 March 2007; Vol. 457, c. 416WH.]

Furthermore, the hon. Member for Croydon, Central (Mr. Pelling) said:

"Good work is being done by the Government through Sure Start and other means to bring lone parents into economic activity."—[*Official Report, Westminster Hall*, 6 March 2007; Vol. 457, c. 407WH.]

The party of the hon. Member for Hertsmere (Mr. Clappison) has recognised those things, but he has been very curmudgeonly in his assessment of what we are doing.

Mr. Clappison: I was not being curmudgeonly, but simply citing a salutary statistic that will not be entirely answered by the sort of point just made by the hon. Gentleman. Despite everything that we have been told, child poverty is on the increase and the number rose by 100,000 before housing costs and 200,000 after them.

Mr. Mike O'Brien: Under this Government, child poverty has been reduced by 600,000. As a result of the recent Budget announcements, 300,000 more children are likely to be lifted out of poverty.

Mr. Clappison: The hon. and learned Gentleman knows that the Government keep missing their targets in that regard, and they are not prepared to state that they will meet their targets. It was clear that in the past year, notwithstanding the Government's targets, child poverty has risen. Against that background, we need to see how this uprating fits into the child poverty picture.

As I said, the Government missed their target last year. We apprehend from Monday's Question Time that they are not on track to achieve their target of halving child poverty by 2010. The Minister evinced some interest in the issue in an early intervention on me. Now that he has had time to think about it, can he tell us where the Government are with regard to that target? If they are not going to achieve it by 2010—and we do not think that they are, given the background—when do they believe they will?

Danny Alexander: Will the hon. Gentleman give way?

Mr. Bailey *rose—*

Mr. Clappison: I have been generous in giving way, but I shall give way to the hon. Member for Inverness, Nairn, Badenoch and Strathspey.

Danny Alexander: I am grateful to the hon. Gentleman, who has indeed been generous in giving way. He is making an important point about how the Government are way off meeting their child poverty target. The latest assessments suggest that the target will not be met until a number of decades beyond 2020. I thought the Conservative party was signed up to the objective of abolishing child poverty by 2020. Will the hon. Gentleman confirm that?

Mr. Clappison: We have set out our objectives. The hon. Gentleman has actually been rather kind to the Government; I have been accused of attacking them. He has said that the target will not be met until decades to come, whereas I am simply asking when it will be met. The hon. Gentleman and I share an interest in the response.

Mr. Bailey *rose—*

Mr. Clappison: I have given way a lot, and time is limited—*[Interruption.]* I am being criticised by the hon. Member for Vale of Clwyd, to whom I have given way already. If the hon. Member for West Bromwich, West still has a burning question later, I shall give way then. I want to raise several other important issues arising from the order.

Mr. Bailey *rose—*

Mr. Clappison: I think the hon. Gentleman will be good enough to recognise that I have given way quite a bit, including to him.

I turn now to whether the operating changes relate to people and families living in poverty and severe poverty. According to a paper issued last year by the Institute for Fiscal Studies, relative poverty in the United Kingdom rose in 2005-06—an increase of 400,000 before housing costs and 600,000 after housing costs are taken into account. The institute says:

"The rise in relative poverty is a direct consequence of the relatively low growth in low incomes between 2004-05 and 2005-06."

Will the Minister give us his view on that and tell us where these benefit upratings fit into the general picture? There are important questions about not only relative poverty but severe poverty—that is, people living on 40 per cent. of contemporary median income. Again according to the IFS, the risk of severe poverty increased between the years 1996-97 and 2005-06. Will the Minister tell us where these benefit upratings fit into the picture, and is he prepared to give us any forecast on severe poverty?

Strange as it may seem when one is talking about relative poverty and severe poverty, many of those in receipt of these benefit upratings will be subject to a fairly heavy burden of taxation—or what will be so for them. According to one survey, the poorest fifth of households pay a higher proportion of their income in taxes than any other group. Obviously, quite a lot of that will be accounted for by indirect taxation, but can the Minister give us any idea how many of those in receipt of these upratings are paying direct taxation—that is, income tax or national insurance contributions?

The underlying aim must be, wherever possible, to move people from the benefits system into work and to reduce the number of people subject to the upratings in the order. Let us take one example. Certain parts of the order increase payments to those in receipt of long-term incapacity benefits. I have already given the House the statistics on long-term incapacity benefits, which are striking. More than 55 per cent. of incapacity benefit claimants have been in receipt of incapacity benefits for more than five years and, under this Government, those on incapacity benefit for more

than two years are more likely to die or retire than to get a job. There are also, strangely, several hundred thousand people under the age of 35 claiming incapacity benefit—500,000 altogether, including some who are very young. Will the Minister share with us any views he has on the incidence of long-term incapacity benefit claimants and draw the connection between getting at least some of those people off incapacity benefit and reducing the annual expenditure on benefits?

In considering by how much expenditure on uprating can be reduced in future, will the Minister take into account the evidence that many people in receipt of these benefits, including incapacity benefit and the benefits uprated under the order, want to work and are being let down by the system as currently constructed? In a written reply to me last July, the national statistician told me that more than 2 million of the economically inactive want a job. That figure must include many of those in receipt of the uprated benefits under the order. Taking into account all those on out-of-work benefits, we estimate that nearly 5 million people are on such benefits, including many subject to the order—such as 2.6 million people claiming incapacity benefit, which is being uprated, and 837,000 people on jobseeker's allowance, which is likewise being uprated. Against that rather dismal background, can the Minister give us a sense of where he sees expenditure on these benefits going in future? Does he expect as much to be spent on these benefits in years to come because of the sheer number of people claiming?

I appreciate that the order is an annual exercise, but it is not a model of simplicity, and the explanatory memorandum is not exactly forthcoming. It tells us what is happening in a very broad sense but gives us little insight into the details in respect of individual benefits. For example, how easy is it for a pensioner to find out what effects article 6(10) has on his or her entitlements under the Social Security Contributions and Benefits Act 1992 or the Pension Schemes Act 1993? In an attempt to scrutinise Government proposals such as this, the Social Security Advisory Committee asked the Minister's Department to provide what it called a complexity impact statement. It is salutary to read what the committee—the expert body charged with looking at the social security system and all such uprating orders—says in its most recent report. It says:

> "We noted in our last report that these statements had told us little about either how the Department's guidelines on simplification have been applied in each case or about the impact statements that have been made subsequently. We have found this lack of exposure of the process frustrating and on the basis of the limited information that has been offered to us, we have been unable to judge whether any substantial progress is being made".

In short, these and other measures coming from the Department are too complicated for a complexity impact statement. If that is how the distinguished members of the Social Security Advisory Committee found things, what must they be like for the recipient who wants to find out more about their entitlements under orders such as this? To put it as the committee diplomatically did, there is a substantial barrier to full customer engagement. That is a good description of the way this Government so often operate.

4.46 pm

Paul Flynn (Newport, West) (Lab): This annual uprating debate is not the most striking example of the power of Parliament over the Executive. The order is not amendable, and unfortunately all we can do is take it or leave it. The Lib Dems were unwise to vote against it one year; they were then castigated for being against the increase in pensions. We should consider this situation. We would dearly like to suggest amendments to this order, which I shall come to later.

I and, I suspect, every Labour Member congratulate the Government on their achievements in this area during the past 10 years. I regularly hold public meetings with pensioners and with Age Concern to tell them what is going on and to increase the uptake. I would like to make one plea on uptake. There is real resentment among pensioners about taking handouts, which runs very deeply for certain generations who have worked all their lives and never taken a handout. They see the pension credit and income support as handouts; they accept the entitlement of the basic pension because they have paid for that. That is a serious problem and it is a persistent one. It used to be the case that about an extra half a million people needed to claim income support to bring them up to the minimum income guarantee level, but we now hear that 1.7 million do not claim pension credit.

I appeal to the Minister to find a better way to deal with the issue than the take-up campaign. We have had dozens of those in the past, and none of them has been very successful. Surely there must be some way the Department can delve into the records to identify those who are entitled to pension credit and more income support. It can then write to them and tell them, "There is a very large sum of money to which you are entitled, and it's waiting for you."

Mr. MacNeil: In an intervention, I suggested to the Minister the idea of telephoning certain groups of pensioners, but he was not as enthusiastic about that as he might have been. I wonder whether the hon. Member for Newport, West (Paul Flynn) would support a pilot project of telephoning the most needy pensioners to improve the uptake of these credits.

Paul Flynn: There must be a better way of doing it. I will take part in the campaigns that the Minister will lead. We have the communications alliance now, which gives a chance to publicise the meetings and get pensioners along, but we must find a better way than the simple uprating campaigns that have been only partially successful in the past.

This debate provides a chance to look at many of the defects in the system. We must consider the figures that are not uprated; this is a serious matter. We rightly concentrate on the benefits that will be increased, but some figures are not uprated annually at all. In particular, I refer to the capital limits for entitlement to means-tested benefit. The amount of capital that a pensioner can have without benefit entitlement being affected was fixed at £6,000 in 2001—a great deal more than it was in the past. Seven years later, it remains £6,000.

A constituent of mine, Mr. Cliff Knight, who is a doughty campaigner for pensioners and is a local historian, is finding that the ageing process comes with

[Paul Flynn]

many companions and that he needs many services that he never previously required. The example is interesting and I want to go into detail about it. He was refused a grant to buy a stair lift. The means test for disabled facilities grants is based on the housing benefit rules. Although the weekly needs of a disabled pensioner are assessed at £186.55 for housing benefit purposes, increasing to £194 this April, the figure for calculating entitlement for a disabled facilities grant is £171.40, which was the housing benefit rate for 2005-06. Surprisingly, that makes a huge difference. The failure to increase the sum since 2005-06 makes a difference of £8,812 in the amount of grant payable. That is staggering. It means that many people, who are entirely deserving of the grants, are floated off them by the failure to uprate the amount in line with inflation. We must examine that—a large cohort of pensioners has been badly dealt with because of that problem.

There is plenty of good news from the Government. It has been gratifying to be a Labour Member in a successful period for pensions. Last year's Pensions Act embodied two fundamental and welcome changes to entitlement to the basic state pension. First, the earnings link, which was severed in 1980, is to be restored so pensions will increase, as they did before then, at least in line with the increase in average earnings.

The second welcome change especially affects women. The number of years of contributions that is needed to qualify for the full rate of pension is currently 44 for men and 39 for women. That will now be reduced to 30 years for both sexes, thus putting right an old injustice.

However, the order reflects neither benefit because the change in the contribution conditions will not come into force until April 2010 and the earnings link will not be restored until at least 2012 and possibly not until 2014. In both cases, the delay is hard to defend, especially given the surplus in the national insurance fund. If current trends continue, we will be in the extraordinary position whereby the surplus in the national insurance fund will be enough by 2013 to fund a Northern Rock rescue, should such a calamity recur.

For many years, I used to get up early to table early-day motion 1, asking for the restoration of the earnings link. If we had restored it in 1997, it would have been affordable because the subsequent increases in inflation have been low. That should have happened—it would have been a great advantage to us.

Breaking the earnings link had a dramatic effect on the basic pension. Most of the damage was done under the Tories. The basic pension fell from 23.7 per cent. of average earnings in 1981 to 17 per cent. in 1997. That is sad, bearing in mind my comments about the value of the basic pension as something to which people feel they are entitled and are proud to take. Take-up is virtually universal. Sadly, the process has continued, with a further drop under the present Government from 17 to about 15.4 per cent. The valued pension is therefore being reduced all the time, thus increasing the amount people have to claim.

Single pensioners are now about £47 a week worse off than they would be if the link had never been broken. That is a large sum of money. Everyone—including all the Opposition parties, I believe—agrees that the link must now be restored. Do people understand what it means? Everyone, especially those on small incomes, fears that their income will not keep up with inflation. They are going to find themselves with a reducing power to spend. They want the link as it gives a great deal of security, and if it is not there they rightly object. The link is justified and will be hugely popular for the party that introduces it. However, pensioner organisations do not understand why they have to wait at least another four years until they have it. By 2012, the pension will be 14 per cent. of average earnings, and each year's delay beyond that date will reduce it still further.

It is not just today's pensioners who will suffer from the delay; it will also mean a permanent reduction in the value of the pension as a proportion of average earnings for generations to come and a permanent increase in the proportion of pensioners forced to rely on means-tested benefit. At the very least, the Government should now give a definite commitment to restore the link by 2012, leaving open the possibility of earlier action.

On contribution conditions, the second fundamental change embodied in the Pensions Act 2007 was the reduction in the number of years of contributions required for women eventually to qualify for a full or nearly full basic state pension. Those who stand to benefit most are those who, wisely or not, chose to pay the reduced married woman's contribution and those who paid full contributions when they could but had substantial gaps in their contribution records for the years when they were bringing up children or caring for disabled members of their family.

However, until 1978 the years devoted to child care or other family responsibilities did not count towards the state pension. Barbara Castle introduced the home responsibilities protection, or HRP, the effect of which was that those years were to be left out of the pension calculation. That meant that a woman with, say, a 10-year gap in her contributions record during which she was caring for children or a disabled relative could still qualify for a full pension—an act that we all accepted as absolutely right. However, HRP did not start until 1978 and did not apply retrospectively. There are therefore still a large number of women over pension age whose child-rearing years occurred at least in part before 1978 and who still receive reduced pensions as a result.

To their credit, the Government have recognised that. The May 2006 pensions White Paper said:

> "Women's pension entitlements are, on average, catching up with men's. But there remains a critical cohort of women over the age of about 45 now who did not fully benefit from HRP. They have significantly poorer contribution records—despite the fact that most of them will have made important and valuable contributions to society."

The admirable solution proposed in the White Paper and embodied in last year's Act was to reduce the number of contribution years needed for a full pension, but only for those reaching pension age in 2020 or later. However, most in the critical cohort referred to in the White Paper are already over pension age now. It is the older women who are worst affected, because more of their child-rearing days occurred before 1978, when HRP started.

A woman now aged 80 would have been 50 in 1978, so would probably derive little or no benefit from HRP, and will almost certainly receive a reduced pension as a result, yet the new and more generous rules will not apply to her. Moreover, it is plainly unfair that a woman born on 5 April 1950, and now aged 57, should receive a much smaller pension in April 2010 than a woman with the same contribution record who was born a day later. However, that is the effect of the change in the contribution conditions as it stands now.

As April 2010 approaches, people will become increasingly aware of the cliff edge that we will face at that time. It is difficult to believe that the Government will not be compelled by public opinion and the deep sense of injustice that will be felt to backdate the change, so that existing as well as future pensioners benefit from it. I urge the Minister and the Government to make a decision, rather than leaving it to the last moment, so that women already receiving reduced pensions can at least look forward to a better pension from 2010 onwards.

The national insurance fund is a fascinating subject with which I have bombarded Pensions Ministers in a number of Governments for rather a long time.

Mr. MacNeil: I have been listening with interest to the hon. Gentleman. Is he talking about a citizens pension—an automatic entitlement for each and every citizen of pensionable age?

Paul Flynn: That would be a fine objective to aim for.

As the Minister said earlier, the Government have—for good, persuasive reasons—concentrated on those whom they perceive to be the poorest pensioners. The great problem is, however, that the people on whom they have concentrated are not the poorest pensioners. The poorest pensioners are not those who are claiming pension credit and income support to bring them up to at least the minimum income guarantee; the poorest pensioners of all are those who are not claiming the allowances to which they are entitled. They are the ones who need to be targeted now. We should be aiming to provide a universal benefit that is as popular as child benefit—which is taken up by 99 per cent. of those who are eligible—and has no stigma attached to it. Sadly, however, we are not getting nearer to achieving that goal; we are getting further away.

Any proposals for increases in benefits must take account of their affordability, as the Minister has rightly said. The cost of pensions and other contributory benefits falls on the national insurance scheme, and the Government Actuary's report shows that, once again, the fund is in extremely good shape. It is expected to end this financial year with a balance of £46 billion. Because the fund has no borrowing powers, the Government Actuary recommends that the year-end balance should be enough to meet two months' expenditure, but £46 billion is enough to meet eight months' expenditure. By the end of next year, the balance is expected to reach £57 billion, which will be enough to cover nearly 10 months' expenditure. The fund has been accumulating ever-increasing balances over the past 15 years, and this is set to continue. The Government Actuary's projection shows the balance trebling by 2013 to £115 billion, the equivalent of more than 16 months' expenditure. The process has continued under this Government. We started off with a balance of £500 million, and the amount has simply accumulated.

It is often suggested by campaigning bodies such as the splendid National Pensioners Convention that, instead of building up these massive surpluses, the money should be used to meet part of the cost of an improvement in the state pension. That is a very persuasive argument. There is a standard response, which I have seen in numerous letters from Ministers over the years. They say:

> "The National Insurance Fund is run on a pay-as-you-go basis. When there is a surplus, it is invested in gilts. If the surplus was used to increase benefits, the Government would need to raise the equivalent through other means such as raising taxes."

That is a key revelation. In other words, the Government are deliberately collecting more money in national insurance contributions than is needed to pay benefits, and using the surplus for purposes which, however worthy they might be, have nothing to do with national insurance.

This is a genuine stealth tax. I am sorry to have to use that term, as it has been vastly overused, and misused, by the Opposition. In the short term, this might be a convenient arrangement for the Government, but in the longer term, it can only undermine confidence in the whole national insurance system. Moreover, if national insurance contributions are regarded as just another form of taxation, the Government are open to the serious objection that the rich do not pay their fair share. They pay only 1 per cent. of their earnings over £670 a week, compared with the standard employee's contribution of 11 per cent.

Personally, I pay nil per cent., because I am in the position, having passed retirement age, of not having to pay national insurance contributions. I have raised this matter with Chancellors in the past, and I would suggest to the Minister that, if the Government are looking for a way of raising money fairly painlessly, they could ask people who work after retirement age to continue to pay national insurance contributions. They can certainly afford to pay them, and there would be a great deal of justice if those fortunate enough to work after retirement age did so. That would raise £2 billion, and I believe that that is what should happen. At the moment, however, we have a situation that is leading to serious injustices in the system.

I come back to the fact that I look forward to saying with pride at the next election what a marvellous job the Government have done over the last 10 years. As the motto of one of the schools in my constituency says, "Nid da lle gellir gwell"—there is no good that cannot be improved upon. We have yet to reach perfection in the system, so I hope that the Minister will take account of what have hopefully been my many constructive suggestions.

5.5 pm

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): It is a great pleasure to follow the hon. Member for Newport, West (Paul Flynn), who made a number of important points. The process for debating benefit upratings simply does not allow us to

[Danny Alexander]

have a proper discussion of the adequacy or otherwise of benefits, to which the hon. Gentleman referred. It is important to improve parliamentary scrutiny so that we can properly address that issue, perhaps once every Parliament, and ensure that we do not lose sight of the genuine problems caused by the inadequacy of some of the benefits, as highlighted by the hon. Gentleman.

Liberal Democrat Members welcome the uprating statement. As the Minister said, it is a matter of great importance to every constituency that an additional sum in excess of £4 billion will be put into the benefits system as a result of the uprating. However, in common with the hon. Member for Hertsmere (Mr. Clappison), as I listened to the Minister's opening remarks about the wider context, I felt that his analysis revealed a degree of complacency. The Minister was quite right to point to some improvements, but in view of the poverty statistics when the Conservatives left office and how bad the situation was then, we should regard some improvement as a bare minimum. Although there have been certain improvements, the situation is not as good as the Minister set out. In the interests of having an objective debate, it is also important to recognise where there is a desperate need for improvement. Nowhere is that more obvious than from a study of the poverty statistics, particularly those for child poverty, which is greatly affected by the benefits system.

We talk a lot about child poverty and pensioner poverty, but we do not give much air time to poverty among people of working age, which is a serious problem. How adequate the relevant benefits are in relieving that poverty is a genuinely important issue. Similarly, the Minister cited, as Ministers often do, the improved statistics on the numbers of people in employment, but what he did not say is that even with those increases, it is still the case that today's employment rate is no higher than it was at the peak of the last economic cycle in 1990. For all the improvements in employment levels highlighted by the Minister, and the consequent reduction in the number of people on benefit, there is a still a huge way to go if we are to meet the target of increasing the employment rate to 80 per cent., for example.

The need to go further is particularly true in respect of some of the groups to which the uprating statement applies. I refer specifically to the number of people on incapacity benefit, which has remained stubbornly high—2.7 million when the Government came to office and about 2.6 million now. Despite that small drop in claimants, one of the greatest failures of welfare reform is the fact that we still have more than 2.5 million people in receipt of incapacity benefit despite all the evidence that a very large proportion of them would like to be able to work, if only the help and support were available to assist them in doing so. Likewise, the number of children living in workless households has remained stubbornly high—another matter to which I shall return.

Let me make some general points about the uprating statement. The first issue that needs to be highlighted is the complexity of the benefit system. Complexity is often pinpointed as an issue in the abstract sense, but it is also a very real and direct issue because the system's complexities have a direct effect on people's ability to get back into work. People often cannot judge whether they will be better off in work, and in some cases they may well not be. In going through the detail of the uprating statement, as I am sure hon. Members have, we find that more than 400 different rates, tapers, allowances and premiums are being either uprated or, in some cases, not uprated. In fact, to describe the statement as uprating is slightly misleading. In reality, it is a non-uprating statement, because more than 100 of those rates, tapers, allowances and premiums are not being uprated. Many have not been uprated for some years. In a welfare system in which people, depending on their needs and conditions, face about 450 different benefit options, it is little wonder that some find that system highly complex.

Ours has been described as the most complicated welfare system in the world, and it is hard for many of our constituents to navigate their way around it. While I welcome the improvements that the Government are making in relation to pensioners being able to make one phone call to claim several benefits—the Minister referred to those—many people who are not pensioners have needs that are just as great and find the system almost impossible to navigate. I hope that the Government take more cognisance of the importance of the issue of complexity and do more to simplify the benefits system.

I put one proposal on the table, which Ministers have previously welcomed in general terms, as did the recent Freud review—the introduction of a single working age benefit. That significant simplification would make the landscape for people of working age much easier to understand and it would promote people getting back into work. Good intentions have been expressed on the issue from time to time, not least by the new Secretary of State during Question Time on Monday, but I hope that the Minister will say that we can achieve some progress in investigating it. I think that would bring great benefit to this country.

Likewise, in considering the range of different items that we are uprating today, it is important to realise that part of the complexity is created by the means-tested nature of those benefits. That is particularly true in relation to pensioners. I shall return to that matter.

The next general issue is one that the hon. Member for Newport, West highlighted. In some cases, the benefits that we are uprating are inadequate to meet the tasks that we set for them, and that is expressed nowhere more clearly than in the poverty statistics. The hon. Member for Hertsmere highlighted from the Conservative Front Bench the problems that we have with many of the poverty figures, such as the recent rises in child poverty and the recent rises in poverty among people of working age. The Minister made the point that things have got better since 1997. That is true, but the more recent statistics suggest that there has been a change in that trend. We await the next set of figures to see whether that is continued, but none of us should be complacent about it.

That applies, too, in the context of the rising inequality in British society. Let us consider the recent statistics on that front. The Gini coefficient, which is the recognised measure of inequality, is rising again.

The Gini coefficient in the most recent year for which figures are available is the same as it was when the Government took office, so inequality is also a huge factor here. The latest figures suggest that child poverty is going up, and those for 2005-06 were 500,000 higher than the Government would have needed to meet their target for the previous year.

It is right to debate the question of child poverty: the targets are to halve child poverty by 2010 and to abolish it by 2020, but a great deal more needs to be done if those targets are to be met. I am happy to reiterate—I note that the hon. Member for Hertsmere did not explicitly do this—my party's commitment to the goal of ending child poverty by 2020. I had hoped that that was a matter of cross-party agreement.

The Government are way off beam in terms of meeting their targets, so I hope that the Minister is listening to these points and will take them back to his colleagues. Those targets are important and I hope that Members in all parts of the House share in that.

It is interesting to note that the Department's Harker review highlighted the fact that the important area to focus on in tackling child poverty is the impact on families—often two-parent families in which no one is working and people who might be receiving many of the benefits that we are dealing with today. There has been little progress on that front.

I think that in addition to our annual debates on uprating orders which, as has been pointed out, are not amendable, there should be a process allowing more general questions about the adequacy of the benefits system to be reviewed, perhaps once in each Parliament. There could perhaps be an independent review leading to a parliamentary debate. The Minister will say that there are enormous financial implications, and that is true, but none the less we need an opportunity to discuss those broader questions.

Much of what the Government are doing with the benefits system is rightly intended to get more people off benefits and into work. We share the objective, but it must be said that "mixed messages" does not begin to describe the range of signals that have been sent to people on benefit over the past few weeks in the pronouncements of various Ministers. On the one hand, it seems that people in social housing will have their houses taken away from them by the Housing Minister if they do not comply with the Government's requirements. On the other, what the Prime Minister has said suggests that additional sums are likely to be payable to those who try to find their way into work. Most recently, it has been proposed that people should be obliged to work for four weeks when they have been on benefit for two years.

None of that has been mentioned today, but it suggests that, after 10 years of no success on the broader issues of welfare reform, the Government are anxious to give the public the impression that they are tough on those issues. I think their record shows that they should make much more effort to invest in the support that is needed to take people off benefits and return them to work. The macho talk that we are hearing is not particularly helpful, although I recognise that the benefits system should contain a degree of conditionality to deal with those who choose not to comply.

We need to understand the methods by which benefits are delivered to claimants, and to determine whether those methods are adequate. The Minister referred to take-up. I welcome some of the improvements that he has introduced, such as the telephone support available to those of pensionable age who want a wider assessment of all the benefits that they can claim, but it is notable that the trend in Government has been towards delivering services over the telephone and away from face-to-face contact. It may be difficult, if not impossible, to deal with many claimants over the telephone—particularly the most vulnerable, who will be claiming many of the benefits that we are discussing.

The social fund commissioner's annual report, with which Members will be familiar, deals specifically with the delivery of social fund support over the telephone. Seven call centres were examined, and although one proved to be relatively successful—one call in five was answered—astonishingly, only seven calls in 400 were answered overall. If we want benefits to reach the people who claim them, that certainly needs to be improved. The Minister spoke of his wish to pursue pilots on take-up. I am sure that he has some good ideas, but I note in passing that although the Department paid for a couple of extra staff members for Highland council in my constituency to facilitate take-up, it withdrew the funding this year. Even that fairly small-scale assistance in one part of the country has now been removed.

The Government still have not told us whether they intend to replace the Post Office card account, which many claimants use to collect their benefits, with a product delivered by the Post Office. I hope that that will be clarified shortly. I also observe an uncomfortable straw in the wind: the Government have not provided for the new local housing allowance, which replaces housing benefit, to be collected through a post office card account.

The hon. Member for Hertsmere rightly draw attention to the amount of fraud and error in the benefits system. The Government have made progress in reducing fraud, but at the expense of a significant increase in both official and customer error. I would link the customer error directly to the complexity of the system.

One of the specific benefits we are dealing with today is the winter fuel payment. Outrageously, it is not being uprated. In 2003, its value was £200, as it still is in 2008.

Mr. Mike O'Brien: I appreciate that the winter fuel payment is a legitimate matter of comment in the debate, but it is usually dealt with at the time of the Budget.

Danny Alexander: I am grateful to the Minister, particularly if he is hinting that the next Budget might include changes to that payment. Many pensioners would appreciate that, as in 2003 the payment met 50 per cent. of the Government's estimate of the average fuel bill, but in 2008 that proportion has fallen to only 27 per cent. I hope that all Members will welcome the campaign launched today by the *Daily Mirror*.

Mr. Deputy Speaker (Sir Michael Lord): Order. The hon. Gentleman should confine his remarks to the orders before the House. He is now straying wide of the mark.

Danny Alexander: I am grateful for your guidance, Mr. Deputy Speaker. I was simply trying to highlight that the winter fuel payment is an important issue for pensioners, who are also in receipt of many of the other benefits that we are discussing today.

It is important that we work to get extra income to pensioners across the board. As has been said, the basic state pension should be uprated in line with earnings. The importance of that is highlighted by the fact that many of the costs that pensioners face—not least energy costs—are increasing dramatically. The fact that we have seen again today scandalous and excessive energy company price rises, which pensioners will pay out of their pension credit, their basic state pension and their winter fuel payment, makes the point—which I hope the Minister is taking on board—that the Government must reconsider the current amount of the winter fuel payment.

As has been said, pensioner poverty is an important issue. It would be churlish not to recognise that, over the past 10 years, there have been improvements in terms of tackling it, yet the take-up of benefits is still a major problem. The Government have introduced the pension credit, a means-tested system, to top up the basic state pension, but up to 1.7 million pensioners do not claim the pension credit to which they are entitled. Likewise, many pensioners are entitled to council tax benefit, which is also dealt with in the orders before us today. In the past 10 years, that benefit has increased by 87 per cent. yet it is claimed by only 53 per cent. of pensioners who are entitled to it.

Today's uprating statement is a huge missed opportunity in terms of pensioner poverty in that it fails once again to announce the uprating of pensions in line with earnings. During the passage of the Pensions Act 2007, we argued that that should be introduced this year. It has not been. The Government have still not even said when they intend to do so; it might be in 2012, or it might not be until as late as 2015. As the hon. Member for Newport, West rightly observed, that means that the value of the basic state pension will fall still further behind average earnings. I have made the point before that that amounts to a serious erosion of pensioner incomes, particularly for those who do not claim pension credit because it is complex or because they find means-testing intrusive. Those are understandable reasons.

We should move towards having a much higher basic state pension. The objective should be a citizen's pension, so that every pensioner has, on the basis of residency, a basic state pension that keeps them out of poverty. That is, I believe, an obligation of the state, and the citizen's pension is the means to deliver it in such a way that we can ensure that it goes to every pensioner who needs that money.

It is also worth noting that the uprating of pensions applies only to some pensioners. It applies to pensioners in this country, of course, and to some British pensioners who have moved abroad, but it does not apply to many British pensioners who have moved abroad to live in certain countries, such as Canada, Australia and New Zealand. There is a genuine injustice in that, which the Government have recognised in previous debates but have done nothing to address. Again, the Minister needs to examine that issue.

We are dealing with a number of benefits, rates and so on relating directly to children. Worryingly, it is looking ever more difficult for the Government to meet their child poverty targets, because child poverty rose in the last year for which we have figures. That is appalling, particularly given that poverty has been entrenched in many families for generation after generation. I would like child benefit to be used much more directly to address that problem; indeed, we have put forward proposals for increasing child benefit so that more families with children can be helped out of poverty.

As for the tax credits system, although that system has benefited many families, it is equally true that 40 per cent. of families claiming tax credits have received overpayments or underpayments and a great deal of hardship has been caused, particularly by the overpayments. About 2 million families were overpaid tax credits in the last year for which we have figures, creating a financial rollercoaster and costs, and in many cases causing hardship. The system is supposed to help people in work who need their income supplemented to get them out of poverty. That is why moving to a system of fixed awards is the right way to go, as opposed to the present fluctuating system. I hope that the Minister will pass on my comments to his Treasury colleagues, who are responsible for the tax credits system although we are dealing with its uprating today, so that a degree of stability, which is vital for so many families, can be introduced into it.

Today's uprating statement does little to address the high marginal deduction rates that many people still face. Although the number of people who, when they get into work, face marginal deduction rates equivalent to tax rates of more than 100 or 90 per cent. has been reduced, a substantial body of people in the middle face marginal deduction rates ranging from 60 to 80 per cent. That is unacceptable. If the Minister were to say that he wished to introduce an income tax rate for higher earners of 60, 70 or 80 per cent., there would rightly be howls of protest. When the tax credits system interacts with the benefits system—housing benefit, council tax benefit and so on—and people keep only 10, 15 or 20p of every extra pound they earn, that system should be seen as no more acceptable for people on low incomes than higher-rate income tax would be for people on high incomes.

One further pressing issue is missing from this statement, namely the way in which housing benefit works, particularly for young people under 25 who still face the scandalous single room rate. That rate means that people below that age receive a lower level of housing benefit. That causes hardship and difficulties, not least for young people starting out in life who have left home or who are trying to get out of care. It is important that the Government do not lose sight of that problem. Ministers have been repeatedly pressed to drop the single room rate, which children's organisations, anti-poverty organisations and housing organisations, such as Shelter, protest against. If the

Government are serious about dealing with poverty among young people, they must directly address that issue.

I obviously welcome the overall uprating of benefits. However, there are serious problems in our welfare system relating to adequacy, complexity and the incentives for people to get back into work—those incentives must be a crucial part of the welfare system. The Government have a very long way to go before they can claim to have met the aspirations that the Minister set out in his opening speech.

5.29 pm

Sir John Butterfill (Bournemouth, West) (Con): May I point out that I am the first Opposition Back Bencher to be able to speak in this debate? Only one other Labour Back Bencher has spoken, and nearly all the time for Back Benchers has gone, if we want to hear the Minister wind up, which I am sure we all do. I shall, therefore be very brief.

The issue of the guaranteed minimum pensions and their uprating has hardly been mentioned. A great opportunity has been lost in recent pensions legislation to get rid of guaranteed minimum pensions altogether. They could have been taken out of the system if some creative thinking had been applied. As it is, they cost a lot of money in administration for those few employers who still have defined-benefit schemes and add an enormous amount to the cost. The failure to uprate them fully in line with RPI—the capping procedure—means that a further burden rests on the employers, and that is not what was originally intended. A thorough review of the way in which GMP works is long overdue.

There are other problems relating to the administration. For example, many schemes have found that the information coming from HM Revenue and Customs and the National Insurance Contributions Office has been either misleading or incorrect. That again causes problems for the employers who are running the schemes. It is an urgent problem that needs to be addressed.

At the moment we have a surplus of indices, which appears almost designed to confuse the general public who are entitled to benefits. We have RPI, the RPI minus X, the consumer prices index and the Rossi index, which is lower than all the others. Most people cannot understand them. Why is it that those who seek income-related benefits, such as jobseeker's allowance, housing benefit and income support, should be discriminated against by the use of the Rossi index, which is lower than all the other indices? Does the Minister think that jobseekers do not have to pay rent, mortgage interest or council tax? Why are those items omitted from the index, when those people often have to pay them?

Mr. Mike O'Brien *rose—*

Sir John Butterfill: I shall not give way to the Minister—he can reply when he winds up shortly—because many of my hon. Friends also wish to speak.

It is bizarre that those who are most in need, who have lost their jobs or have not been able to get jobs, are subject to the lowest index. The Government have deliberately muddied the water with a plethora of indices designed to mislead the general public at a time when they need better and clearer information.

5.33 pm

Anne Main (St. Albans) (Con): I thank my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) for being brief, because many of us have something to say about the uprating.

We all agree that benefits are supposed to support those in need and ensure a decent standard of living for those whose income falls short, but they were never meant to be a lifestyle choice or a refuge for scroungers or fraudsters. Unfortunately, as the hon. Member for Newport, West (Paul Flynn) said, many of those who do not claim benefits are those in the greatest need, so benefits are not going where they are supposed to go.

While we need to get rid of some of the flagrant abuses in the system, we also need the shake-up of the system that the Minister mentioned to ensure that genuine claimants do not lose out to benefit cheats. The Government know that they have to get a grip on the issue, because taxpayers too often read in the media about high profile cases of people making multiple fraudulent claims and seeing this country as a soft touch. Benefit fraud was nearly three and a half times as high in 2004 as it was in 1999, and was the second most commonly committed fraud offence in England and Wales after obtaining property by deception. The estimated loss to the Department for Work and Pensions in that period was just under £1 billion.

The uprating is fine, but not if all it does is provide more for fraudsters to target. As the judge said in the case I mentioned earlier, it was disturbing that alarm bells had not rung earlier. We need a better communication system not only to get benefits to where they are supposed to go, but to ensure that we are not losing out to fraudulent claimants who see us as a soft touch with few checks and balances in the system.

I am also surprised that it has not been mentioned that today's uprating of benefits will also affect some EU claimants who have come into the country and claimed for children who do not live here. Many of my colleagues and people in the street find that somewhat bizarre. I look forward to the Minister's explanation of whether we can put in place any measures to crack down on fraud and to ensure that only genuine payments are made through the system as regards any benefits that are paid outside our country's shores. I have serious concerns that if the level of fraud in our country is not being cracked down on, the level of fraud outside this country might be even more enormous. I find it worrying that we are not putting in place the same checks as we are putting in place in this country when it comes to dealing with some 14,000 migrants who claim child benefit for children who do not live in this state, costing our taxpayers at least £250,000. That is a worrying situation.

Another issue that was not raised too frequently in the debate is fuel poverty. We have heard about the winter fuel payment, but that goes to the elderly and to pensioners. Fuel poverty affects many of my constituents—I have referred to this before—and 16 per cent. of homes in St. Albans find themselves in fuel poverty. Many of those families receive multiple benefits, so they will welcome the uprating. It is very worrying that the Government are missing their fuel poverty target. I know that the Energy Bill is in Committee, but we need to put in place better systems to ensure social tariffs and

[Anne Main]

to direct benefits to alleviate fuel poverty for those families who suffer from it. Of course, many of those families have children, too.

Part of the problem has been communication about how benefits are claimed. I tried to introduce a private Member's Bill not long after I came to the House to try to encourage people to take up benefits on behalf of those who are terminally ill. Indeed, the uptake of that benefit—the disability living allowance—is still woefully poor. I was assured that communication from the Government would improve. Unfortunately, I have not seen that improvement. I welcome the warm words about encouraging pensioners through a phone call or through other means to take up pensioner benefits, but I have heard the same encouraging words before about people who are diagnosed as terminally ill and are unaware of the benefits that they are entitled to claim. I hope that the Government will take on board the fact that people who need benefits at various stages in their life—particularly towards the end of their life—need clarity and simplicity in the system so that they get the benefits to which they are entitled. I do not feel that there has been any movement on that, and that is a shame.

In St. Albans, we have seen a rather good report about targeting people in order to stop fraud. Yet again, we fell down on the subject of communication about how to access benefits. That was also highlighted in a report by the Public Accounts Committee.

The uprating of benefits is extremely welcome in the case of those families who are truly deserving. I do not welcome the fact that fraudsters see the uprating as an extra few pounds in their pocket, nor the fact that they will not be stopped from claiming fraudulently. As the hon. Member for Newport, West said, we will not welcome it if the benefits are uprated and then sit idle and unclaimed by those who truly deserve to claim them. The Minister should put on his thinking cap and ensure that the benefits are not only uprated but made truly available to those who deserve to claim them.

5.39 pm

Mr. Charles Walker (Broxbourne) (Con): I am grateful to be called to speak in this lively debate. I am delighted that I am the fourth Back Bencher to have the chance to say my piece.

I agree with my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) about the use of various indexes. We in the House find them very confusing indeed and we are meant to be the professionals. I know for certain that my constituents are completely baffled by the difference between the consumer prices index, the retail prices index and Rossi, which my hon. Friend mentioned—they probably think that Rossi is an Italian football player. We owe it to the public to be transparent when we talk about inflation. I do not think it is beyond the wit of man for the great brains in this place and the civil service to come up with just one index that accurately reflects the cost of living.

I want to touch on the subject of pensioners. I am delighted that they will have a much-needed increase in their pension, because they are often the people with the least disposable income and, indeed, the smallest income. However, I do not share the Government's enthusiasm for what has been achieved over the past 10 years. In my constituency, like many others, pensioners struggle hard to make ends meet. Council tax seems to go up by about 5 per cent. year on year, and much of the increase is because councils have to deliver central Government initiatives that are either underfunded or completely unfunded. The cost of fuel for pensioners is going up at an extremely high rate, which is not adequately reflected in the allowances they receive to pay for their fuel, particularly in the winter months.

Anne Main: As a fellow Hertfordshire MP, my hon. Friend may have noticed the unfortunate sneering from the hon. Member for South Swindon (Anne Snelgrove) and some of her colleagues when we said that the small grants we receive in terms of funding allowances mean that we often have disproportionately large rises in council tax.

Mr. Walker: I do not want this to be a partisan debate, but my hon. Friend makes a good point. When she was discussing the plight of her constituents in St. Albans, there was some sneering from the Labour Benches. I point out to those Members that there are many thousands of Labour voters in St. Albans—indeed, it was a Labour seat until the last general election when my hon. Friend won it for the Conservatives. I was slightly annoyed by the sneering, which injected a rather sour tone into the debate, but I am sure those Labour Members are very sorry about it.

I return to heating and fuel for pensioners. I am not a great class warrior, but like my hon. Friend the Member for Hemel Hempstead (Mike Penning) I am a member of a trade union and I feel that there is a whiff of the Cedrics at British Gas. I was slightly concerned to hear that the company is making record profits when many pensioners are struggling to pay their bills. British Gas needs to have a long hard think about what it is doing. I am not against profit at all—profit is paid into pension funds—but I am really concerned that energy companies are making large sums of money off the back of some hard-pressed people in our communities. Pensioners are paying more for staple foods and the cost of bought-in care is increasing.

I shall touch briefly on incapacity benefit. I am delighted that people who are genuinely ill and unable to work will receive an uplift in their benefits. It is important that they have quality of life, although of course it will not be the same as if they were in work, but I hope that for many of them it is manageable. However, like many Members, I am concerned about the increase in the number of people in receipt of incapacity benefit. Being on benefit is no way to live if there is another option, so I hope that the Government are really committed to getting more people off incapacity benefit and back to work. Many people who have been out of work for a long period begin to doubt their ability to go back to the workplace; mental health issues creep in and there is loss of confidence. I hope that collectively, across the Chamber, we can come together to ensure that people who can work have the chance to do so.

I was pleased that there will be some adjustment to tax credits, but I am concerned that they are not necessarily the answer in the long term. All of us will

have heard in our surgeries the harrowing cases of people in receipt of tax credits who are being pursued for back payments of between £4,000 and £7,000. One of the fundamental problems in this country is that people start paying tax on their income far too early. I have said it before in the Chamber, I say it now, and I will say it again.

It is incumbent on a civilised society to ensure that hard-working families whose earnings are at or near minimum wage level hold on to as much of their earnings as possible, rather than having their earnings taken off them by Government, through tax, and then laundered back to them in the form of tax credits. That robs people of their self-respect, and it is not the best way of helping those at the bottom of the income scale. Again, I am not seeking to make a partisan attack; that is just my fundamental belief, as a Member of Parliament and as a member of society. I hope that when our time comes and we are in government—as we will be, because we still live in a democracy—we will address the issue.

I represent Broxbourne, which is full of generous people who understand the need to look after the old, the infirm and those who are struggling between jobs, either because they are made unemployed through no fault of their own, or because they are having a difficult time. However, there is concern among all our constituents about the growth in the number of professional claimants—claimants who think that the state is there to support their way of life, and who think that they have no obligation to the state. When social security was created, the idea was that people paid into a fund that acted as a safety net, and could draw on it in their time of need. That is a noble, lasting, good idea. However, I am terribly concerned that a whole section of society think that they can draw on that fund, but have no obligation to support it or make any contribution towards it in their life.

If we are to retain long-term confidence in our system of social security, we need to make sure that it is seen to be fair—that those who have paid into it are at the head of the queue, and that it is there for them in their time of need. All of us will know of horrible cases in our constituencies in which people with successful lives, who may not have been earning a lot of money but who had stable jobs, a stable family life and a stable home, suddenly suffered a great tragedy or an illness. Those people's lives can unravel incredibly quickly, and they find it difficult to access services and benefits. They struggle to keep themselves together. Sometimes they face losing their house or their children—they face all sorts of tragedies—yet on the other hand some people who have never done a stroke of work in their life, have never contributed to society in any reasonable way, seem to sail through everything, and have everything laid on for them. We must put hard-working people and families at the forefront of our benefits system.

The *Daily Mail* would have us believe that millions of immigrants are coming to this country and abusing our system. Of course there will be some—a minority—who do that. We must be mindful of that and we must not allow it to happen. However, I get annoyed when newspapers attack immigrant communities and fail to reflect the fact that there are many people born and bred in this country who abuse and cheat the system. Those people should be ashamed of themselves. I support any measures that ensure that people who do not have a right to access benefits do not get their hands on them.

5.48 pm

Mr. Mike O'Brien: This has been a useful, helpful debate, and many of the contributions that were made in the time available were important. It is fair to say that we Front Benchers took quite a bit of time in dealing with issues, as the hon. Member for Bournemouth, West (Sir John Butterfill) said, but we also took quite a few interventions. There is a trade-off: either Front Benchers take interventions—*[Interruption.]* Front Benchers are in unity, for once. Either we take interventions, and take up more time, or we do not take interventions and speak more briefly. If we do the latter, Members complain that we have not taken interventions, so we cannot win. The contributions that were made were important. If colleagues will bear with me, I will not take substantial interventions—well, I suppose I will if I am really pressed, but I would rather try to deal with the points made.

Our aim has been to deliver justice for those who are workless, for those who are disabled and for pensioners. I shall deal first with pensioners. We are spending £75 billion on pensioners this year. The sum is set to rise to £78 billion next year and £86 billion by 2012. Since 1997, pensioner incomes have risen across the board, with the poorest benefiting the most. The uprating order underlines our commitment to provide extra security in retirement.

Several Members referred to issues related to fuel poverty. We recognise that fuel costs can be a particular concern for older people. That is why we introduced the winter fuel payment. Since 1997, it has increased tenfold to £200, and to £300 for the over-80s. Alongside that, our Warm Front programme has provided grants and aid to over 1.6 million households. Better insulation can lead to savings of up to a third off winter fuel bills.

However, we have seen recent rises in fuel costs. I am concerned about the impact that these increases will have on vulnerable customers—not only pensioners, but others, too. I am working with my hon. Friend the Minister for Energy to see whether we can engage with the energy sector and reduce the risks for the most vulnerable. Some of the more vulnerable groups can get help from fuel companies, which have social tariffs and programmes for insulation and so on, enabling them to target those most in need. We want to work much more effectively on that.

Only last week I announced a campaign to ensure that pensioners who are entitled to grants from Warm Front take them up. We are sending letters to 250,000 of the most vulnerable pensioners, encouraging them to apply for grants for better insulation and energy efficiency measures.

For the pensioners of tomorrow, we are ensuring that everyone can save for a better retirement and we have made some historic changes to the state pension. The earnings link will come back, and we will achieve equality for women's state pensions within a generation.

Mr. MacNeil *rose—*

Mr. O'Brien: If the hon. Gentleman will bear with me, I am trying to deal with a large number of points rather quickly.

[Mr. Mike O'Brien]

The hon. Member for Bournemouth, West mentioned the uprating of guaranteed minimum pensions. GMPs ceased to accrue from April 1997, but past rights still exist. The Pensions Act 2007 allowed schemes to convert those rights to normal scheme rights, and the aim is to commence that legislation from, we hope, April 2009.

My hon. Friend the Member for Newport, West (Paul Flynn) raised several issues. He is right to say that the disability facilities grant has not been uprated since December 2005, when we implemented the proposal to exclude children's cases from means-testing. We are expecting to update the regulations shortly and we will also consider a packet of changes. The Government regard the DFG programme as an important means of helping more than 35,000 older and disabled people each year to continue to live independently. We have substantially increased funding for the programme from £57 million in 1997 to £146 million in 2008-09. Further steps will be announced shortly.

My hon. Friend also spoke about the national insurance fund. Increasing the basic state pension to the level of the guarantee credit would cost about £20 billion a year. By 2015, that would rise to about £80 billion a year, which would wipe out the balance in the national insurance fund in a matter of years.

My hon. Friend mentioned the capital disregard in relation to pension credit. He is right to say that there is an issue. We have focused on trying to help the poorest. We know that 80 per cent. of those eligible for pension credit have less than £6,000 in capital.

I could deal at great length with equality for women, which is a complex issue. I am aware that there have been problems with recording home responsibilities protection in the past. Urgent work is under way to identify those affected. Where we find errors, we are correcting them. The Pension Service has been in contact with nearly 500,000 people, mostly women, regarding payment of contributions for the years 1996-97 to 2001-02. We are also contacting male pensioners who have had particular problems because of the lack of HRP recording in the past. We are trying to make sure that we get the issue right.

My hon. Friend also mentioned the cliff edge; I will soon have to deal with that during discussion of the Pensions Bill. That will be a better time to deal with the detailed arguments on what I accept is an important issue.

Since 1997, pensioner poverty has reduced by more than a third to 17 per cent., through targeted support such as pension credit and about £11 billion of extra funding. We have lifted more than 1 million pensioners out of relative poverty after housing costs. Owing to the tax and benefit changes that we have introduced, pensioner households are on average £1,500 a year or £29 a week better off in 2007-08 than they would have been under the 1997 system. The poorest pensioner households are about £2,000 a year or £42 a week better off.

I turn to the working-age issues, a significant number of which have been raised. Our aspiration is for a fair and inclusive society that offers greater opportunity and independence for people. The uprating orders move us further towards that. They help tackle poverty and exclusion and ensure security in retirement. In the past 10 years, we have made great strides in dealing with poverty and creating greater opportunity. For the first time in this country, we can look forward with greater confidence to full employment, eradicating child poverty and delivering justice to pensioners.

Work is the best route out of poverty and today more people are in work than ever before: 29.4 million people, according to the latest figures—up 175,000 in the past three months. We have the second highest employment rate in the G7. Since 1997, employment has gone up by nearly 3 million; under the Conservative Government it was down by 3 million. Under Labour, employment has gone up in every region and country of the UK. It has gone up in the neighbourhoods and cities neglected by the Conservative party. It has gone up for disadvantaged groups: 300,000 more lone parents, 900,000 more disabled people, 1 million more from ethnic minorities and 1.5 million more older workers are in work. The number of job vacancies remains at 670,000.

I agree with the comments made by the hon. Member for Broxbourne (Mr. Walker) about migration. However, I say to him that although migrants have come to this country to work, there are still 670,000 vacancies, and those are jobs for workers in this country to apply for. There are people on incapacity benefit whom we want to go into those jobs. There is still a demand for employment in this country and we still have a strong economy. The hon. Gentleman made points about some of our media, who tend to make unfair comments that are not acceptable.

Several times, Conservative Members spoke of dealing with child poverty. A target is not a quota but a direction of travel and a measurement of whether we get there on schedule. That may be subject to events and circumstances, which may interfere, but a target tells people where we want to be. Let me be clear that we are sticking to our direction of travel. People know what our ideals, targets, direction and aims are.

Do the Tories have any aims, ideals, targets or direction on poverty? We know what their direction was from their record. Under the Conservatives, child poverty doubled and we had the highest child poverty rate in the industrial world. More than one in four children lived in poverty and the value of child benefit was cut in real terms. That was not the 1930s, but the Tory early 1990s and they have still not learned. They will not pledge to eradicate child poverty; for them, that is merely some vague aspiration. Their policies would push millions back into poverty.

We want to see those policies stopped and to see instead the creation of a fairer society. These orders are part of the process of creating that fairer society—helping pensioners, helping those who need work to find work, and helping those who need benefits to get them. They take us a step closer to providing opportunity to all, and I commend them to the House.

It being Six o'clock, MR. DEPUTY SPEAKER *proceeded forthwith to put the Question, pursuant to Order [6 February].*

Question agreed to.

Resolved,

That the draft Social Security Benefits Up-rating Order 2008, which was laid before this House on 23rd January, be approved.

MR. DEPUTY SPEAKER *then proceeded to put the Question required to be put at that hour.*

PENSIONS

Resolved,

That the draft Guaranteed Minimum Pensions Increase Order 2008, which was laid before this House on 23rd January, be approved.—*[Mr. Blizzard.]*

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),

That, at this day's sitting, consideration of any Lords Amendments and Messages that may be received may be proceeded with, though opposed, until any hour.—*[Mr. Blizzard.]*

Question agreed to.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Michael Lord): With the leave of the House, I will put motions 4 and 5 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

EMPLOYMENT AND TRAINING

That the draft Industrial Training Levy (Construction Industry Training Board) Order 2008, which was laid before this House on 16th January, be approved.

That the draft Industrial Training Levy (Engineering Construction Industry Training Board) Order 2008, which was laid before this House on 16th January, be approved.—*[Mr. Blizzard.]*

Question agreed to.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): On a point of order, Mr. Deputy Speaker. This afternoon, the other place has been considering in Committee the Banking (Special Provisions) Bill and is sending it back to us with at least eight amendments—possibly more, because I understand that more amendments have been tabled for the Report stage yet to be taken. This House has been allotted only one hour to consider those eight or more amendments, which in the other place were grouped in five separate groups. It is impossible for us properly to scrutinise that number of amendments, or even to vote on all of them, in the time allotted. Is there anything that this House can do to override, set aside or amend the business of the House motion that sets that time limit?

Mr. Deputy Speaker: I have noted the hon. Gentleman's concern, but these rules are laid down by the House and cannot be altered at this time. However, his remarks are on the record, as I am sure he would want them to be.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Mr. Deputy Speaker. I know that the Chair has certain powers to curtail the length of speeches. I wonder whether that power applies to the Lords amendments. Could the Chair impose very narrow time limits so that Members have the opportunity to speak on those amendments, including Front Benchers, and so that the House has time to debate them, or does that not apply to Lords amendments? Might we find that a Minister—I understand this is not just about defeats in the Lords, as there have also been Government amendments to the Bill—takes a lot of time, thereby not allowing a proper debate or even votes to take place in this House?

Mr. Deputy Speaker: I understand the hon. Gentleman's concern that as many Members as possible should be allowed to contribute. The best advice that I can give to the House is that everybody, Front Benchers and Back Benchers, should exercise some self-discipline.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

SOCIAL SECURITY

That the draft Social Security (Contributions) (Re-rating) Order 2008, which was laid before the House on 23rd January, be approved.—*[Mr. Blizzard.]*

Question agreed to.

6.3 pm

Sitting suspended, pursuant to Order [19 February].

Banking (Special Provisions) Bill

Lords amendments considered.

Clause 6

TRANSFER OF PROPERTY, RIGHTS AND LIABILITIES

Lords amendment: No. 1.

7.45 pm

The Chief Secretary to the Treasury (Yvette Cooper): I beg to move, That this House disagrees with the Lords in the said amendment.

Mr. Speaker: With this it will be convenient to take Lords amendments Nos. 2 and 3, and Government motions to disagree thereto, and Lords amendments Nos. 4 to 8.

Yvette Cooper: I thank the Lords for their consideration of the Bill, which has been brought forward in exceptional circumstances. As a result of the consideration by the Delegated Powers and Regulatory Reform Committee, the Government put forward in the Lords a series of amendments to change several orders so that they will be subject to the affirmative resolution procedure. We think that that is the right approach and we therefore accept those Lords amendments.

The Lords passed three amendments with which we wish to disagree and I shall take each in turn. Lords amendment No. 3 is on competition and the role of Office of Fair Trading and—as a result of the consideration both in the Lords and this place—we have had further discussions with the OFT. It may be helpful to inform the House about those discussions.

As we made clear in earlier debates, the Government recognise that we need to ensure that Northern Rock does not enjoy inappropriate or unfair advantages in competition with other banks and building societies. We need to ensure that we are operating in the interests of the taxpayer, but also that we have appropriate competition in the markets.

At EU level, we have been clear that we will need to ensure that the business plan satisfies the EU state aid rules and support for Northern Rock needs to be fully consistent with those guidelines. As we told the House on Second Reading, we will also hold discussions with the British Bankers Association, the Building Societies Association and the Council of Mortgage Lenders before final plans are submitted to the European Commission for state aid approval.

We agreed yesterday that the OFT will publish an annual report assessing any competitive implications of the public support for Northern Rock and, of course, the OFT also has the powers to step in at any time. The OFT is an effective watchdog, overseeing competitiveness in the UK markets. It has wide powers, including powers to investigate whether any market in the UK is distorted by unfair competition. It does not need specific new powers to report on the competitiveness of the banking market. Therefore, there is no need for Lords amendment No. 3, which would be an unnecessary duplication of the OFT's powers under the Competition Act 1998 and the Enterprise Act 2002, and the European Commission's powers under the EU treaties. The amendment is inappropriate and I hope that the House will disagree with it.

Mr. John Redwood (Wokingham) (Con): Does that mean that the Chief Secretary envisages limiting the attractiveness of the rates that can be offered and charged by Northern Rock by reference to the average of its competitors?

Yvette Cooper: As we have repeatedly made clear, it would not be appropriate for Ministers to take decisions about individual products offered by Northern Rock. It is right that Ron Sandler should put forward his business plan, and that will obviously need to be approved by the Government as the shareholder in Northern Rock. Equally, as part of that process, we need to ensure, as we approve that business plan and have discussions with the EU, that we do not have unfair competition. It may well be that the European Commission will set out particular conditions on Northern Rock's operation, and, of course, we will have to ensure that Northern Rock complies with them.

Bob Spink (Castle Point) (Con): If the British Bankers Association eventually concludes that the arrangements lead to unfair competition, what redress will it have?

Yvette Cooper: Clearly, the issue will be what the OFT concludes and what the EU concludes. Obviously, we will have discussions with the British Bankers Association, but Northern Rock will need to operate in compliance with UK competition law. It will obviously also have to comply with the EU state aid rules.

We have to remember the underpinning purpose of this intervention, which was to secure the financial stability of the banking system. As we have said previously, it would obviously not be in the interests of other banks or consumers for there to be unfair competition. Equally, it would not have been in the interests of other banks or consumers if Northern Rock had gone under in the autumn and there had been a spread of instability across the banking system. Sometimes I think that hon. Members who raise concerns about this are in fact raising concerns about the fact that Government guarantees have been introduced at all.

We think that it was right to introduce those Government guarantees, because we need to safeguard the stability of the wider banking system as part of the need to promote stability across the board. Therefore, I hope that the House will agree to disagree with Lords amendment No. 3.

I turn next to Lords amendment No. 1, which concerns the independent audit. Clearly, there should be an independent audit of Northern Rock. Indeed, an independent audit is currently under way. Northern Rock's audited annual accounts will be published, after independent audit, by the end of March. That should give the House and the public information on Northern Rock's assets and liabilities as part of its balance sheet. Northern Rock will continue to be subject to the requirements of the Companies Act 1985 and the Companies Act 2006. That means that the annual reports and accounts must be independently

audited and filed with the registrar of companies for public access. We think that that is the appropriate way to conduct the audit.

Mr. Philip Dunne (Ludlow) (Con): Is the Chief Secretary therefore telling us that the audited accounts, which will be published at the end of March, will include the consolidation of the assets and liabilities held within the series of Granite subsidiaries of Northern Rock? If that is the case, will she clarify what she was signally unable to clarify last Tuesday? Will the Government have a call on the assets in the Granite subsidiaries in the event of defaults on its liabilities?

Yvette Cooper: We have set that out repeatedly. Clearly, the accounts will need to be set out in the normal way. The accounts of Northern Rock will need to meet all the ordinary accounting practices. It is right that that should be so. We have also repeatedly made it clear that the Government guarantees apply to Northern Rock and not to Granite. Again, it is right that that should be the case and that is the arrangement that has been set in place.

It is right to think that the appropriate way to conduct the audit is the method I mentioned. To ask the Bank of England to conduct a separate audit would not be appropriate. That is not the Bank's area of expertise; it is not a professional independent auditor but a central bank. Interestingly, the amendment would not require an independent audit of Northern Rock within three months because it applies to clause 6, whereas the draft order that we have published would be made under clause 3. The amendment would therefore not achieve the intentions of the drafters.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Does the right hon. Lady recognise that it is the very opacity of conventional accounting that worries people when they are confronted by the existence of operations such as Granite, which did not come to the notice of even quite experienced observers of Northern Rock until a relatively late stage in its life and remains the subject of considerable uncertainty? That is one of the reasons why other forms of audit are being sought.

Yvette Cooper: Many people have raised and discussed issues about Granite on many occasions. If the right hon. Gentleman is pointing to the fact that several people had clearly misunderstood the nature of Granite and changed their understanding yesterday, that is obviously a matter for them. There has been a lot of discussion about the arrangements for Granite; it is a special purpose vehicle—the kind of arrangement that many banks set up—and it is important that its accounting treatment is properly dealt with and is properly transparent in the normal way. The matter has been discussed repeatedly.

Mr. Chris Mullin (Sunderland, South) (Lab) *rose—*

Jim Cousins (Newcastle upon Tyne, Central) (Lab) *rose—*

Miss Anne McIntosh (Vale of York) (Con) *rose—*

Yvette Cooper: I give way to my hon. Friend the Member for Sunderland, South (Mr. Mullin).

Mr. Mullin: I have not yet changed my understanding about Granite, and I put it to my right hon. Friend that at some stage a clear explanation will be needed of the company and its accounting arrangements, and the allegation that it will apparently be allowed to go on sucking assets from Northern Rock even after it is nationalised. That will have to be explained at some point—[HON. MEMBERS: "Now."] I hope that my right hon. Friend will do so at some point this evening.

Yvette Cooper: Can we be clear? That is not an accurate description of the relationship between Granite and Northern Rock; it is simply not true to say that Granite has a call on the assets of Northern Rock in that way and is, as my hon. Friend put it, sucking out mortgages from the bank. That is not the structural or the contractual relationship between Granite and Northern Rock. I draw the attention of Members to the letter that has been circulated, which my right hon. Friend the Chancellor has put in the Library, and which provides greater clarity on that detail.

I am conscious of the fact that many issues need to be raised. There is an important question about freedom of information that I need to cover as part of this debate.

Adam Price (Carmarthen, East and Dinefwr) (PC): Does the Chief Secretary accept that in this case, given the amount of public money we are talking about, the ordinary requirements for reporting under company law are not sufficient, especially because, as she is aware, there are serious doubts about the robustness of the interim report produced by the company in June? Within a few weeks, the company was running to the Bank of England for a massive loan. That is why we need the extra level of independent auditing.

Yvette Cooper: Let us be clear about the events, including the credit crunch in the summer, which triggered Northern Rock's particular difficulties. I agree that there is a wider question about the sustainability of the approach that Northern Rock took and its aggressive strategy. As part of our consultation paper about wider reforms to the banking system, we have also discussed the need to look more widely at issues around liquidity, not simply solvency, as part of the regulatory structure. There is obviously a wide series of issues.

The Government have already stepped in to intervene with regard to Northern Rock. The Bank of England has already stepped in to intervene by providing additional loans to Northern Rock at an appropriate point and the Government have provided guarantees. It was right that the Government should do so; it was about protecting the financial stability of the banking system as a whole, as well as dealing with depositors' interests in Northern Rock. Of course, assessments and analysis have been carried out as part of the lending and guarantees, but the exposure remains the same, as a result of taking Northern Rock into temporary public ownership. The intention at all stages is to be able to try to return the company to the

[Yvette Cooper]

private sector as rapidly as possible. We are talking simply about a temporary arrangement, and that bears on the third amendment.

Mr. George Osborne (Tatton) (Con): Before the right hon. Lady moves off that point, I point out that it has emerged that Northern Rock has a subsidiary based in the Channel Islands that takes offshore deposits. Are we to own a nationalised bank that operates in the Channel Islands and takes offshore deposits?

8 pm

Yvette Cooper: As we have repeatedly made clear to the hon. Gentleman, we are not taking ownership of Granite. Throughout the process—

Mr. Osborne *rose—*

Yvette Cooper: Let me finish this point. The hon. Gentleman has repeatedly made completely inaccurate, nonsense points, not simply about Granite but about the overall relationship to Northern Rock, so much so that today's *Financial Times* said:

"The argument...put forward by the Conservatives"

on Granite

"was roundly dismissed on Wednesday by City experts...Analysts said this showed a basic misunderstanding of how securitisations worked."

The hon. Gentleman has today made a series of completely incorrect claims about the legal status of Northern Rock, which suggests a misunderstanding not simply of securitisations but of UK law.

Mr. Osborne: I would be happy to read out a year's worth of *Financial Times* articles about the performance of the Chancellor of the Exchequer, but I want to press the right hon. Lady on the point about the subsidiary of Northern Rock that operates and takes offshore deposits in the Channel Islands; it is not Granite but a subsidiary of the bank. If we nationalise the bank this evening, will the Northern Rock subsidiary in the Channel Islands operate as a Government-owned nationalised bank? After all, I remember that when the Prime Minister was the shadow Chancellor, he made a great point of noting the offshore tax evasion that took place in some parts of the world.

Yvette Cooper: We are clear that we are taking over the legal entity that is Northern Rock—the totality of Northern Rock—and it will pass into the hands of the new board. Ron Sandler will now draw up the business plan and arrangements for the new bank. It is right that he should do so and that it should operate on a commercial basis. Let us be clear about why we have done what we have done: it is in order to save— *[Interruption.]*

Mr. Speaker: Order. The right hon. Lady must be allowed to speak.

Yvette Cooper: Thank you, Mr. Speaker. The implication of all the points that Opposition Members have raised is that fundamentally they do not like the fact that Government guarantees were provided for an organisation that continues to operate. They simply want to make opportunist points, providing no serious alternative for the future of Northern Rock or the future of the banking system.

Mr. William Cash (Stone) (Con): Will the Minister give way?

Yvette Cooper: I need to get on to the next amendment.

Mr. Cash: The Minister has an obligation to answer the questions.

Mr. Speaker: Order. The Minister does not have an obligation to answer the hon. Gentleman. She has an obligation to speak to the House, and that is what she is doing.

Yvette Cooper: Thank you, Mr. Speaker. I need to get on to Lords amendment No. 2, which is about the Freedom of Information Act 2000. Again, we do not believe that the amendment would be appropriate. It is important that the public and the House have information about Northern Rock, and as I have made clear, the full, audited annual accounts will be published by the end of March.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Will the right hon. Lady give way?

Yvette Cooper: I shall make some progress and set out the points first, if I may, and then I will give way.

Mr. Shepherd *rose—*

Yvette Cooper: If the hon. Gentleman will take his seat, I will make a little progress with the arguments about freedom of information, and if I have time, I will give way to him later.

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Mr. Speaker.

Mr. Speaker: I am sure that it is not a point of order, but I will hear it.

Mr. Harper: I have heard the Minister make lots of references to how little time we have. Surely that is governed by the Minister's business motion, so it is rather pointless for her to complain.

Mr. Speaker: I knew that the hon. Gentleman's comment would not be a point of order. I call Yvette Cooper.

Yvette Cooper: I appreciate that Opposition Members do not want to hear the points that we are making; they simply want to play games with what we should all recognise is an extremely serious issue concerning the future stability of the banking system and the future of Northern Rock.

In addition to the full, audited annual accounts and the annual report, other information about Northern Rock will be provided. In addition, we have said that

we will shortly publish the framework document, which will set out the appropriate operating arrangements between Northern Rock and the Government. We will also—

Mr. Shepherd: Will the Minister give way?

Yvette Cooper: No, I will not until I have made some progress. *[Interruption.]* The hon. Gentleman will let me make some progress on the points about freedom of information—*[Interruption.]*

Mr. Speaker: Order. The hon. Member for Aldridge-Brownhills (Mr. Shepherd) is usually a very calm individual. I plead with him to calm himself.

Yvette Cooper: I worry about the hon. Gentleman's blood pressure. He is getting himself into such an agitated state.

In due course, Ron Sandler will publish his strategic business plan, which will include the overarching strategic aims for Northern Rock. The House will recognise that it would not be appropriate to publish detailed commercially sensitive information and it is right—

Mr. Cash: On a point of order, Mr. Speaker. The Minister has just said that it would not be appropriate for information to be made available that was commercially sensitive. I was in the other House earlier this afternoon where I heard the Minister saying that that was not a matter that he would follow through—

Mr. Speaker: Order. The hon. Gentleman must know that I have enough to do dealing with what is said in this House, without worrying about what is said down the Corridor.

Yvette Cooper *rose—*

Mr. John Grogan (Selby) (Lab): Will my right hon. Friend give way?

Yvette Cooper: I will give way to my hon. Friend in a moment, but as I have said repeatedly to hon. Members on both sides of the House, I am keen to make a couple of points about freedom of information before taking interventions on it. I hope hon. Members will let me make a little progress.

We believe that it would not be appropriate, however, to apply the provisions of the Freedom of Information Act 2000 to the institution. The bank will not be performing a public function that would make it appropriate to apply the Freedom of Information Act to it.

Mr. Gerald Howarth (Aldershot) (Con): Will the right hon. Lady give way?

Yvette Cooper: In a moment.

We have been clear that we are taking the bank into public ownership not because we believe there is a public function that we need it to fulfil, but in order to safeguard the stability of the financial system and the interests of the taxpayer. I should inform the House that the Bank of England also has an exemption from the Act on the information that it holds in relation to the provision of private banking services and related services. That is included in schedule 1 in part VI of the Freedom of Information Act, so it is written into the Act. That is important.

Mr. Shepherd: On a point of order, Mr. Speaker. I am sure you will make a judgment on this. It is absurd that a Minister declaims an interpretation of an Act of Parliament that the Government introduced and denies the very content of it.

Mr. Speaker: Order. We must be careful not to abuse the system of points of order. The right hon. Lady is perfectly in order. If she were out of order, I would say so. Believe me, I would be the first to say so. She is in order.

Yvette Cooper: Thank you, Mr. Speaker.

I shall make one more point about the importance of the freedom of information issue, then I shall be happy to take interventions from hon. Members. Let us be clear. We do not want Northern Rock to have to reveal commercially sensitive information that might undermine its position with regard to its competitors. *[Interruption.]* We do not want it to be in a situation where there is uncertainty about whether particular pieces of information will be protected by commercial confidentiality, or will alternatively be judged to be in the public interest—

Several hon. Members *rose—*

Yvette Cooper: The lack of certainty could undermine the bank's position when it is operating against competitors—

Mr. Cash: Will the Minister give way?

Yvette Cooper: —and would not put the taxpayer in a sensible position when it comes to dealing with the need to sell the institution on to the private sector at an appropriate moment.

Several hon. Members *rose—*

Yvette Cooper: If hon. Members will just calm down and stop—

Mr. Speaker: Order. Two hon. Gentlemen are getting to the stage of beginning to defy the Chair. Once they do that, there will be problems. The hon. Member for Stone (Mr. Cash) has had a good innings this week; he has spoken more than the Minister. He should calm down and listen to the Minister. That will give the official Opposition spokesman the opportunity to speak.

Yvette Cooper: I am happy to give way to hon. Members capable of asking a calm question.

Mr. Tim Boswell (Daventry) (Con): I have not been a regular follower of this issue. Can the Minister explain to me how she can possibly justify saying that the bank is not performing a public function when the whole point of the state intervention that we are sanctioning tonight is—allegedly, and on her own account—to safeguard the stability of the banking system?

Yvette Cooper: We are taking the bank into public ownership for a reason that is in the public interest—that is rather different from the ongoing function that the bank performs. That is a different, private banking function, and we want to get the bank into the private sector as rapidly as possible.

Mr. Grogan: May I tempt my right hon. Friend to see some possible advantages of applying freedom of information to Northern Rock in respect of increasing public confidence in the process? Is it not a fact that section 43 of the Freedom of Information Act specifically exempts commercially sensitive information from the need for disclosure? Does that not deal with the point that worries her?

Yvette Cooper: My hon. Friend makes an important point, but he will recognise that there is a public interest test at the heart of the Freedom of Information Act—and it is right that there should be. It is important that an organisation that needs to function in the commercial markets has some certainty about what the status of different pieces of information will be.

We see the bank as something that is staying in the public sector only on a temporary basis. This is not about a long-term public institution; if it were about such an institution with a long-term history in the public sector and if our intention were to keep it indefinitely in the public sector, that would be a completely different matter and my hon. Friend's point would be exactly right. However, this is about an institution that we want to get out of the public sector and into the private sector as rapidly as possible. We want to be able to sell it on; we do not want the taxpayer's interest to be undermined by the fact that the bank might have had to reveal commercially sensitive information or information that could weaken its position when it comes to getting the sale deal agreed.

This is a temporary arrangement, therefore there is a temporary position with regard to the Freedom of Information Act. When the original discussions about the 2000 Act took place, and given all the deep principles rightly embedded in the Act by this Government, we provided for an exemption for the Bank of England precisely around the provision of private banking and related services. The legislation is in the spirit of the Freedom of Information Act; it is not about changing the approach to it. There are the additional interests of taxpayers, so it is right that we do this now to get the operation working effectively and to get the bank back into the private sector.

Mr. Gerald Howarth: I am extremely grateful to the Minister for giving way. I quite understand what she is saying, but it is extremely important that the public should understand one aspect of this issue. In the technical note that the Chancellor of the Exchequer sent to the hon. Member for Twickenham (Dr. Cable), it is mentioned that Northern Rock sold about half of its mortgage assets to Granite between 1999 and 2007. The note explains that Northern Rock will have an obligation to top up in the event that some of those assets are redeemed. Are the public not entitled to know whether some of the best assets of Northern Rock can be siphoned out of the company into Granite, thereby diminishing the value of the taxpayer's investment?

Yvette Cooper: The hon. Gentleman cites the technical note, but has not read the subsequent sentence, which clearly states:

> "There remain high quality assets on Northern Rock's balance sheet, as well as Granite's."

It also states:

> "It is a commercial decision for Northern Rock whether to provide new mortgage assets to the Granite financing vehicle or whether to allow the vehicle to run-off in an orderly way."

Rob Marris (Wolverhampton, South-West) (Lab): Lords amendment No. 2 is basically the same as new clause 2, which was put forward but not reached when the Commons last debated this legislation. Amendment No. 14 was also put forward by the Opposition at that time, and that was discussed. That amendment mentioned provisions to ensure the independent day-to-day management of the business.

Does my right hon. Friend agree that it appears that, first, some right hon. and hon. Members do not realise that the Freedom of Information Act does not cover the private sector and that, secondly, to put forward an amendment asking for independent day-to-day business and then say that freedom of information should cover the bank is a contradictory and silly position?

Yvette Cooper: My hon. Friend makes an important point. There is also, as I understand it, a curious consequence of the way in which the amendment has been drafted. Under the amendment, even after Northern Rock was sent back into the private sector and sold, it would still be subject to the Freedom of Information Act. That is clearly bonkers and shows that it is simply a wrecking amendment designed to prevent it being viable to operate Northern Rock effectively in the public sector in order to be able then to sell it on to the private sector to get the best possible return for the taxpayer.

8.15 pm

In the end, this is all about us getting the best return for the taxpayer and getting a proper arrangement that supports the stability of the financial services and banking system. We think that those are important objectives. Opposition Members are simply playing opportunistic games. They are making nonsense claims about Northern Rock, about how the securitisation system works, and about how the legal system works. It is right that we should have a proper debate about this, but it is also right that we should come up with a proper solution to the problems of Northern Rock, which Opposition Members have continually and singularly failed to do.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): We have listened to 30 minutes of rubbish and waffle from the Minister, and we now have precisely 29 minutes left to scrutinise the House of Lords amendments and to consider the very significant points that were raised in the other place. There is clearly no prospect of this measure receiving proper scrutiny in

this House. Indeed, the one part of the Bill that has been properly scrutinised is the bit that the Delegated Powers and Regulatory Reform Committee looked at in the House of Lords. The Government have tabled five amendments of their own in recognition of the weakness of the original drafting—testimony to the value of proper scrutiny.

There was no reason at all to impose the farcical timetable that we have had for this Bill. We could have sat through the night tonight; we could have sat tomorrow. The only possible reason was to prevent proper debate and to obscure the extraordinary powers that the Government are taking, not only for Northern Rock but on a wider basis. We are witnessing a shocking abuse of this House's willingness to expedite legislation in an emergency, with many of the powers in the Bill simply not necessary to resolve the situation of Northern Rock.

The amendments that have come back to us from the Lords fall into three groups: those dealing with transparency, the one dealing with fairness, and those dealing with procedure. Amendments Nos. 1 and 2 deal, respectively, with audit and freedom of information. There is a clear need for an audit of the situation in Northern Rock, including an analysis of the quality of the loan book, which would not necessarily be undertaken in depth in the course of the ordinary statutory audit that the Minister talked about. The public are being asked to buy a pig in a poke. No one is sure what we are getting, how much we are paying, or what we are buying it for.

An additional complication has come to light—that of Granite—and I want to take a minute to touch on that. We are all agreed that some of the best of Northern Rock's assets are included in Granite, but Granite also includes a Northern Rock seller's share worth about £5 billion to Northern Rock, which would be an early casualty of a default on the covenants in the Granite documentation, quickly undermining the solvency of Northern Rock. One of the requirements of an auditor would be to look at any impairment to the value of that seller's share as a result of the change in Northern Rock's situation. Specifically, Northern Rock must feed Granite with new mortgages; if it fails to do so, the Granite entities will collapse and go into wind-up with all the cash flows diverted to the bondholders, putting the seller's share, which belongs to Northern Rock, at risk. To try to avoid that, Northern Rock may be forced, if it is not originating new business, to take the good-quality assets that it has within its own portfolio and feed them into Granite. That is the way in which Granite can become a sponge sucking the high-quality assets out of Northern Rock. That is why an audit is so important, and that is why we have consistently argued for an alternative method of dealing with Northern Rock that puts the taxpayer at the top of the pecking order, not at the bottom, which the Chief Secretary's solution would do.

Lords amendment No. 2 would be unremarkable anywhere but in the wonderland that this Government inhabit. It says that what is a publicly owned company shall be deemed to be a publicly owned company for the purposes of freedom of information. But we know from the draft order that the Government intend to ordain by statute that this particular publicly owned company is not a publicly owned company. We have heard a new definition from the Chief Secretary this evening; she says that it is not a "public purpose company". The order talks about a "publicly owned company". At this rate, next week we can anticipate a piece of legislation allowing the Government to designate by order that black is white.

If Granite's loan book is as good as the Chancellor and the Prime Minister claim, and if, as the Prime Minister said at his press conference on Monday, they have

"made at all times the right decisions",

what do they have to fear from an audit? What do they have to fear from a freedom of information request?

Frank Dobson (Holborn and St. Pancras) (Lab): Would the hon. Gentleman accept that the freedom of information request would not be made of Ministers, but of people who, in a competitive market, are trying to run Northern Rock to the advantage of the taxpayer? It might well be to the disadvantage of the taxpayer for information to be disclosed. I suggest that the Tories could come up with a compromise in this case. If this House and the House of Lords insist on freedom of information applying to Northern Rock for the sake of protecting taxpayers, will they agree to apply freedom of information to all the institutions with which Northern Rock would have to compete?

Mr. Hammond: I say to the right hon. Gentleman that there are other companies in the public sector that are subject to the Freedom of Information Act. The concern that he has will not arise because there is an exclusion from freedom of information provisions for commercially sensitive information. Let us be clear: what the Government are seeking to protect is not the commercial secrets of Northern Rock, but the cock-up that they have made of this whole fiasco since last September, which would be in danger of coming out if we got access to Northern Rock's information through the Freedom of Information Act.

Mr. Cash: Will my hon. Friend give way?

Mr. Hammond: I am going to make some progress because I do not want to do what the Chief Secretary did and take up all the remaining time.

Lords amendment No. 3 would include in the Bill a statutory role for the Office of Fair Trading, which would address a key concern in the City of London and the financial services industry about fairness and competition. The state aid rules are a constraint, but the Government have acknowledged that they are not in themselves a significant constraint. We have had a significant concession from the Government on that issue in the House of Lords, and I am grateful to the Chief Secretary for that. The Government made it clear during the debate in the House of Lords that Northern Rock will not be allowed to abuse its privileged position to act anti-competitively in the marketplace. That is a great victory for us, and for common sense. We would have preferred to see that clarification in the Bill, because when the chips are down and Granite needs topping up, there will be a great temptation to interpret this self-made and self-policed regime flexibly, but it is, none the less,

[Mr. Philip Hammond]

something that we are pleased to acknowledge, and I thank the Chief Secretary for that.

Finally, the Government amendments to clause 13 represent a partial response to the concerns expressed by the Delegated Powers and Regulatory Reform Committee in the House of Lords, but they do not go nearly far enough. The negative resolution procedure is simply not satisfactory for the approval of orders made under this Bill. Where the purpose of the order is to transfer assets, it is no good us coming back to the order and negating it 30 or 40 days after it has come into effect and the damage has been done. The effect of using the negative procedure would be, in practice, to remove all effective parliamentary scrutiny from the process. It would allow the Government to make a transfer of assets by order that Parliament can do nothing about.

There is absolutely no need for the measure. The Government argued in the House of Lords that they may, in an emergency, need to transfer an asset urgently, but they do not need to act immediately in the case of Northern Rock. The shares are suspended and depositors still have access to their accounts. Life goes on. Mortgage holders are paying off their monthly payments and there is no risk to the system. We on the Conservative Benches maintain that this emergency legislation must relate precisely to the emergency situation—if we can call it that—of Northern Rock, not a wider, general purpose that the Government are seeking.

To fail fully to accept the DPRRC recommendations is, I understand, unprecedented without cross-party support. The DPRRC is not some partisan sniping party; it is a highly respected procedural Committee of the House of Lords. The Government's behaviour on the matter shows up as cynical, hollow rhetoric the Prime Minister's words back in June about respect for Parliament and the returning of powers to it.

The Government's rejection of proper scrutiny not only of the Bill, through their timetabling motion, but of Northern Rock, the company that we are buying, through their refusal to accept the amendments, and their steamrollering of order-making powers in the face of the recommendations of a respected independent Committee of the House of Lords speak volumes about this rotten, incompetent and arrogant Government. I urge my hon. Friends to vote against the Government motions in respect of Lords amendments Nos. 1 and 2, and to support the Lords in their decision.

Sir Stuart Bell (Middlesbrough) (Lab): We have had one blessing in disguise, which is that the hon. Member for Runnymede and Weybridge (Mr. Hammond) did not pray in aid the copy of the *Financial Times* that is on the Dispatch Box before him. I was waiting for him to tell us that he would quote from the *Financial Times*; indeed, one Opposition Member—I think it may even have been one on the Front Bench—quoted many *Financial Times* articles. It is a great pity that the Opposition spend so much time reading the *Financial Times*, but learning so little from it. I am reminded of a saying that Winston Churchill used during the second world war. He quoted Dean Inge, who said, "I've had a great many worries; most of them never happened." The hon. Gentleman's doomsday scenario bears no relationship to reality.

I followed the Third Reading debate on the Bill, when the House was seriously misled by the hon. Member for Twickenham (Dr. Cable), whose comments on Granite come from another world. The Chief Secretary to the Treasury—

Mr. Deputy Speaker (Sir Michael Lord): Order. The House is very particular about the words that we should not use and "misleading" is one of them, so perhaps the hon. Gentleman would care to withdraw that remark.

Sir Stuart Bell: I am not entirely sure what I am supposed to withdraw. I am not entirely sure what I said—*[Laughter.]*

Mr. Deputy Speaker: Order. It is helpful to the House if hon. Members can remember what they have just said. There was some suggestion of misleading the House and I am sure that that is not what the hon. Gentleman meant.

Sir Stuart Bell: I am grateful, Mr. Deputy Speaker. If I may quote Winston Churchill again, he said, "The best speeches come from the heart." But if I have unintentionally misled the House, I am happy to—

Mr. Deputy Speaker: Order. It is obviously taking me some time to explain this. Perhaps the hon. Gentleman would like to withdraw the word "misleading".

Sir Stuart Bell: I am very sorry if I used the word "misleading" in relation to the speech by the hon. Member for Twickenham and of course I withdraw the remark.

I have followed the Opposition most of the evening. They have consistently refused to look any of the arguments in the face when responding to the Chief Secretary. What they are showing is a total misunderstanding of any kind of use of special purpose vehicles in the City of London and any concept of global securitisation. They read the *Financial Times*, and I can tell them that the City of London will be very disconcerted by their lack of knowledge about what actually happens in the City.

Mr. Dunne: It is revealing to learn that the hon. Gentleman is an expert not only on matters of faith but on global securitisation. As he has criticised the hon. Member for Twickenham (Dr. Cable) for raising the subject of Granite, perhaps he will expand on the final sentence of the technical note from the Treasury which states:

"Northern Rock is not liable for the Granite bonds and bondholders have no access to Northern Rock's assets."

If that is the case, why is it that Northern Rock not only controls all the cash flowing into Granite, but has an obligation to top up assets and the seller's share that it holds in Granite?

8.30 pm

Hon. Members: Answer!

Sir Stuart Bell: I am very happy to answer, because the hon. Gentleman has shown his total ignorance of economics as they apply to securitisation. *[Interruption.]* Yes, he has. That is the nature of a securitisation, and that is the nature of a bond. The hon. Gentleman's failure to understand that demonstrates the Opposition's failure to understand anything about the taking of Northern Rock into public ownership, the reasons why it is happening, and the reasons why it is temporary. The hon. Gentleman must understand—although he seems not to wish to understand—that Granite is an independent legal entity. That is a fact from Northern Rock. Granite is owned by its shareholders; Northern Rock owns no shares in Granite. This is a normal procedure.

Angela Browning (Tiverton and Honiton) (Con): I too was present for the Third Reading debate. Can the hon. Gentleman explain this? The technical note states, under the heading "Control of Granite":

"The contractual structure of Granite is such that it is effectively controlled by Northern Rock as it continues to service the mortgages in Granite and to provide cash management and other administrative services."

Hon. Members: Answer!

Sir Stuart Bell: That is the principle of securitisation. Securitisation has been here for 20 years. If the House wants a lesson on the concept, let me explain that it began with General Motors. Opposition Members have no understanding of what securitisation means, but everything that the hon. Lady has said is right: that is what securitisation is about. The Opposition's inability to understand securitisation reveals that they do not understand the City of London, do not understand the financial markets, and do not understand why we are in this position.

Mr. Philip Hammond: Can the hon. Gentleman explain why the Granite entities are consolidated in Northern Rock's accounts?

Sir Stuart Bell: I understand that at least 40 per cent. of Northern Rock's mortgages are going across to Granite. Again, we are talking about a concept: the concept of balance sheets and accountability. I must tell Opposition Members that each time they open their mouths they show that they do not understand the City of London, they do not understand accountancy— *[Interruption.]*

Mr. Deputy Speaker: Order. This is an important matter. The House must listen. *[Interruption.]* Order. The House must listen to the hon. Member who is addressing it.

Mr. Redwood *rose—*

Rob Marris *rose—*

Sir Stuart Bell: I give way to my hon. Friend the Member for Wolverhampton, South-West (Rob Marris).

Rob Marris: I am sure that my hon. Friend will move away from the Granite topic shortly because of the time constraint. I wonder whether he will let us know his opinion of the freedom of information aspect of all this. *[Laughter.]*

Mr. Deputy Speaker: Order.

Sir Stuart Bell: I am not an expert on witches' brew. If I were an expert on witches' brew, I would be an expert on the Freedom of Information Act.

The point is—and the Financial Secretary has already made it—that Northern Rock will not be a public body. Freedom of information legislation requires that sensitive information be defended. The Bank of England has an exemption from the Freedom of Information Act in regard to the provision of private banking and related services. There is no reason why Northern Rock should fall within the purview of the Freedom of Information Act.

Mr. Redwood: The hon. Gentleman is right to say that some securitisation schemes get the obligation off the balance sheet of the company engineering it and into other hands. His problem is that, in this case, that is not what Northern Rock happens to have done. Will he answer the question about the contractual relationship between Northern Rock and Granite which requires the supply of good-quality mortgages where others are paid off, or else become bad-quality mortgages?

Sir Stuart Bell: Again, the right hon. Gentleman does not understand what the Chief Secretary said. Of course there is a top-up principle in the securitisation, because the securitisation is backed by a bond, the bond is bought by the investor, and the bond has an interest—a coupon; of course, it has to be topped up. What the Chief Secretary clearly said is that there are other prime assets within Northern Rock that are not required to be used as that top-up.

I am grateful to my hon. Friend the Member for Wolverhampton, South-West for his comments, because I shall now move on from the Freedom of Information Act 2000 to the question of competition. The Conservatives are not helped by the fact that they have an anti-European attitude and yet they have to fall back on the EU to defend the competition policies that will be enacted in respect of Northern Rock. The point has been made many times—

Mr. Cash: On a point of order, Mr. Deputy Speaker. Does this debate not provide a good illustration of the fact that the entire Bill has been constructed in order to avoid hybrid instruments and the Hybrid Instruments Committee procedure, under which all these matters could be discussed in the proper manner? Is this not the true problem, and it will come out in the hybrid instruments—

Mr. Deputy Speaker: Order. That is not a matter for the Chair.

Sir Stuart Bell: A robust statutory framework is in place at European level to prevent the unfair distortion of competition through Government subsidies, and the Government support of Northern Rock will need to be fully consistent with those guidelines. That should be

[Sir Stuart Bell]

sufficient assurance for anyone in the City of London to understand that Northern Rock will not have a competitive advantage over other organisations in the banking sector.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): The hon. Gentleman has been a Member of this House for a long time and he has argued endlessly that there should be freedom of information and that we should be open. Does he not feel even the slightest bit ashamed of his Government, as they have driven through this Bill when it is clearly not an emergency? With all his Back-Bench experience and given all the Governments he has seen, does he not feel even a little bit ashamed? Can I tempt him to give his personal opinion of the procedures that his Government have embarked on? Are they not disgraceful?

Sir Stuart Bell: The right hon. Gentleman puts temptation in the way of an hon. Member. It is not for me to yield to the forbidden fruit of Parliament and to be contrary to my Whips Office and my business managers. I would like to say a few additional words, however.

Mr. Beith: Does not what the hon. Gentleman is doing run the risk of ensuring that a party that supports this Bill and that moved the amendment will not contribute to the debate?

Sir Stuart Bell: I have noticed over the years that interventions can take up an enormous amount of time and that many Members make their comments through interventions. As I have been interrupted and I shall continue to be so, I hope that I may make the points that I wish to make before the debate comes to an end.

Miss McIntosh: Perhaps I should draw the House's attention to my diminishing interest in Northern Rock as a former shareholder. Will the hon. Gentleman answer one question? He is much better versed in the procedures of this House than many Members. Why on this occasion does he choose to rule out the use of a hybrid instrument, which I think would be particularly appropriate to apply?

Sir Stuart Bell: It is not for me to rule that in or out; that is a question for those on our Front Bench. I have, however, been quietly asked to allow the Liberal spokesman to make an intervention, and I will be happy to do so. Let me simply say that if the Lords spend so much time—two days—on producing amendments such as those we are discussing in this House now, then our having more time would have made very little difference.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Mr. Deputy Speaker. The hon. Gentleman has just informed the House that he has been asked to allow the Liberal Democrats to intervene in this debate, which is very good of the Government. Bearing in mind that it was the Deputy Leader of the House who did that, can you, Mr. Deputy Speaker, enable us to have extra time so these matters can be discussed properly?

Mr. Deputy Speaker: Unfortunately, the answer is no. I am bound by the rules of the House, and interventions such as this simply take up more time.

Mr. Jeremy Browne (Taunton) (LD): What a build up to what will be a great six-minute speech!

The Chief Secretary to the Treasury accused the Liberal Democrats of playing opportunistic games with this Bill. That was a mistake, because if anything we have given the Government guidance throughout on the course of action that they should take. If only they had listened to us a bit earlier, the public purse would be in a lot better condition. As for the hon. Member for Middlesbrough (Sir Stuart Bell), he will have to learn to stand on his own two feet without the guidance of my hon. Friend the Member for Twickenham (Dr. Cable).

Mr. Redwood: What is the Liberal Democrats' forecast of the first year total cost to the taxpayer of the nationalisation that the hon. Member for Taunton (Mr. Browne) envisages?

Mr. Browne: Let me see whether I can get to that once I have concluded the two substantive points that I wish to discuss, the first of which is on the independent audit and the second of which is on freedom of information.

The Liberal Democrat position is that an independent audit is appropriate, and it is strengthened by the arguments that we have heard about Granite in this House and in the other place. There has been an extremely worrying development, because there still is no feasible alternative to nationalisation, but that does not mean that the Government can sweep the Granite issue under the carpet. Some £8 billion of unsecured loans are on Northern Rock's balance sheet, but none is on Granite's, so there is an imbalance that is potentially highly damaging to the taxpayer. We need a new valuation that gives taxpayers confidence that when we undertake to buy this company, we are buying a proposition that offers us a reasonable deal.

Commercial confidentiality is specifically excluded from the freedom of information provisions. The suspicion must be that the Government think that there is something to hide and that they would rather not be exposed by freedom of information. Northern Rock would have benefited from more rather than less scrutiny over the past few years. Some companies in the public sector that have commercial rivals are subject to freedom of information provisions. Royal Mail is a case in point—it competes with independent, private courier companies—and National Savings and Investments is another example of the phenomenon.

Northern Rock is looking to engage very expensive consultants and it might well pay bonuses to staff, so it seems only reasonable that we are in a position to know the scale of the undertaking being made by its management. The Minister says that the problem is that as this is only a transitory condition and the company will be sold back to the private sector—she was not specific on the precise time scale—it would not be appropriate to subject these measures to freedom of information. Of course there is nothing to prevent the Government from reintroducing provisions to exclude Northern Rock from freedom of information measures

when it is sold back into the private sector. We have no assurance of when that will be, and it is surely much better to act on the precautionary principle and for the Government to support the relevant amendment.

In conclusion, the Government are taking an extremely high-handed approach on this matter. The Liberal Democrats have sought to be a wise counsel and good friend to the Government throughout their difficulties over the past five months. That is entirely the spirit in which, in the other place, we supported the amendments before us this evening. We are not seeking to play opportunistic games. We seek to make the legislation, which is being introduced in short order, better than it would otherwise be. Rather than setting their face against good advice from my party and the Conservative party, the Government would do well to be less stubborn and to heed the warnings that we have given them in the past and are putting before the House this evening.

Mr. Duncan Smith: Very little time is left, so I just want to make one particular point. We ought to put the amendments in context. They probe the reality of what the Government are doing. This is not aimed simply at safeguarding commercial interests or the interests of the taxpayer. The main priority of all this secrecy and all this rush is to safeguard the political interests of this Government. They know very well that if freedom of information was allowed, we would find out exactly what had gone on over the past few months. We would know how incompetent and disgraceful their behaviour has been. We would learn something else over the next few months. The Government have set this so that it will go—

It being one hour after the commencement of proceedings on the Lords amendments, MR. DEPUTY SPEAKER *put forthwith the Question, pursuant to Order [19 February].*

The House divided: Ayes 277, Noes 167.

Division No. 091] **[8.45 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gibson, Dr. Ian
Goggins, Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George

Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Ms Diana R. Johnson and Liz Blackman

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Baron, Mr. John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Öpik, Lembit
Osborne, Mr. George
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Thurso, John
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Brooks Newmark and Mr. David Evennett

Question accordingly agreed to.

Lords amendment disagreed to.

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary to bring proceedings on the Lords amendments to a conclusion.*

After Clause 10

Lords amendment: No. 2, insert the following new clause—

"Freedom of information

Where an authorised deposit-taker is subject to an order made under section 3 or where the property, rights and liabilities of an authorised UK deposit-taker have been transferred to a body corporate under section 6, that deposit-taker or body corporate shall be deemed—

(a) to be a publicly owned company for the purposes of section 3(1)(b);

(b) to hold information on behalf of the Treasury for the purposes of section 3(2)(b); of the Freedom of Information Act 2000 (c. 36)."

Motion made, and Question put, That this House disagrees with the Lords in the said amendment.—*[Mr. Roy.]*

The House divided: Ayes 268, Noes 171.

Division No. 092] **[9 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Goggins, Paul
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis

Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Ms Diana R. Johnson and Liz Blackman

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Baron, Mr. John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Field, Mr. Mark
Fisher, Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Öpik, Lembit
Osborne, Mr. George
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Thurso, John
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Brooks Newmark and Mr. David Evennett

Question accordingly agreed to.

Lords amendment disagreed to.

Lords amendment No. 3 disagreed to.

Lords amendments Nos. 4 to 8 agreed to.

Committee appointed to draw up Reasons to be assigned to the Lords for disagreeing to certain of their amendments to the Bill: That Mr. Bob Blizzard, Mr. Jeremy Browne, Yvette Cooper, Mr. Philip Hammond and David Wright be members of the Committee; Yvette Cooper to be the Chairman of the Committee; Three to be the quorum of the Committee.—*[Mr. Roy.]*

To withdraw immediately.

Reasons for disagreeing to certain Lords amendments reported, and agreed to; to be communicated to the Lords.

9.14 pm

Sitting suspended.

11.6 pm

On resuming—

ROYAL ASSENT

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Act:

Banking (Special Provisions) Act 2008

Schools Reorganisation (Havering)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Blizzard.]*

11.7 pm

James Brokenshire (Hornchurch) (Con): I am grateful for the opportunity tonight to highlight a number of issues surrounding potential changes to primary school provision in Havering, with particular reference to my constituency, Hornchurch. The Minister is aware of the matters I wish to raise as we have been in direct correspondence. I understand that he met the head teacher of one of the schools concerned just before Christmas, and I am grateful to him for the time that he spent there and the answers that he gave to the various matters raised with him.

The background to the debate is the proposals by the London borough of Havering to invest in modern primary school facilities in the borough and to address surplus school places in some of the schools. In my constituency, two schools have been particularly affected by the local authority's proposals—Ayloff primary school and Dunningford primary school. I pay tribute to the head teacher, the teaching staff and the governing bodies of both schools. Each of them has achieved high standards for their pupils and they are a key part of the community in Elm Park.

However, both schools have surplus places. Ayloff has a surplus of 25 per cent. and Dunningford has a surplus of 38.1 per cent. In line with Government and Audit Commission guidance, the local authority felt it necessary to address the issue. As I understand it, the reduction in both schools to, for example, single form entry was not viable, leading to the consideration of more significant changes in the arrangements necessary to deal with the surplus school places.

The council initially proposed the merger of the schools and the creation of a new purpose-built school facility at the current Ayloff site. The council argued that in the difficult situation that it faced in dealing with significant school places, that route would provide a new purpose-built school facility, while maintaining equality of treatment between the staff and governing bodies of both Dunningford and Ayloff, with a new unified school being created. However, it became apparent that the proposed arrangements had not taken account of new provisions introduced under the Education and Inspections Act 2006. Those regulations required proposals for all new primary schools being created, for whatever reason, to be subject to a competition process. It was an extension of arrangements that existed for new secondary schools. The new regulations require that all new primary schools be subject to a competition that invites other potential promoters of schools to express an interest in setting up and operating new schools. Under such arrangements, the local authority continues to have capital responsibility for providing the school's facilities and maintaining the school as part of the ongoing dedicated schools budget revenue funding model, as applied to all other schools.

If expressions of interest are received, an ongoing competition process ensues. The competition is most likely to result in the provision of a foundation trust or voluntary-aided school if the local authority elects to have no part in the process. However, the authority can choose to be involved with a promoter's bid or itself submit a separate proposal for a new school. The local authority, having considered the situation, applied for an exemption in relation to this case, to retain—as it saw it—the concept of equality of treatment between the two schools, but through a merger.

However, that permission was refused by the Secretary of State. As a consequence, Havering council decided to adopt a revised proposal with the proposed closure of Dunningford, even though, as was noted in the briefing paper to the cabinet of Havering council on 14 November 2007,

"it would require a more unpopular decision to close one school and retain one school and thus place staff and governors of the closing school at a significant disadvantage to the school that would remain open."

The Minister will be aware that I wrote to him about the situation and the impact of the operation of the regulations in the scenario of action to address surplus school places. In his reply to me, the Minister said:

"I can confirm that we considered very carefully the case made by Havering for consent to publish proposals for a new community primary school, but we were not satisfied that the proposed school would contribute to raising local school standards, increased diversity and greater parental choice."

I understand and appreciate that that decision has been made and I am not seeking tonight to reopen specific consideration of that issue. I also recognise that it is a matter for each local authority to set out and determine its plans for school provision for the local community that it serves, and that Ministers should not intervene. However, I hope that the Minister will be able to provide some clarity on the practical operation of the competition regime under the Education and Inspections Act 2006 and to address some more general issues highlighted by this case.

In particular, how in circumstances of what were in essence school closures because of surplus school places could a local authority demonstrate greater parental choice, as referred to in the Minister's letter, to meet the requirements of exemption when two schools were being reduced to one, albeit new, school? My driving principle in reviewing the situation has been to consider how best to ensure fairness and equality of treatment between two good schools in this extremely difficult situation. In that context, the Minister will be interested to know that I have made representations to the local authority to hold a competition for the replacement school. However, I have to say that I have done so to preserve balance and equality in the current situation, in which the risk is increasingly that one school might be pitted against the other; it is not because of any real enthusiasm for what appears to be a rigid and bureaucratic measure that the competition regime appears to provide.

In that context, it is worth mentioning certain points that Havering council has put back to me, as highlighted in particular in a letter from Andrew Ireland, the group director of children's services at the London borough of Havering. He said:

"If it is the case that the only way that diversity and parental choice may be enhanced is through a competition to provide a school then the council's proposal does not achieve this. However, competition itself does not deliver a greater diversity of providers if the successful bidder is the local authority. So far there has been only one secondary school provided through

[James Brokenshire]

competition, in Haringey, and the Local Authority won the competition. That school is not yet built. There has been no primary school built through the competition route to date. There is no evidence at all in the primary sector to justify a claim either way."

He adds:

"The competition route was open to it, but officers' view was that the delay to achieving a new school would be a full year, disagreeing with the DCSF theoretical calculation that the delay would be only 4 months. The alternative route, to close one school, removed the delay but at a cost to the staff and governors of the school being closed. There is real evidence that extended delay can contribute to diminished outcomes for children. The council's position has to be that the experience of children has to be put first with regret for the worsened position of some staff this entails."

It should be noted that the council has sought to ameliorate the impact on the staff of Dunningford by declaring that there will be no compulsory redundancies.

As I understand it, the council's point on the extended delay and its difference of view from that of DCSF officials is that, in order to minimise disruption to the education of pupils, change is best effected at the start of the academic year, and to ensure an appropriate operation of admissions policies in practical terms this requires a specific timetable and means that the delay caused would be about a year. That is a practical issue that has been pointed out to me, and I hope that the Minister might be able to reflect on it as regards the model that has been established.

Other concerns that have been raised include the following: neither the council, the schools or the communities involved would know what the outcome of the process would be until completed; a range of promoters could come forward, or not; the future position of all governors and staff involved would be uncertain, and if a promoter or proposals other than for a community school were approved, it is likely that the staff would be subject to a procedure under the Transfer of Undertakings (Protection of Employment) Regulations 1981; that an early start could not be made on new building design as a third party would not have to accept any work completed by the council, further delaying implementation; and that the process for the council providing capital to the new school promoter is at best unclear at this stage.

Those practical and genuinely held concerns have been raised with me, the public in Havering, the schools concerned and the governing bodies. I hope that the Minister might be able to consider and respond to them and in so doing give some guidance on how they could be overcome in this specific example, or more generally for a council in a similar predicament to that in which Havering finds itself. The Minister may say that they are not well founded, in which case, in terms of the continuing process, the officers in the cabinet of Havering council can hear him give another viewpoint on the competition route, which, in practice, may not be as they see it.

It is important that control is given to local communities rather than having it vested in central Government, who prescribe more heavily in terms of how a process should operate. Because this is new ground—a process that has not yet been fully tested, certainly not in the primary school arena—it may be right that questions should be raised by Havering so that other schools and local authorities can review the position and learn from the experiences that we are having to deal with.

Parents, children, staff and governors at Ayloff and Dunningford have a difficult period ahead of them, whatever outcome is finally decided on, depending on whether a competition route is adopted. There are no easy solutions in this sad situation where two excellent schools with very strong management teams have to address the difficult question of managing surplus school places. I ask the Minister to reflect upon the case of Havering and to look again at the policy framework and perspective that arise in this case so that lessons can be learned. Even if the law cannot be changed, perhaps guidance or further advice can be provided to local authorities to explain more specifically the relevant issues and the practical considerations.

I hope that we will find our way through and work out how we can best manage the situation in Havering. Through this debate, perhaps we can provide input and guidance and insight into how local authorities manage a situation where there are surplus school places and where no new school is being created. It is a question of consolidation, and how the regulations fit in; I still have questions about whether they are practical or appropriate to such concerns. I hope that the Minister will take that issue on board, and reflect on the points made to me, and through me, to him, in this debate.

11.21 pm

The Minister for Schools and Learners (Jim Knight): I start by congratulating the hon. Member for Hornchurch (James Brokenshire) on securing this debate. I am grateful to him and to my hon. Friend the Member for Dagenham (Jon Cruddas) for raising these matters with me in conversations here, in earlier questions and in correspondence. I am also grateful to the parents and children who have written to the Department about the proposed school closures.

Parents, pupils, staff and the wider community are always rightly concerned about the effects of any changes to local school provision. As today's debate shows, that is true of every community throughout the country, not just the rural ones that have been in the news in the past few weeks.

Understandably, people have strong views and they want them to be heard, and it is important that local authorities listen to the people who will be most directly affected and to their representatives, such as hon. Members, in order to get these difficult decisions right. Before I respond to the issues raised concerning Havering, I want to set the context of the way in which local authorities act as strategic commissioners for school places.

The local authority is now the commissioner rather than the direct provider of educational services—a vision that we set out in October 2005 in the White Paper "Higher Standards: Better Schools for All", and put into law with the Education and Inspections Act 2006. Authorities are responsible for managing the supply and demand for schools in their areas. They are

well placed for that role; they are certainly better placed to make those decisions than I am, sitting in Whitehall. They can use their local knowledge and local consultation to ensure that schools serve the needs of their communities and provide good quality education in the most cost-effective way. To do that, they have to adapt to changing circumstances.

As birth rates fall and rise in different areas, local authorities have to consider what schools they need and where they should be, which may mean that not all schools are of the right size or in the right place. Too many surplus places can represent a poor use of resources, so authorities with high levels of surplus places will consider reducing them as part of their planning strategy. But, of course, that does not mean rushing to close schools.

Capacity can also be reduced by removing temporary accommodation, consolidating split site schools and by rationalising school space. I have said repeatedly in recent weeks that local authorities should think creatively about their future planning. They will need to assess whether accommodation can be adapted for alternative use, broadening the services that their schools offer in line with the likely future pattern of children's services as a whole and with the needs of local communities. They can look at forming federations or consider collocating schools with other services to ensure that their buildings are viable. As I said, it is for the local authority to take the lead in that process, as the strategic commissioner of school places, while taking account of the particular local circumstances. Part of the new role for authorities is to provide greater choice and diversity for parents and children, as the hon. Gentleman said. The 2006 Act makes it clear that if a local authority wants to open any new school for pupils of compulsory school age, it must publish a notice inviting bids from other providers—in effect, start a competition. We introduced the change to bring new talent and energy to school provision. Standards of teaching and learning will be improved if there is a diverse range of good schools for parents to choose from.

The change is starting to work. We are already seeing energetic and dynamic providers coming forward in some of the competitions that have been run and in those that are running, including those for new primary schools. The hon. Gentleman is right that the council won the competition in Haringey—that just shows that competitions are not stacked against local authorities—but we have also held competitions for new secondary schools in Lincolnshire, as well as two competitions in Southampton, and there are six competitions for primary schools in Salford, two in Devon, one in Cambridge, one in West Sussex and one in Northamptonshire.

I am sure that officers such as Andrew Ireland in Havering will be looking closely at the experience in those authorities, as will we, because the hon. Gentleman is right: in these early days of competition, we need to be able to look at the experience. I am particularly concerned to ensure that there should be enough providers out there wanting to enter such competitions, especially for primary schools—there is no question but that a number are interested in secondary schools—to ensure that the competitions genuinely are competitions.

That brings me to the reorganisation in Havering that the hon. Gentleman has raised in this debate. As he said, Havering's primary schools have 10 per cent. surplus places, with eight of its 65 primaries having more than 25 per cent. surplus places. It is sensible that the authority should address that surplus. As the hon. Gentleman pointed out, the local authority wishes to open two new community schools to replace Dunningford and Ayloff schools, and Edwin Lambert and the Manor schools, yet without holding competitions.

We recognise that there may be cases where a competition will not necessarily be appropriate in a particular area. We have indicated that we might be prepared to give consent in three circumstances: first, straightforward amalgamations of infant and junior schools where a replacement primary school is proposed; secondly, where there is to be a reorganisation of religious schools in the area and schools with a particular religious character are to be replaced by schools with the same religious character; or thirdly, where an independent proposer proposes a new school to increase diversity in the area, rather than in response to a local authority's need to reorganise.

We have provided that, with the consent of the Secretary of State, proposals to open a new school can be published by the local authorities or other providers without the need to run a competition, if the proposals meet those criteria. However, we have made it clear in debates, including during the passage of the 2006 Act—my first days as Minister for Schools were spent taking the Bill through Committee—that consent would be given only in exceptional cases, such as those that I have described.

I assure the hon. Gentleman that careful consideration was given to the case made by Havering for consent to publish proposals for two new community primary schools without competition, but we were simply not satisfied that there was a compelling argument to depart from our clear policy in those cases. We did not believe that the interests of the area would definitely—that is the test for us—be best served by the proposed new schools or that they would definitely contribute to raising local school standards and increase diversity and parental choice. We believe that competition would have tested all those questions. I am therefore pleased to hear that the hon. Gentleman has continued to promote the idea of competition with his local authority.

Instead, the local authority has chosen to amalgamate existing schools without running school competitions. It is legally entitled not to hold a competition if it is proposing to close one school and make alterations to the other, rather than to establish a new school, but we would still have preferred to see the competitions. The local authority could have closed the two pairs of schools and held competitions for the two replacement schools, which would have provided an opportunity for other providers to set out alternative proposals. Havering could have obtained approval to enter its own community school proposals into those competitions, which could have been considered alongside those from any other providers. If Havering had been the best in the competition, as Haringey was, the schools adjudicator would have found for the council. The most important point is that had that been

[Jim Knight]

done, local people would have been able to submit their views on all the proposals. The local authority's proposals would have been considered on merit against any others, and the questions raised by the community about why Dunningford and the Manor school were selected for closure—and the resulting sense of disadvantage among pupils and staff—could have been avoided, because there would have been a transparent competition process.

I know that time was an issue. The local authority expressed concern that it had already carried out detailed consultation on its plans before the new requirement for school competitions came into force. However, I gently remind it that our proposals were well heralded. The Education and Inspections Act 2006 was introduced in February of that year, over a year and half before Havering applied to the Department. Following Royal Assent, detailed draft regulations and guidance were issued in November 2006 which made it clear that we expected competitions to be run for new schools. The local authority should therefore have recognised that the new measures would affect their plans, and should have taken them into account earlier.

Local consultation is a critical element of any proposed reorganisation. Authorities must set out exactly what they propose to do, explain why, and explain how people will be affected. I know that Havering has consulted extensively on its reorganisation plans, and its current document includes changes that it made after listening to people's views. I note that the local authority has gone some way towards dealing with local concerns by making a commitment to secure equality for all staff when determining the new staffing structures, and to avoid redundancies. However, consultation is not the same as choice, and as I said, our preference—and, I think, that of the hon. Gentleman—would have been for a competition.

I do not believe that that would have seriously delayed progress. Competitions could have been well under way by now, and decisions could have been made by the schools adjudicator in midsummer. The process would have involved a competition involving all interested parties, with a variable time scale. An initial notice would have been published inviting bids for the establishment of a new school, in a local newspaper and in a conspicuous place in the area served by the school, with a deadline of four months for proposals. A second notice would then have been published summarising the proposals submitted. It would have had to be published within three weeks of the end of the first notice period.

There would have been a period for representations, allowing comments and objections to be submitted in relation to all proposals. During that period, a public meeting would have had to take place. There would then have been a decision by the local authority, or the schools adjudicator if the local authority had submitted proposals or had a role in the trust of a proposed trust school. Decisions are generally made within two months, and implementation would have followed. I think it is possible to complete the process in less than a year, and I believe that the schools adjudicator could have made a decision if Havering had chosen to enter the competition in midsummer. However, I accept that it is within the law for the local authority to amalgamate schools in this way, and it is for the authority to respond to concerns about its particular approach.

James Brokenshire: The Minister will know that various specific concerns were raised and appear still to be held by the local authority. May I ask him to reflect on what has been said in the debate, and to respond later to any points that he has not been able to address tonight? That would be helpful, and it would be appreciated.

Jim Knight: I was about to say exactly that. The hon. Gentleman mentioned issues raised in Andrew Ireland's letter, such as the way in which capital transfers and staff transfers would work. I should be happy to write to him, and I am sure that he would want to pass that information on to the authority.

Let me end by stressing the Government's commitment to ensuring that schools receive the funding that they need to raise standards and deliver high-quality education. Over the next three years, we will provide £21.9 billion of capital support for investment in schools, compared with less than £700 million a year about 10 years ago. Over the next three years, Havering and its schools have been allocated £46 million of capital support. That includes £13.2 million of devolved formula capital for schools, £8.4 million of primary capital money and £8 million of targeted capital for 14 to 19 diplomas, special educational needs and disability needs. That allocation, averaging more than £15 million a year, compares with an allocation to Havering of less than £300,000 in 1996-97.

I want to stress again that raising standards is at the heart of our agenda. That sometimes requires difficult decisions or imaginative solutions to changing patterns of need and, crucially, local authorities are responsible for these decisions—and, having listened to parents, they must take them.

I will reflect on the issues raised in the debate, and I will continue to learn the lessons. I hope that authorities will learn the lessons from each other as well. I am grateful to the hon. Gentleman for raising these issues tonight.

Question put and agreed to.

Adjourned accordingly at twenty-four minutes to Twelve o'clock.

House of Commons

Friday 22 February 2008

The House met at half-past Nine o'clock

PRAYERS

The Second Deputy Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

Orders of the Day

Temporary and Agency Workers (Equal Treatment) Bill

Order for Second Reading read.

9.34 am

Andrew Miller (Ellesmere Port and Neston) (Lab): I beg to move, That the Bill be now read a Second time.

I thank the many people who have contacted me regarding the Bill and the huge the number of colleagues who have expressed their support for the measure. The media have already noticed that my sponsors reflect all strands of opinion inside the parliamentary Labour party, and because of that I am confident that the Government will listen to my comments as I know that I speak for so many colleagues.

I do not want to dwell on why no progress has been made, but want to provide an opportunity for the House and the Government to start to resolve one of the most important employment issues that we have had to address since the implementation of the minimum wage.

Mr. Christopher Chope (Christchurch) (Con): I attended a meeting on Wednesday with, among others, the Institute of Directors. It informed me that it has been assured by the Government that they are against the Bill. Is that the hon. Gentleman's understanding as well?

Andrew Miller: It is my understanding that the Government are in favour of resolving the problem, and that is what I want to happen. I am not particularly worried whether it happens through the vehicle of this Bill or this Bill amended, or by some other measure. I, and the many people supporting the Bill, want the issue resolved, and soon.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): Is it my hon. Friend's impression, as it is mine, that the same bureaucratic forces deep in Whitehall are against the Bill as were originally against the Gangmasters (Licensing) Bill? Does he agree that what is required is for Ministers to put down their collective foot and ensure that fairness is provided for agency workers?

Andrew Miller: My right hon. Friend speaks with authority given his responsibility in taking that Bill through the House. A solution that might wake up some civil servants is to put agency staff in Whitehall. They might think a bit differently then.

I remind the House that the stories of doom and disaster that we have heard from some quarters are based on precisely the same arguments as we heard when we introduced the minimum wage—threats that 250,000 jobs will be lost and threats about the slow-down of the economy. We face the same doom merchants, recycling the same speeches. They were wrong then and they are wrong now. My Bill, if introduced with care, will not impact at all on our competitiveness.

I want to consider the substance of my right hon. Friend the Prime Minister's interview in Davos on 25 January this year, when he said:

> "You've got to look at what the skills you can offer are. If you are unemployable because you've got no skills…we will give you help to get the skills. If you're a young person, we want to get you on to an apprenticeship or a junior apprenticeship. If you're an adult, we want to get you basic skills that you may never have had before."

He went on to say:

> "The next stage is skills."

He was trying to develop a vision for what he saw as the 2020 economy, in which the 6 million unskilled jobs in the British economy are replaced by a much smaller number of jobs. He then said:

> "The rest have got to be skilled. If you don't get the skills, you'll not get a job."

That is precisely right. It is a very good analysis of what the economy needs and what British workers need to do to help us to get the economy moving in the right direction in the race for the top. It is that model that we should be targeting, not a model that is based on exploiting workers at the bottom end of the pile. If Britain, and indeed Europe, intend to compete in that race, that will undoubtedly be based on a highly skilled and highly motivated work force.

Although temporary workers will continue to be needed to fill the peaks in demand and to help us to deal with unexpected circumstances, the notion that the number will remain the same as today's figure of approximately 1.4 million runs contrary to any logic. We simply cannot achieve the goals set out by the Prime Minister without addressing the issue that we are dealing with today. Doing nothing provides a short-term advantage to some businesses, but it does little to provide the necessary ingredients for us to reach that 2020 goal. After all, few agencies have any clear training objectives. So my first argument in favour of the Bill is that it is in the best long-term interests of the economy to encourage employers to plan for the long term and to establish a well-trained and well-motivated work force.

The second argument, which has brought so many of my colleagues together, is that what the Bill proposes is morally right, which is surely the basis on which we should legislate. At the end of the day, that should be a powerful motivator, and it should be central to our thinking in Parliament. How can it be right for people to work alongside one another with the same skills doing the precisely the same task, yet one category of employee is worth less than another? The concept of equal value should surely apply to anyone in such circumstances. I am not arguing that there is no need to use agency workers, as they create the flexibility that is sometimes needed, but I am arguing that they should not be routinely used as a means of dodging the cost of sick pay, holiday pay, pensions and any other part of the package available to permanent employees.

Mr. Bill Olner (Nuneaton) (Lab): Like many of my colleagues, I am interested in the substance of my hon. Friend's speech and the Bill. Does he agree that the Opposition Benches are quite bare? There are no Liberals in the Chamber and very few Tories. *[Interruption.]*

Andrew Miller: The sole Liberal, the hon. Member for Solihull (Lorely Burt), has returned to the Chamber.

As usual, my hon. Friend has made an astute observation about what happens in the House. It is fascinating that Labour Members, who represent working people, have turned out en masse to support the measure, while the Opposition Benches are devoid of Members.

Mr. Mike Weir (Angus) (SNP): The Scottish National party would hate to be left out of this little discussion. I can assure the hon. Gentleman that there is support among nationalist Members for his Bill, and we will support him today.

Andrew Miller: I am glad of support from the token nationalist in the Chamber. I wonder whether the rest of them will participate later in the vote.

I should like to illustrate my argument with a few cases. An agency approached me with irrefutable evidence of wrongdoing by another agency, which was providing labour below the minimum wage. While better policing of existing legislation would help, we need to fire a shot across the bows of offenders, and I want action by Ministers to address the problem. That is slightly outside the parameters of the Bill, but it is important that we look at the issue holistically, and ensure that the abuses that have been identified are properly addressed by using existing legislation as well as incorporating the proposals that I have set out. In the case that I have just raised, the agency was undercut on two occasions by a competitor and, consequently, it could not bid for the work because to do so would be illegal. Yet someone is doing that work, which is outrageous in this day and age. Under existing policing arrangements, it was impossible to deal with the problem.

Mark Pritchard (The Wrekin) (Con): In trying to be helpful to the hon. Gentleman may I give him another example to illustrate the need for his proposals? Next Friday, the Department for Work and Pensions, which is run by a Labour Minister, will announce whether, with Capgemini, it will lay off 600 to 700 people in my constituency, only for them to be replaced by agency workers who do not have the rights that he believes they should have.

Andrew Miller: I genuinely look forward to the hon. Gentleman's support in the Division.

Mr. Nigel Evans (Ribble Valley) (Con): I am extremely grateful to the hon. Gentleman, and I congratulate him on the incredible turnout of support, which will send a signal to the Government about what the parliamentary Labour party wants. He is a fair man, so will he tell us what the total cost will be to British industry if his Bill becomes an Act?

Andrew Miller: I do not believe it will be a cost—I think it will be a benefit, because the measure will result in a greater focus on the need to upskill workers in modern industry, thus helping us to move towards the economic model that the Prime Minister postulated in his Davos speech. I remind the hon. Gentleman that precisely the same issue of cost was raised by Opposition Members when we introduced the minimum wage. That measure has not resulted in detrimental costs for the UK, and the Bill will not do so, either.

Colin Challen (Morley and Rothwell) (Lab): Is not one of the benefits for British industry the fact that the morale of people in permanent employment will be boosted by the knowledge that they will not be replaced, or threatened by, the advance of temporary and agency workers? That will surely impact on their capacity to perform their functions to the best of their abilities.

Andrew Miller: My hon. Friend makes an extremely important point. The confidence and morale of the work force in any workplace impacts directly on productivity and, indeed, the profitability of the business. That point is blindingly obvious, but it has been missed by Opposition Members. My hon. Friend has hit on a very important matter: if Britain is to be competitive in the race to the top, we must build greater confidence among the work force by getting employers to work with permanent staff. I accept that they have to use temporary and agency workers when absolutely necessary to deal with peaks in demand and emergencies, but they should use their core work force more productively. I thank my hon. Friend for his intervention.

Mr. Lindsay Hoyle (Chorley) (Lab): I congratulate my hon. Friend on introducing the Bill. Will he go a bit further, and confirm that the measure will help to protect employees' terms and conditions, which will benefit not just agency workers but people in full-time jobs?

Andrew Miller: Again, my hon. Friend is absolutely right. We have identified examples in which the bringing in of agency workers, predominantly from central European countries, has not only undermined conditions but damaged good relations in the workplace, which is an unhealthy development. Employers argue that they are trying to achieve more flexibility in the workplace, but they act against their own best interests.

Dr. Stephen Ladyman (South Thanet) (Lab): I congratulate my hon. Friend on introducing his Bill. He just made a point about people being brought in from far away, which is happening even in prominent high street supermarkets. The lower wages that those workers are paid are used as a benchmark to try to adjust the wages of permanent staff.

Andrew Miller: Again, my hon. Friend makes a sensible point.

Several hon. Members *rose—*

Andrew Miller: I should like to make a little progress.

Two gentlemen came to my surgery asking for advice about how they could claim redundancy pay, because the depot in which they worked in my constituency had closed. The closure appeared to be a perfectly rational business decision, so when those guys came to see me I asked them why claiming redundancy pay was a problem. They told me that they were employed by an agency. I was curious, and asked them how long they

had worked for it. One said, "Twelve years", and the other one said, "Eight years." Is that a good use of British workers? It is an outrage that a publicly known company—Calor—should act in that way.

Mr. Jim Cunningham (Coventry, South) (Lab): Does my hon. Friend agree that, while agency workers work for low wages on bad terms and conditions the people who run those agencies make profits, which is a very expensive way to go about things?

Andrew Miller: It is an expensive way of addressing employment needs. These so-called permatemps are an unacceptable form of employment.

Viktor, a Hungarian whom I met a couple of weeks ago—colleagues will know that I have a strong connection with that country as chair of the all-party group—is sleeping on the floor of a house with five other young men who are being exploited in Britain in 2008. His problems need addressing through my proposals and through the Gangmasters (Licensing) Act 2004 introduced by my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan), whom I congratulate on that.

Many other examples of abuse can be cited, but I want to deal now with the Bill and the two issues that have historically been a stumbling block in progressing the matter. First, with regard to the qualifying period, some jobs require no training and a permanent employee would be taken on at the particular rate for the job. There can be no argument but that temporary employees in such employment should earn the same as their permanent counterpart from day one. Other jobs require particular qualifications or experience, where the responsibility of the temporary employee is the same as that of the permanent employee, and, again, they should be paid the same. For example, if a temporary replacement for a staff nurse with 10 years' experience is required, it is fairly straightforward to work out the fair rate for such work from the trust's pay scales.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): Will my hon. Friend expand his point to deal with gender equality issues? He will be well aware that one of the ways in which gender inequality in wages can arise is when certain jobs are predominantly done by women. Such jobs often appear to be graded at a lower level, and if they are more temporised, there is further inequality.

Andrew Miller: My hon. Friend is spot on, and I thank her for that observation.

The tougher area might be the semi-skilled workers where the particular nature of the work requires a ramping up to the appropriate rate. Why make things complicated? Why should not the same principle apply for temporary and agency workers?

Mark Pritchard: Will the hon. Gentleman give way?

Andrew Miller: No, I shall not give way. I am just coming to a conclusion.

The other stumbling block has been on the issue of enforcement. I do not want an industrial tribunal to be the first line of defence. That should be the last resort, used only in extremis. I want the Minister to consider the space that I have allowed him in clause 4 to create a mechanism that is short, sharp and effective, and avoids the overuse of tribunals. He should consider creating that responsibility, perhaps in ACAS, unless somebody comes up with a better idea.

In the long term, the Bill is economically the right thing to do, and, for the reasons that I have described, it is morally the right thing to do, and I commend it to the House.

Mr. Deputy Speaker (Sir Michael Lord): The Question is, That the Bill be now read a Second time.

Hon. Members: Aye.

Mr. Deputy Speaker: I call Charles Hendry.

Mr. Dennis Skinner (Bolsover) (Lab): On a point of order, Mr. Deputy Speaker. It will have been within the hearing of most hon. Members, especially on the Labour Benches, that there were many Ayes but no Noes, so should a Division have been called?

Mr. Deputy Speaker: The Opposition spokesman rose rather late, but he clearly had every intention of participating in the debate.

9.53 am

Charles Hendry (Wealden) (Con): I am grateful to you, Mr. Deputy Speaker. Many of us will have been slightly surprised to see so many people here ardently and enthusiastically supporting the Bill, but not one of them seeking to rise in order to speak in support of it. Moreover, the House will have wanted me to speak now to ensure that the Minister has a chance to say what he thinks about the Bill, because we know clearly from what has been said elsewhere that while it has much support on the Back Benches, it is fundamentally opposed by the Government.

The Opposition oppose the Bill because it is unnecessary and misguided. In March 2006, the Government published a consultation paper entitled "Success at Work. Protecting vulnerable workers, supporting good employers". In it the Government commented on agency workers as follows:

> "Having reviewed the evidence provided in responses to the consultation and taken account of action already undertaken since 1997, we believe changes to the legal framework would not prevent instances of abuse or lack of awareness. It could, however, damage labour market flexibility and result in the reduction in overall employment. We have concluded that the present legal framework reflects the wide diversity of working arrangements and the different levels of responsibility and rights in different employment relationships. The Government believes that it meets the labour market's current needs and there is no need for further legislation in this area."

That statement was made because, as was noted, a balance between temporary and agency workers' rights and the employer's business needs had been struck. Temporary employment provides flexibility to employers and thus benefits businesses. Temporary agency workers benefit from many of the minimum rights introduced since 1997. They are covered by the minimum wage, working time legislation, and health and safety and social security provisions, such as maternity and sick pay. Legislation has already been changed to ensure

[Charles Hendry]

that part-time workers have the same rights in relation to pay, access to pensions and bonuses. They are also protected from discrimination. As for the workers' opinions, according to YouGov, 53 per cent. of temporary workers felt that they were treated fairly by their agency and 24 per cent. neither agreed nor disagreed.

The business position was also broadly in agreement. The Engineering Employers Federation said:

"UK manufacturing competes successfully in a global market. Part of the reason for this success is the UK's comparatively flexible labour market. A vital element of that flexibility is the agency workers market which enables companies to respond to fluctuations in demand as they occur."

It would seem that the situation was broadly satisfactory to Government, to business and to most of the workers concerned—that is, until the EU brought out yet another proposal, which aims yet again to level down employment legislation to the lowest common denominator.

The Conservative party has consistently supported the Government in resisting the European Council draft directive on agency workers since May 2000. During the discussions in the Council on 5 December 2007, the Portuguese presidency suggested that the temporary workers directive should be discussed together with the proposals to amend the working time directive 2003/88/EC, which would prohibit the UK's opt-out from the general limit of 48 hours on the working week. I shall not discuss this in detail today, but it would clearly have serious implications in the UK.

Instead, I quote from an article in the *Financial Times*, dated November 2007, which reported on the run-up to the December 2007 meeting of the European Council. It stated:

"The government is adamantly opposed to any such deal, backing employers' concerns that the temporary workers measure would damage the UK's flexible labour market. 'Our position hasn't changed...we don't think the temporary workers measure as it stands strikes the right balance,' the Department for Business, Enterprise and Regulatory Reform said."

But now, out of the blue, it would seem that the Government are to create an independent commission to consider the rights of agency and temporary workers. Can the Minister explain to the House where that proposal came from and why? Whenever the Government wish to indulge their passion for dithering and sitting on the fence, they launch another commission. In this case, they want to say yes to the unions and their Back Benchers, but dare not for fear of upsetting business; but they also want to say yes to business, but dare not for fear of upsetting the unions and their Back Benchers.

Ms Dari Taylor (Stockton, South) (Lab): Is the hon. Gentleman making a different statement from that of the CBI? On Radio 4 this morning, it made the clear statement that it was prepared to sit on a temporary workers commission, as it had sat on a low-pay commission, to see this Bill put into action? Is he taking a very different line from the CBI?

Charles Hendry: That must be a different interview from the interview I heard with the CBI this morning, in which it explained that it was fundamentally opposed to the Bill. It did say that it would take part in commissions when the Government asked it to do so, but it sees that as part of its duty as an employers organisation, rather than a duty it should take on because it supports what the Bill is about.

Philip Davies (Shipley) (Con): Further to that point, does my hon. Friend agree that the CBI has also said that the Bill as it currently stands could lead to 250,000 job losses in this country?

Charles Hendry: My hon. Friend is absolutely right. It was noticeable that, when the hon. Member for Ellesmere Port and Neston (Andrew Miller) introduced the Bill, which he did with his normal sincerity and commitment, and was asked about the costs to business, there were groans from the Labour Benches, as if the costs to business did not matter. On these issues, a balance must be struck between the interests of employers and employees to ensure that our economy remains strong.

In this case, the Government are ignoring their own position, as stated in their response to the 2007 European Commission Green Paper. Question 10 of the Green Paper asked:

"is there a need to clarify the employment status of temporary agency workers?"

The Department of Trade and Industry, as it then was, responded that

"we see no need to further clarify the employment status of temporary agency workers."

The DTI went on to explain that the

"thriving agency and temporary work sector"

is fine as it is. None the less, the Government now produce the idea of a commission.

I therefore hope that the Minister will take this opportunity to tell the House, rather than talking to the media, what the commission will do and who will be on it. For example, although I assume that it will look to see how temporary workers could be given pay and conditions comparable with those of permanent workers, will it also be charged with looking at making their positions identical, and will it be instructed to review whether that is in itself a desirable objective? Frankly, our concern here is that the commission is going to be asked to review not only the mechanical issues but the economic and political issues that the Government are so desperate to avoid in their rush to another policy fudge.

Back on the European Union front, it is our understanding that France is expected to push on the issue when it takes over the EU presidency on 1 July. Indeed, it is said that France is likely to revive the proposed EU directive, which could suggest that rights to equal treatment begin after just six days in employment. We also believe that the continued support of Poland and Germany will be crucial to Britain, but I note that the *Financial Times* reports that

"a Polish spokeswoman recently said that Warsaw was looking at the Portuguese proposal, and wanted to reach an agreement on both directives."

In other words, if there were ever a time for the Government not to dither, but to remain firm, it is now. Therefore, we simply do not understand how the proposed commission ties in with the EU agenda. In

particular, can the Minister now urgently confirm that the commission will report before the decision has been taken by the EU?

Mr. Chope: Does my hon. Friend think that there is an extraordinary inconsistency in the Government's approach, because this Bill goes much further than the proposed directive, yet the Government were trying to get allies to block the directive a few months ago? Now it seems as though they think that that directive will be all right.

Charles Hendry: My hon. Friend seems surprised that there may be an extraordinary inconsistency in the Government's approach. We have learnt that there is always an extraordinary inconsistency in their approach. They will say different things on different occasions.

We also want to know whether the reality is that the commission is just another fudge by a weak and vacillating Government who are dithering on one matter after the next. I have some sympathy for the Minister. He was in the papers just a few weeks ago saying that he has the most difficult job in government, closing down post offices all over the country, upsetting all his own Back benchers and everyone else. Today he has to come to the House to explain to those same Back Benchers why he is blocking the Bill as well. However, we need some clarity from him on the issue.

Mark Pritchard: Does my hon. Friend agree that—I suspect that this is to the slight embarrassment of those on the Government Front Bench, given that the Minister is a west midlands MP—all over the country, and in particular in the west midlands, the Government are laying off highly qualified permanent staff and replacing them with very expensive temporary, often inexperienced, staff in the public sector?

Charles Hendry: The Government have many issues to address on that front. Considering the general level of competence that one sometimes finds on these issues, perhaps we should be replacing some of the Ministers with temporary staff. That might improve the way in which the country is run.

To make matters worse, even union leaders are sceptical and want clear terms of reference before agreeing to a commission. Of course, they are open to saying that they do not want a commission—they want this Bill. Therefore, it seems that the unions have rejected the commission before it has even started. The Government are not leading here, they are simply treading water, hoping that the issue will go away.

To show how this Bill is unnecessary, let me go back to the fundamental issues. There are 1.4 million agency and temporary workers in the United Kingdom. According to the Department:

> "In the UK some 94 per cent of the workforce works under traditional contracts, with less than 6 per cent on temporary contracts. However, temporary work, such as agency work, is greatly valued by employers and many individuals. We have a thriving agency and temporary work sector that is a key part of our economy and in which many choose to work for positive reasons."

Those are the words of the Department for Business, Enterprise and Regulatory Reform. The CBI confirms that, stating:

> "Agency workers value the opportunity to work on a flexible basis around other commitments, such as students during vacation or those with caring responsibilities. Others choose temping as a long term career and like the freedom, flexibility and high pay. Up to half of agency workers are not seeking a permanent job. Industry surveys show around half (52%) of agency workers choose temping for positive reasons such as increased flexibility, better pay or to gain valuable work experience and a fifth (20%) use temporary work as a route into a permanent job."

For those seeking a permanent job, agency work is a route to employment for young people, for those who have been out of work for a long time, perhaps due to long-term illness, or time in prison, and for mothers returning to work. It enables businesses to take on inexperienced staff as agency workers, thus giving those people invaluable work experience. That removes the "no job without experience and no experience without a job" trap.

For the employer, temporary workers do not just fill a need in private businesses. According to the Federation of Small Businesses, many Government Departments also rely on temporary workers to fulfil a specific short-term need. In 2006, the Department for Work and Pensions estimated that it had 120 agency staff. Between 2005 and 2006, the Department of Health spent £12 million on employing agency staff. In 2006, to meet the single farm payment scheme, 53 per cent. of the staff working in that area in the Department for Environment, Food and Rural Affairs were agency workers. In the case of small businesses, the FSB notes that temporary workers may help to meet big orders while a business is growing but cannot sustain an extra member of staff long term. Temporary workers also help to cover sickness leave, which is a far greater problem in a small team of people. In short, temporary workers help businesses to get by and to grow.

Let us not forget the tidal wave of Labour employment legislation, which has forced companies bogged down in red tape to rely on agencies to sort out additional administration. The extension of maternity leave in particular will mean that businesses must take on temporary workers for up to 12 months from 2009. [Hon. Members: "Hooray!"] The CBI anticipates that that will lead to a greater number of women taking a longer period of maternity leave. Labour Members cheer but they must look at the full range of consequences. It will be important that firms are able to cover that absence with temporary workers. However, if the Bill were to go through, a small business might find itself paying for maternity leave for a temporary worker who was covering for a permanent employee who was on maternity leave as well.

Philip Davies: Does my hon. Friend agree that the jeering on the Labour Benches reflects the fact that many Labour Members have no idea about anything to do with wealth creation, running a business, ever employing anyone or trying to make a profit? Lots of Labour Members, despite being well meaning, live in a parallel universe to that inhabited by most businesses that are trying to create some wealth in this country.

Charles Hendry: I commend my hon. Friend for that observation. It was striking that in introducing the Bill, the hon. Member for Ellesmere Port and Neston said that it would create wealth and jobs. It is intriguing that

[Charles Hendry]

not a single business has lined up to say that. The people whose job it is to create businesses, wealth and employment do not happen to believe that. Indeed, the harsh reality is that the Bill could increase discrimination against women being employed and create impossible situations for small businesses.

Of course, the cost of agency work needs to be taken into account. It is often more expensive than direct employment because employers pay a fee to the agency, which covers not only wages but agency costs. This is one reason why equal pay between agency temps and permanent employees cannot always be justified.

Mr. David Marshall (Glasgow, East) (Lab): So that we can all be perfectly clear where the hon. Gentleman and his party stand on the question of fair pay and conditions for all workers, will he tell the House whether he intends to vote against the Bill today?

Charles Hendry: We will most certainly vote against it today—we have made that position clear.

Mr. Skinner: You didn't make a very good job of it.

Charles Hendry: I point out to the hon. Gentleman that I started off by saying that we oppose the Bill, which we believe to be unnecessary and misguided, so in my very opening sentence I explained that we would oppose it today.

Another reason why equal pay between agency temps and permanent employees cannot always be justified is that many agency workers get a higher rate of pay than they would in permanent roles. This is the case for skilled craftsmen and IT and accountancy temporary workers. The Association of Technology Staffing Companies has explained to us that highly skilled IT contractors do not want to be treated on a basis equal to their peers within the companies in which they are placed. They are recruited on the basis that they have a specialist skill that no comparable worker in the organisation has, and they are paid accordingly.

Some agency workers do receive pay equal to that of permanent staff, but not other benefits. Indeed, benefits such as workplace pension schemes, occupational sick pay or occupational maternity pay are often not appropriate for temporary workers as they are part of the package given by employers to reward loyalty and long service. In some areas, agency workers are paid less than permanent workers because the experience and commitment that they wish to provide are not equivalent to that required of permanent, experienced staff. Temporary workers may have the same level of qualification, but that does not necessarily mean that they have the same ability or inclination to do the same job as experienced staff who know how the firm works.

The Bill does nothing to improve the relationship between employers and temporary workers. Instead, it creates a grey area. It does not specify which rights and conditions are comparable between a permanent worker and a temporary worker. In particular, there is a profound lack of clarity in clause 1 regarding when an employer can lawfully pay an agency worker less than a comparable direct worker. Would it be "justified on objective grounds", as the Bill says, to pay an agency worker less than a direct worker, and how are the agency and client to know without a tribunal ruling? When would the provision apply? The Bill does not even specify whether the employer is allowed to take into account the experience of temporary workers when fixing the salary. Would it be justified, therefore, to pay the agency worker less for a probationary period while they learn the job? What if the agency worker is providing cover for an absent worker who is still receiving pay, including maternity or sick pay? Can this also be taken into account?

This Bill creates a complex and confusing regulatory regime for agency work. That would lead to high compliance costs for good employers, but it would fail to tackle those who already disregard employment rights. The CBI has said that the additional work required to take on an agency temp or to end an assignment could lead firms to use other methods, such as overtime, to meet demand, significantly reducing the number of assignments offered. Many multinationals cite labour market flexibility as the main reason why they choose to invest and to create jobs, permanent and temporary, in the UK. They have told the CBI that such a move would affect future inward investment decisions. Indeed, as my hon. Friend the Member for Shipley (Philip Davies) noted, the CBI said that 250,000 jobs could be lost as a result of the Bill.

The hon. Member for Ellesmere Port and Neston has referred in the past to exploitation being one of the issues behind the Bill. Yes, some workers in this country are being exploited, although they are just as likely to be directly employed as they are to be agency workers. Frequently, existing legislation is not being enforced, but that is a different issue from the Bill before us. For example, the CBI is working with the Government and unions through the ministerial vulnerable workers forum to tackle non-compliance and improve enforcement. It is the interest of agencies, temporary workers and employers that temporary workers are protected from abuse. Improving collaboration between the various inspectorates should also be a top priority.

Philip Davies: My hon. Friend moved on rather quickly from clause 1, and I want to bring him back somewhat. Does he agree that the lack of clarity regarding the "objective grounds" and exemptions from the Bill means that even those who might be in favour of its thrust should recognise that it is so badly drafted and poorly defined, and would leave so many employers in limbo—not knowing what they could and could not do—that it is not worthy of being made law?

Charles Hendry: My hon. Friend is absolutely right: the Bill is fundamentally flawed not only in its approach, but in what it seeks to achieve. Hopefully, the Minister can reassure the House regarding the amendments that will be sought in Committee, should the Bill be granted its Second Reading today.

It may be accepted that a reasonable qualifying period should allow for equal treatment with a user firm's staff, but even permanent staff do not receive full employment rights until they have completed a probation period. There is no overall agreement on this issue, although the CBI believes that a period of 12 months would be

appropriate; this is on a par with other time-related employment rights such as protection against unfair dismissal.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): What do they know?

Charles Hendry: In so many of these issues, one finds a fundamental hostility to business and wealth creation. If we want to keep this country as a place where businesses will invest and create the jobs that will create wealth, we must have a partnership, rather than constantly undermine the work of those who create the wealth.

Richard Younger-Ross (Teignbridge) (LD): The hon. Gentleman talks about the need for temporary workers to deal with workplace fluctuations. He has just conceded that the CBI accepts that after 12 months, workers' rights can be in place. Does he therefore agree that the case that we heard of earlier, involving a temporary worker who was in place for six to eight years, is wrong? Should not such a worker have full employment rights, equal with the other workers in the workplace?

Charles Hendry: I am reluctant to criticise or praise a particular company until I know the circumstances, but the situation in question certainly seems surprising. At the same time and as we have discussed, what suits some individual employees does not necessarily suit others. Some people choose to work for longer periods, although that does not appear to have been the case in the example outlined by the hon. Member for Ellesmere Port and Neston. Nevertheless, every situation is going to be different, which is why a blunt instrument such as the Bill is not the right way forward. There is no overall agreement on when full rights should come into play. Within the EU, countries such as Germany adopt a similar approach in relation to some of the companies here, while others pay agency temps at a special trainee rate.

I do not think that I have said much today that the Minister will disagree with. The question remains, however, as to why the Government are suddenly looking for compromise, and why have more than 100 Labour MPs signed the early-day motion supporting this Bill, given that the Government have made it clear that they are not keen on it? Of course, the answer, I am afraid, is the growing power of the unions within Labour and their demand to call in their Warwick agreement pledges. Will the Minister confirm or deny the report in *The Guardian* that union leaders met Labour MPs at Westminster on 18 February to underline that they "expect" Labour Back Benchers to stay in London today to ensure that this Bill receives a Second Reading? The reality is that this is a prime example of the trade unions exploiting their new leverage. They have donated £55 million to the Labour party since 2001 and now represent almost 75 per cent. of the party's annual income.

Since 1997, this Government have introduced 18 Acts and more than 289 statutory instruments that deal directly with employment. The impact has been to increase the complexity and burdens faced by employers, while strengthening both trade union and employee rights. The new and disturbing development is that now, the Government could be setting the ground to renege on their firm position of supporting agency working and what they have acknowledged as being in the best interests of the British economy.

Mr. Chope: I am, in a sense, disappointed that my hon. Friend is about to conclude his remarks, when there are so many important criticisms to be made of the Bill. Does he have any idea how many of the 1.4 million temporary workers are members of unions? Does he see that as the core of the issue?

Charles Hendry: I do not have that statistic, but 77 per cent. of temporary workers, according to the survey, were not unhappy with the current situation. It is a lesson that many of the people whom the Bill addresses do not see the need for it.

Mr. Chope: My hon. Friend dealt briefly with the bureaucracy involved in the Bill and its comparability. Does he recognise the big difference between the labour market in the United Kingdom, where most contracts of employment are between individuals, and that in many countries in the rest of Europe, where contracts of employment are on a collective basis? The juxtaposition of clauses 1 and 2 would therefore create a bureaucratic nightmare.

Charles Hendry: My hon. Friend is absolutely right. That is one of the reasons why the issue should not be addressed through the European directive, which tries to bring together fundamentally different approaches to employment in different countries. I hope that the Government will continue to resist moves to amend the directive in that way.

We will oppose the Bill today, because its concept, and particularly its approach to achieving its purpose, is flawed. The Minister now has an opportunity to clarify the Government's position and to stop saying one thing to one audience, and something else to another.

10.21 am

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller) on raising the issue of temporary and agency workers through his Bill. I appreciate his deep and genuine concern to protect the vulnerable at work and to ensure fairness for all workers whether they are permanent or agency workers. The Government share that concern and I shall set out our position.

The Bill sets out a series of rules under which agency work—work carried out by working through an agency established to supply labour to a number of different hiring firms or organisations—should be conducted. As my hon. Friend said, the Bill is motivated by a desire to protect vulnerable workers and to combat mistreatment at work.

We all know that there are people who are vulnerable or mistreated at work. The Government are committed to protecting people in those circumstances, whether they are permanent employees or temporary or agency workers. Just as some permanent employees feel themselves poorly paid and treated, so do some agency workers. Together with the National Association of

[Mr. Pat McFadden]

Citizens Advice Bureaux, my Department recently commissioned a survey of those who had inquired at citizens advice bureaux around the country about employment rights issues. The survey was perhaps not scientific, as it was a self-selecting sample of those who had turned up at citizens advice bureaux. Nevertheless, it showed that 95 per cent. of complaints came from permanent employees and just 2 per cent. from agency workers. Therefore, vulnerability and mistreatment are issues, but it would be wrong to equate agency work with exploitation and permanent work with an absence of exploitation.

Mr. Evans: John Cridland, the CBI deputy director-general, has said in a press release:

"Any firms that do mistreat their temporary staff are breaking existing rules and deserve to be hauled over the coals. This type of abuse demands more effective enforcement, not a raft of new laws".

Is that the Government's position?

Mr. McFadden: I certainly agree that, where breaches of existing law take place, the existing law should be enforced. It is one of the features of the debate that some of the abuses raised are breaches of existing law. I shall say more about that.

Looking at the labour market as a whole, things are significantly better for people at work in the UK than a decade ago. Employment is up, with more than 29 million people in work, and the UK enjoys the highest employment rate in the G7. Unemployment is down and wages have increased by some 51 per cent. over the past decade. Workers in the UK also enjoy better rights, many of which extend to agency workers, including rights to the minimum wage, coverage by discrimination legislation, working time legislation, and statutory maternity, adoption and paternity pay. The Labour Government have not, through improvements that we have made, somehow created a situation in which employment cannot grow in the UK. In the past decade, unlike what happened under the Conservative Government, we have had growth in employment and an improvement in standards for people at work.

Philip Davies: I was delighted that, in response to my hon. Friend the Member for Ribble Valley (Mr. Evans), the Minister agreed with the CBI. Does he also agree with the CBI that the Bill as it stands could lead to 250,000 job losses?

Mr. McFadden: That is the CBI's figure, not the Government's. I shall deal with the detail of the Bill shortly.

The debate has naturally concentrated on mistreatment at work. The UK has a higher proportion of its work force in permanent work than many other countries. Indeed, the UK has the second highest proportion of work force in permanent work in the European Union. Analysis from Eurostat also shows that the UK has significantly fewer people than many other EU countries working in the so-called informal economy, beyond the reach of employment law and protection.

As we have heard, agency work is a relatively small but important part of our labour market. It allows both public and private sector employers to fill gaps in demand and deal with seasonal variation and cover for leave or long-term illness, and it generally adds to the flexibility with which the economy operates. It can be rewarding for many people and helpful to companies.

Mistreatment can happen in a variety of circumstances, not just with agency work. Research carried out by King's college, London showed that on issues such as well-being, general health and positive attitudes towards work, agency and temporary workers were certainly no worse off and in some cases felt more positively than their permanent counterparts. In terms of the overall labour market picture, the Work Foundation, in a report published last year, said that the position of UK workers had improved over the past decade, in stark contrast to the decade that preceded it.

None of that is to deny that there are occasions when there is mistreatment at work or that there should be a debate on the rights of temporary and agency workers, but it is useful to put the debate in the context of the overall UK labour market. A cornerstone of the success of the UK labour market over the past 10 years is that we have combined the flexibility that both workers and employers seek with improved conditions for people at work.

Mr. Evans: We are talking about the mistreatment of workers being against the current law. For instance, it would be against the law for anybody to be paid less than the minimum wage. As long as both employer and employee know what the minimum wage is, action can be taken. Does the Minister therefore believe that agency workers have a whole swathe of rights that they do not know about? Do the Government have a job of work to do to inform agency workers of their current rights?

Mr. McFadden: It is certainly true that all workers are entitled to the minimum wage. To reinforce that right, the Government have increased expenditure on minimum wage enforcement by some £3 million a year. If the hon. Gentleman is so minded, he can visit the minimum wage bus that is touring the country, stopping at 30 towns and cities to advertise that right, and the helpline that people can contact if they feel that they are not being paid the minimum wage.

It is critical that we do not underestimate the importance of work and access to work to individuals, families and the country as a whole. It gives not just a financial reward but self-belief, a sense of purpose and a route out of poverty. It is therefore important to keep the barriers to work low and to help people to move from a world of inactivity to a world of activity, not only for the economy's good but for the good of individuals. Of course, the rationale for the Bill is not to deny the advantages of agency work, some of which my hon. Friend the Member for Ellesmere Port and Neston set out, but to offer protection for agency workers subject to mistreatment.

The abuses mentioned in the debate often represent breaches of existing law. We have heard in recent days about people being asked to work machinery without safety guards and so on, which is a breach of the existing law and would not be covered by either the Bill or the draft European directive, which serves as the backdrop to the debate and focuses on pay. That was why we announced, through our 2006 policy statement,

"Success at Work", that we would focus on vulnerable workers of all types and make a significant effort to ensure that the law as it stands is better enforced. We have made significant efforts to enforce the law on vulnerable workers, and I shall set some of those out.

We have completely revised and updated regulations governing the British recruitment industry—the so-called conduct regulations, which came into force in April 2004. They have been amended to ensure new protections for agency workers, so that from April they will have a specific right to withdraw from services provided alongside the job, such as housing or transport, without any detriment to themselves. The regulations are enforced by an agency inspectorate in my Department, which is soon to be increased in numbers.

We have also ensured that all workers, including agency workers, are covered by anti-discrimination laws and have core employment protections, including the minimum wage and the working time regulations, on the back of which we have recently increased access to paid annual leave. Perhaps it is worth reminding colleagues that the regulations governing rights to paid leave were top of the Opposition policy commission's hit list to abolish, should they ever find themselves in a position to do that.

More broadly, we have taken forward the issue through the vulnerable workers enforcement forum, which I chair and which includes representatives from business, including agency employers, trade unions, citizens advice bureaux and enforcement agencies across Government. That body has been considering issues such as how to make it easier for people to report abuses and how to ensure better co-operation between the enforcement agencies. I stress those efforts because, whatever the merits or demerits of the Bill or the draft European directive, they would not tackle breaches of the current law. The answer to that is better enforcement, which we are determined to achieve.

The minimum wage has been mentioned once or twice. Labour Members supported it because we wanted to put a floor under the labour market, beneath which no worker should fall.

Mark Pritchard: Does the Minister agree with the hon. Member for Ellesmere Port and Neston (Andrew Miller), who said that temporary workers should be given the same remuneration as permanent workers from day one?

Mr. McFadden: The Government's view has been that there should be a qualifying period before those rights apply. I shall come to that later.

When we established the minimum wage, we wanted to develop a consensus about it among not just employees but employers. That was why we set up the Low Pay Commission—to recommend rates, after consulting both business and workplace representatives and taking into account wider economic factors. That model has been successful, and the minimum wage has not had the adverse consequences that the Opposition predicted. This year is no exception: the Government estimate that more than 1 million workers have benefited from the uprating last October.

In this Session, we will also introduce our Employment Bill, which is intended to improve the effectiveness of dispute resolution in the workplace and of the application of employment law more widely. It will strengthen the enforcement framework for the national minimum wage, give workers better recourse to arrears if they are underpaid and stiffen penalties for the minority of employers who do not comply with the law and thereby undermine the efforts of legitimate employers.

The Employment Bill will also give greater investigative powers to agency inspectors, increase the potential fines for breaching work regulations and reform the system of dispute resolution. That is all driven by a desire to have proper protections in the workplace while continuing policies that foster high employment and low barriers to entry to the job market.

Mark Pritchard: Will the Minister give way?

Mr. McFadden: I have given way to the hon. Gentleman a couple of times, so I shall proceed.

As I have said, the Bill before us is prompted by a genuine concern about protecting agency workers who might be subject to abuse or mistreatment. The backdrop is the draft EU directive on agency workers, which has been discussed in the EU for some years. Much has been said about the Government's commitments and what we said before the last election, so I shall be clear with both sides of the House about what we said:

> "We recognise there are abuses of the system, for example 'permatemps' and agency workers who can find themselves in and out of completely casual work, not knowing from one morning to the next whether they will be earning anything.
>
> There are also questions about the status of some 'agencies' who work on the margins and exploit the vulnerable.
>
> Although many of these abuses would not be tackled by the current draft Agency Workers Directive, we support the principle of the Agency Workers Directive and will engage with the Commission with a view to reaching an early agreement on the proposed Directive."

We did not say that we would sign any draft of the directive, regardless of its content, or reach an agreement that we did not believe would be in the interests of the UK labour market. Indeed, together with a number of other member states, we were unable to support the draft that was placed before the Employment Council in December.

Mark Pritchard: Will the Minister give way?

Mr. McFadden: I can detect that, even though the hon. Gentleman has moved, he has not transformed into someone else.

Mr. Ian McCartney (Makerfield) (Lab): *rose—*

Mr. McFadden: I shall give way to my right hon. Friend.

Mr. McCartney: I thank my hon. Friend for giving way. I had not intended to take part in the debate, but I remember well the words that he quoted, having written them at 4 o'clock in the morning as part of the Warwick agreement. It is certainly true, as he said, that there was no guarantee about the directive, which was deficient in many ways, including its lack of protection for pensions. However, we signed up in good faith with the intention that if we did not reach agreement, we would tackle those abuses. The fact that we have not done that so far has led to the Bill. I hope that after

[Mr. McCartney]

today, we will get some serious negotiation done, and that those words will become a reality for thousands of workers.

Mr. McFadden: I thank my right hon. Friend. Serious discussion of the issues is exactly what is merited. We want an agreement that protects and treats fairly agency workers, but does not lead to fewer people having the opportunity to work, or stifle the ability of business to be flexible in how it manages demand.

We also want similar flexibility for our own labour market, as the directive would allow for labour markets with sets of institutions different from our own. That is an important point, and it is why the Government have engaged in discussions in recent weeks with both the unions and the CBI, with the aim of establishing a social partnership, akin in some ways to what we did on the minimum wage and the Low Pay Commission, to agree on some of the important details involved.

The Government continue to support the principle of equal treatment, but there are specific issues to be addressed, some of which have been raised today. They include determining what qualifying period or periods would be appropriate, and how equal treatment should be calculated. For example, should an individual be compared with a worker who would have been hired that day in the same circumstances, or with someone who had been doing the job for years and who might have very different experience and qualifications from those of the agency worker?

We have therefore proposed a process that brings together business and unions with an independent chairman to work through some of these issues. Although the parallel might not be exact—there are certain differences involved—the success of the Low Pay Commission demonstrates the strength of this approach in bringing durable, workable reform, so we have approached the CBI and the TUC to suggest an ad-hoc forum or commission, a body that would be tasked with making proposals concerning agency workers in the UK. That process would take account of the specific circumstances of the UK labour market and its institutions.

The approach that I have set out offers a way forward on what has been a contentious issue. At this stage, the process has not been agreed by all the parties concerned, but the Government's point of view is that this is a constructive and positive suggestion to try to make progress in a way that offers greater protection while taking account of the specific conditions of the UK labour market, and that gives unions and business a voice in the outcome.

I want to deal with some of the specific issues raised in the Bill and to register some of our concerns about its contents. As I have pointed out, agency workers are already protected by a combination of general legislation, which gives them core rights, and specific legislation governing the conduct of their agencies. The Bill, as drafted, is silent on the issue of a qualifying period, and we must therefore assume that it would give agency workers equal pay as compared with a permanent comparable worker on day one. It is not clear what that would mean, but it could lead to some companies deciding not to do the work, outsourcing it or asking their existing work force to work longer hours.

The issue of a qualifying period is one that we would expect to be discussed by the proposed agency workers commission. It is important when taking forward the issue of equal treatment to do so in a way that does not result in the unintended consequence of creating barriers to entry into the labour market for people who may find agency work a valuable route back into employment.

The Bill also appears to extend its coverage of agency workers to those placed by agencies in permanent posts. This goes beyond the draft EU directive, which applies only to temporary agency workers who have an ongoing relationship with the agency—for example, those who are paid by the agency and supplied to the hiring company. The Bill would take us into the field of regulating wages in mainstream permanent employment. Once an agency has placed a permanent employee in a company, the agency has no further contact and no further relationship with the worker. This is another issue about which we have concerns.

The Bill also touches on the difficult issue of establishing what equal treatment really means in terms of who is being compared with whom. It seeks to address this in a number of ways, including through the creation of a hypothetical comparator. It does not use the comparator contained in the current draft of the agency workers directive, however. I acknowledge that this is a difficult and sensitive issue, in terms of achieving clarity and creating a mechanism for enforcement. This is another example of the kind of issue that the Government feel could usefully be worked through in the commission that we have proposed.

The Bill suggests that, if there were "no real comparable direct worker", a "tribunal" could look at a wide range of circumstances to establish whether there was a hypothetical comparator. This needs careful examination, as it could encourage an increase in complex and costly litigation. Enforcement needs to be considered carefully, particularly when there is no readily available comparator, lest we establish a regime that proves over-complex and bureaucratic to operate.

We have a very active agenda on the issue of preventing abuses at work.

Philip Davies: I asked the Minister earlier whether he agreed with the CBI's assessment that the Bill, as drafted, could lead to 250,000 job losses. He replied that that was the CBI's figure, not the Government's. I want to pin him down on this matter. Will he tell us what the Government's assessment is of the number of job losses that the Bill would cause?

Mr. McFadden: Whether or not such a regime would have an adverse effect on employment would depend on the issues that I have just mentioned. It would depend on how the comparators were measured, on what the qualifying period or periods might be, and on precisely how the regime would operate.

On the wider agenda of preventing abuses at work, we are working closely with trade unions, business and the enforcement agencies. I appreciate the genuine concerns of my hon. Friend the Member for Ellesmere Port and Neston and the supporters of the Bill who are present today. However, given the Government's proposals that I have set out today on how we wish to take this issue forward, and our reservations about

some of the specifics in the Bill, the Government cannot support it on Second Reading. However, we are happy to maintain a dialogue with my hon. Friend about these issues and we will not oppose his Bill at this stage. We will work actively to take forward the proposal for a commission on agency workers that I have outlined. We believe that that represents a positive way forward on what has been a difficult issue. I hope that hon. Members on both sides of the House will be united in the aims of stamping out abuse of vulnerable workers—whether directly employed or agency workers—maintaining opportunity and choice for employees to get work, and ensuring that the British economy remains flexible and successful, not just today but well into the future.

10.46 am

Lorely Burt (Solihull) (LD): I preface my brief comments with two points. First, I apologise to the House because I cannot stay to the end of the debate. I have to leave early for a hospital appointment that I have already cancelled once because of parliamentary business. Secondly, I want to be brief because the second item of business—the Leasehold Reform Bill, which is to be presented by my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes)—will be hugely important in strengthening the rights of leaseholders, and the Government have indicated that they might not oppose it.

I have no argument with the intention of the Temporary and Agency Workers (Equal Treatment) Bill to protect vulnerable agency workers from being exploited by unscrupulous agencies. However, the Bill scoops all agency and temporary workers into the same net. Most agencies are reputable and care for their workers; otherwise, people would not continue to work for them. The net also scoops up professional contractors who use agencies and who are paid a premium to lend their expertise for a specific time. They could suffer a pay loss if the Bill were implemented. Indeed, my hon. Friend the Member for Teignbridge (Richard Younger-Ross) has expressed his fears about that. In his previous life, he worked as an architectural technician and he benefited from agency work and from receiving premium payments.

Companies use agencies because they need flexibility to cope with fluctuations in demand. Six per cent. of the work force are temporary or agency workers, and the arrangements can suit them, too. The TUC reports that 50 per cent. of temporary and agency workers choose this form of working because it gives them flexibility. If we were to give agency workers the same rights as employees, we would kill this market stone dead because it would remove the reason why these workers exist. Also, if there were an economic downturn, as many people fear, a lack of flexibility to cope with changing business needs could spell the end of many more jobs than those of the temporary and agency workers alone.

There are injustices in this market, and they must be tackled. Government statistics prove that, on average, temporary workers earn 23 per cent. less than the average for the whole work force, though that is due at least in part to the concentration of temporary workers at the unskilled end of the labour market. I feel particularly that it is not right that agency and temporary workers should be kept on contracts for long periods when they are really employees in all but name.

The CBI, the Federation of Small Businesses, the Institute of Directors and the British Chambers of Commerce seem willing to help tackle the problem by considering the possibility of a period after which temporary or agency workers would be entitled to full equal rights, as outlined in the Bill. They seem to favour a period of 12 months, as it would tie in with other aspects of employment legislation. As we have heard, the CBI says that its members would sit on an agency workers commission. The commission appears to be a good way forward.

In relation to unscrupulous agencies that flout existing law, the problem is a need not so much for new legislation as for enforcement of the legislation that we already have. How many new laws will it take before the Government realise that they will not stop bad behaviour just by making it illegal, but must increase the certainty of getting caught? I read recently that the average employer can expect an enforcement visit from a Government minimum wage inspector once every 287 years. The Minister's earlier assertion that the Government are enforcing the minimum wage looks hollow.

Mr. McFadden: Does the hon. Lady agree that the enforcement agencies should respond to complaints rather than touring the country inspecting by rota businesses where there may be no abuses at all? Her figures for how often a perfectly good employer can expect a visit do not imply the best use of the enforcement agencies' time. The agencies could be responding to complaints from people who say that they are not receiving the minimum wage.

Lorely Burt: I agree that the Government must investigate all complaints. However, it is far short of the mark to imply that companies that the Government have not investigated must be good employers. I appreciate that the Government have limited resources, but they should at least put the same effort into enforcing existing law as they do into creating new ones.

Richard Younger-Ross: Does my hon. Friend accept that temporary workers often lose out in industries such as construction, where companies short-cut health and safety regulations, and that the number of accidents on building sites is increasing in direct proportion to staff cuts at the Health and Safety Executive? In some cases, we need agencies to go around enforcing legislation, because if they do not, there will be more accidents at work.

Lorely Burt: I thank my hon. Friend for a valuable intervention. I agree totally.

I spoke to the citizens advice bureaux yesterday. They would like the enforcement commission to enforce action on abuses of existing legislation, rather as Her Majesty's Revenue and Customs enforces the minimum wage. I am glad to hear from the Minister's remarks that the Government have been discussing enforcement with the CABs, and I hope that he will say whether the Government support an enforcement commission of that sort.

Agency workers have contracts, but those contracts are with the agencies. It is totally impractical to have to produce a new and different set of terms and conditions every time a worker goes to work for a

[Lorely Burt]

different company for a few days. That would result in huge additional bureaucracy that neither agencies nor companies, especially small companies, could afford. As has been mentioned, agency workers already enjoy many of the same rights as employed workers: four weeks' paid holiday, rest breaks, the national minimum wage, statutory paternity and maternity pay and statutory sick pay if they have worked for the agency for more than three months.

Mr. Evans: Was the hon. Lady as staggered as I to read in *The Times* on 4 February that agency nurses are paid as much as £120 an hour? It is quite staggering if that is the case. We should really be fighting for the rights of ordinary nurses who work full time, rather than for the others.

Lorely Burt: I thank the hon. Gentleman for that most interesting intervention. I am not sure what side he is arguing on, but it was interesting nevertheless.

The only rights that agency workers do not enjoy are those on which the flexibility of the agency model depends. Full-time staff rarely get full employment rights until they complete a probationary period of six months. The point has been made that if temporary workers receive full rights from day one, they will have more rights than permanent staff.

There is one area, however, in which the Bill could be useful. Some 38 per cent. of agency staff are in place for more than six months. That clearly needs to be tackled. Where temporary and agency workers are employees in all but name, they should be entitled to full employment equality after a certain period. Employers' organisations acknowledge that. The Liberal Democrats would welcome negotiations between the Government, trade unions and the industry to find a workable solution to stop that form of exploitation.

As we have heard this morning, the olive branch is being held out. The Liberal Democrats would be happy to support a vote for the closure motion and a vote for Second Reading, if one is called. However, we will oppose the Bill on Third Reading unless it comes back substantially amended after negotiations with employers, and particularly with bodies representing the employment agency industry.

10. 56 am

Mr. Nigel Evans (Ribble Valley) (Con): My contribution to this important debate will be short. I congratulate the hon. Member for Ellesmere Port and Neston (Andrew Miller) on being successful with a private Member's Bill. It is not easy. He is clearly impassioned about the issue, because it is not the first time that such a Bill has come before the House. The Government were opposed to it then, and they appear to be opposed to it now, although they have dreamed up a commission to look into all the implications not only of the Bill but of giving equal treatment to agency workers.

Philip Davies: Another review.

Mr. Evans: My hon. Friend is being cynical. I think that it is important that we find out all the unintended consequences of any action that the Government might take, even when those actions are well intended, as the Bill clearly is. The Bill's intention is to ensure that the human rights of workers in this country are properly respected, and we must all applaud that, but it is the unintended consequences of well-intended legislation that puts the greatest fear in me. A lot of the legislation that passes through this place is intended to improve people's quality of life, but when the unintended consequences kick in, we often find that it ends up doing quite the opposite.

If we are to believe the CBI, the Bill would result in the loss of 250,000 jobs. Clearly, the hon. Member for Ellesmere Port and Neston does not want to introduce legislation that will cause the loss of a quarter of a million jobs, but when the CBI says that, we must take it on board. It is a ball-park figure, but I assume that it is based on the implications of the Bill. The Minister said in response to several interventions that that figure is not his but the CBI's, but trying to squeeze out information on how many jobs the Government estimate would be lost if the Bill as it stands became an Act was beyond us. Quite frankly, we failed completely to get the Minister to answer that question.

Philip Davies: My hon. Friend is absolutely right—it was striking that the Minister was not prepared to come up with a figure—but does he agree that from the tenor of the Minister's remarks, it was perfectly clear that the Government believe that the Bill as it stands would lead to at least some job losses?

Mr. Evans: That is the impression I got. The Minister had the opportunity to say that although the CBI estimates that 250,000 jobs would be lost, the Government do not believe that there would be any job losses. When I asked the hon. Member for Ellesmere Port and Neston what he thought the Bill's impact on business would be, he said that he thought it would be positive—perhaps even lead to the creation of jobs. There is clearly a wide spectrum of views, and I would have hoped that the Government had done at least some research to find out what the impact would be.

We want to ensure that we have a competitive and flexible labour market in this country. We want to ensure that people have jobs and good conditions in those jobs. I am an employer, although clearly I do not have hands-on management of that business in Swansea—my sister does all that. I know that a business man who employs people would have to be insane to maltreat his employees. A business wants to get the best out of its employees, and that is not achieved by maltreating those employees.

Philip Davies: My hon. Friend makes a powerful point, which goes to the nub of Government Members' misunderstanding of running a business. They seem to think that it is a case of either making a profit, or looking after one's staff. In my experience, the most successful companies in the world have two things in common: they look after their staff and they look after their customers. Looking after staff and customers is the way to guarantee success.

Mr. Evans: My hon. Friend speaks with great experience and wisdom. It is a case not of either/or, but of both. Investing in employees is something that a lot of businesses

do. The money to do that comes out of their profits, but it is regarded as investment, not expenditure. It is important that businesses continue to invest in their staff and to make sure that they are properly trained. Some businesses enable their staff to complete degrees or higher education courses that they started before commencing work with the business. All of that is done by enlightened firms. What the Bill deals with is the activities of some unscrupulous employers in this country. Clearly, even under current law, there will be unscrupulous employers.

The minimum wage has been mentioned: some people employed by businesses or other people are paid less than the minimum wage. That is happening now, and it is against the law. The legislation is on the statute book and it must be properly enforced. I heard the Minister say that we have a wonderful bus travelling around, at a cost of £3 million—it must be a nice bus.

Mr. McFadden: I suspect that the hon. Gentleman knows that the bus does not cost £3 million, or anywhere near it. The £3 million is spent on hiring more enforcement staff and advertising the availability of the minimum wage more widely. The bus, which is an effective mechanism in localities, costs a small fraction of that sum. *[Interruption.]*

Mr. Evans: The hon. Member for Angus (Mr. Weir) says from a sedentary position that it must be the cost of the petrol for the bus. I am relieved to hear what the Minister says about the expenditure of £3 million, as it is important to get the message across to workers that they have rights and should not be paid less than the minimum wage. Clearly, some people are scared—that is what it comes down to. The employer—a bit of a thug—threatens the employee, saying that if they blow the whistle about being paid less than the minimum wage, they will lose their job, or something even worse will happen to them. That sort of behaviour must be eradicated. We have to do more to ensure that all employers respect the minimum wage legislation and do not undercut, in all senses of the word.

Adam Price (Carmarthen, East and Dinefwr) (PC): Does the hon. Gentleman not accept that the present law does not give workers enough protection? We saw that recently in the James case in the Court of Appeal, where a woman was employed as a housing officer by Greenwich borough council for three years, but as an agency worker. It was a means of avoiding giving her the employment rights that she would have had had she been appointed permanently. Is it not an abuse to employ someone on a temporary contract for three years?

Mr. Evans: I am staggered that the temporary job, if it went on for three years, was not translated into a permanent post, because in some cases, the amount of money that an organisation, whether a local authority or a business, pays for an agency worker is disproportionately high. It is not as though businesses always cut corners and save money by employing an agency worker: an agency worker can cost substantially more than taking on a permanent employee. There are all sorts of reasons why people take on temporary workers and all sorts of reasons why temporary workers want to be temporary—for example, they like the flexibility that such arrangements offer.

Philip Davies: On that point, have not the present Government piled on to businesses more and more costs and regulations relating to taking on permanent employees? It is no wonder that lots of employers have turned to temporary workers, given that administration of permanent employees is such a nightmare. Is not the problem that the hon. Member for Ellesmere Port and Neston (Andrew Miller) is trying to tackle one of this Government's making?

Mr. Evans: I wonder. There has to be a reason why businesses want to use agency workers for a longer period. It may well be that companies decide that they do not want to go down the route of having a human resources department, which will cost their business a fortune. Instead, they outsource to agencies such as Manpower, and then how much it costs to employ people is much more transparent. When the company takes everything into account, it may well be that the amount they pay for a permanent worker is substantially higher. All the extra rules and regulations—all well intended, no doubt—have a massive impact on employers. I guess that that is why the costs are substantially higher now.

I referred to agency nurses being paid £120 an hour by health trusts. That was on the front page of *Metro* and in *The Times*. That is a staggering amount of money. That money should be going into employing permanent staff in hospitals, which would lead to substantial savings that could be spent on front-line services for the people who need to use the hospitals.

Mr. Greg Knight (East Yorkshire) (Con): I have been reflecting on my hon. Friend's opening remarks about the unintended consequences of the Bill. Clause 5 defines an agency worker as

"any person who is supplied by an...employment agency".

Can he envisage what will happen if a happy couple who have employed a group of musicians from an employment agency to perform at their wedding reception, decide that they want the group to go on after the resident band at the hotel? That could lead to litigation under the Bill as drafted. That would be an unintended consequence.

Mr. Evans: I should have thought that my right hon. Friend would have at least declared an interest as a musician and a member of MP4, the notorious group that we have in this place. No doubt it is available for hire at weddings. I have never seen such a flagrant plug.

Mr. Knight: I am grateful to my hon. Friend for that advertising. I did not declare an interest because MP4 only performs for charity, so when I perform with the band I am unpaid.

Philip Davies: You are paid what you are worth.

Mr. Evans: Having heard MP4, I know that its members are certainly not paid what they are worth. It is a very good band.

My right hon. Friend has picked up on one potential unintended consequence of the Bill. I hope that the hon. Member for Ellesmere Port and Neston would not want to get someone involved in unnecessary litigation over something that he did not think the Bill was going

[Mr. Evans]

to cover in the first place. That is the problem. The Minister is correct when he says that the Bill has deficiencies. There are elements missing that could involve companies in substantial costs. For example, what is an agency worker? Is it someone who works one day? Seven days?

Mr. Weir: The hon. Gentleman has twice talked about agency nurses being paid £120 an hour, but will he clarify whether that is the payment made to the agency or to the nurse? One thing that agencies often do is charge a great deal of money to supply workers, so it can be more expensive for the NHS trusts to employ agency workers.

Mr. Evans: I agree. I am unable to clarify for sure, but I suspect that it is the cost to the agency, not the nurse, and then the agency will top-slice whatever the amount in order to provide the service. After all, the service of agencies is to provide the people, which comes at a cost as well. I rather hope—I have tabled a parliamentary question on this matter—that the £120 figure was somehow or other a one-off anomaly and that there are not substantial numbers of agency nurses being paid that incredible sum of money, which, as I said, could be better and more properly used employing full-time staff so that the money saved could be put into front-line services in hospitals up and down the country.

My hon. Friend the Member for Shipley (Philip Davies) said that we should take into account what it is like running businesses these days and the wider implications of employing people, including all the paperwork and the fact that advice has to be sought on the ever-changing rules and regulations that pertain to the rights of people working in the company. There is often a plethora of such stuff and many people simply do not have the time to read much of the information that comes through the letterbox or to fill in the questionnaires that the Government send out. Such things take up a substantial amount of time, but we should remember that many businesses are small businesses, possibly comprising two or three people or are even a one-man band.

Let us take the example of digital switchover. Many more aerials and satellite dishes may need to be installed in only a short space of time and it may well be that more workers will need to be taken on for a short period to deal with pressure points in certain areas. Employers may not want to go through the rigmarole of issuing full-time contracts, given the short space of time involved. That is why they may want to employ agency workers. It is important to appreciate the mindset of people who own businesses and the costs to them if the Bill becomes an Act.

It is all very well to dismiss what the CBI and the Institute of Directors—I declare my interest as a member of the IOD—say, but we should not do so too easily because they represent a lot of people who employ a lot of people, including agency workers. They have the relevant experience, so it cannot be right for us simply to ignore it and say that because everyone said that the minimum wage would be a disaster, but it was not, the outcome will be the same with the Bill. We should not operate according to such guidelines. We need properly to take into account the Bill's full implications.

Mark Durkan (Foyle) (SDLP): No one is trying to dismiss the argument that we need to protect and optimise conditions for employment, but the hon. Gentleman and other Conservative Members seem to dismiss the need to ensure that we do more to protect conditions of employment.

Mr. Evans: I am sorry if that it is how it is coming across, because that is the last thing that I would want to convey. When I was at university, I earned a little extra money by working for Manpower for a while. I was counting traffic, which was a bit boring, for one short stint of time in Wales and in another stint I worked for the Hudson's Bay company in London. It provided great insight and it was Manpower that gave me the opportunity to have different tasters of jobs that I would not otherwise have thought of doing, so I have been on the receiving end as an agency worker.

If someone is doing such agency work for a long time and no one in the household has a permanent job—in other words, someone is on a rolling programme with an agency—it makes buying a house very difficult. Getting a mortgage usually involves saying how much we earn on a permanent basis. For some people one of the benefits of being a temporary member of staff is the word "temporary"—as at some stage the job could come to an end and that is it, as that is what has been signed up to.

I accept that there are, however, clear downsides to being an agency worker and we want to minimise them as much as possible. That is why we want to ensure that such rights as currently apply are, as I mentioned earlier, properly enforced. Rights for agency and temporary workers are important. The Government told us a few moments ago that they are spending £3 million on informing people of their rights to the minimum wage. Can the Minister tell us today how much money is being spent on informing workers and employers of the rights and obligations that apply to temporary or agency workers—the implications for holidays, redundancy pay and so forth? Clearly, the Government must spend some money on informing such workers of their rights—but there is silence, so perhaps the Government are not spending much on informing agency and temporary workers of their rights.

Philip Davies: Does my hon. Friend agree that many temporary workers may be migrant workers, who may well not be up to speed with the laws and rules governing them? Passing more legislation may make no difference at all. If Labour Members are so concerned about the number of people being exploited by employment agencies as temporary workers, perhaps their Government should have got a better grip on immigration into the country.

Mr. Evans: We need to consider how many people have settled in the UK from within the European Union. It is important to distinguish between people working legally and illegally. Illegal working can be a cause of concern about bad treatment, when people are

treated badly simply because they are working illegally. I realise that people should not be working here illegally, which is one side of the coin, but on the other side, several millions of people have come to the UK over the past 10 years and they have the right to work and reside here. For some, their knowledge of the English language will not be brilliant and knowledge of their working rights given by successive Governments will not be brilliant either.

Mr. McFadden: The hon. Gentleman has raised the issue of informing people, particularly migrant workers, of their rights. I hope that the Conservatives would support the efforts of my Department and British embassies in several European countries to distribute "Know before you go" material in circumstances where people may be subject to exploitation. Such information tells them of their employment rights; it tells them that if they are here as legal workers they are entitled to the minimum wage and other core employee rights. Enforcement of the minimum wage, which I mentioned earlier, is not the only part of Government publicity and enforcement activity. When migrant workers come here legally, we want them to have access to the same rights as all our workers are entitled to. We make an effort to publicise that not just in the UK, but in the country of origin. It is sometimes before people leave their home country that the worst exploitation arrangements can be entered into.

Mr. Evans: I agree with the Minister and I am grateful for his intervention. Simply because people are migrant workers who have come from another country and have a right to work here, it does not mean that employers have a right to exploit them. I am not certain exactly how the required information about terms and conditions gets out to such people. I suspect that in many cases when people decide to come to the UK to work, they do not visit embassies in post so they would not be able to see the leaflets available there. The Minister makes a good point and I hope that we can get the message out to people that if they are coming to the UK to work, they should pick up the leaflets from the British embassy, read their rights and ensure that they are not exploited when they get here. That applies whether we are talking about the minimum wage or other rules and regulations. My hon. Friend the Member for Shipley spoke of his concern that substantial numbers of people here do not have a good command of the English language, so they may well not know their employment rights in this country. We must do more to make sure that people who have not been able to pick up such leaflets in their own countries at least get some schooling on their rights. Just because someone is a migrant, it does not give people the right to exploit them.

I have examined the fears expressed by the IOD and the CBI about what would happen to employment if the Bill were enacted. There is a great fear that jobs will be lost, although we cannot pin down the figure—employers have suggested a figure of 250,000 jobs.

Employers also fear a loss of flexibility, which has helped us compared with some of the countries in the European Union, where there is a lack of flexibility or, indeed, competitiveness. I know that we must compete with countries such as China and India, but we will clearly not take on their working practices, which would involve going back 100 years or more. When we compete with such countries, we must do so in the most efficient and effective way. We must maintain the highest standards for people in industry on health and safety and personal rights.

We have to operate within the European Union. I am not sure exactly where we are as far as the European Union is concerned on this issue, and I do not know whether the Bill will be superseded by something dreamt up in Brussels. When France takes over the presidency of the European Union, Sarkozy, who is everywhere, will be super-active. He will want to make his mark in those six months, and employment rights may be an area that he examines.

I would not normally look to France and say, "Look at its super-efficient industry." For a start, it is regularly on strike, which is just one of its bugbears. One reason why Sarkozy was elected was to make its industry more efficient and effective. People voted for the difficult option; they could have elected Ségolène Royal, in which case everything would have carried on as before with France regularly grinding to a halt. People decided to go with Sarkozy in the full knowledge that he would introduce legislation that would impact on industry. France is going in the opposite direction to make its industry more competitive and flexible, because it knows that that is what it needs to do. In the meantime, we will go in a completely different direction—basically, we will export our jobs to France, which is the last thing that we want to do.

Many jobs are based in the UK because people think that the environment is competitive. If we were to introduce this legislation, and if France were to become more competitive, we would run the risk of exporting those jobs to France or another European Union country, in which case we would be the loser. Perhaps that is where the CBI has obtained its 250,000 figure.

Mr. Chope: Will my hon. Friend accept that if we had not opted back into the social chapter, we would not face that problem, because we would be able to decide on the legislation that best suits us in this country?

Mr. Evans: I totally agree with my hon. Friend—the EU should butt out. It should be up to each individual nation state to decide its own employment laws. I vote for my Government—not this particular Government, I hasten to add—and at least I can get rid of my Government. How can we get rid of European bureaucracy, which imposes a lot of uncompetitive nonsense on us?

Philip Davies: My hon. Friend is making a powerful point about competitiveness. Is he aware that the largest group of employers who use agency workers in this country are involved in manufacturing and production? The Labour party is always banging on about helping manufacturing—for example, the hon. Member for Chorley (Mr. Hoyle) is present, and he is a great advocate for manufacturing industry in this country. It is shedding crocodile tears to worry about manufacturing closing down in this country, when this Bill is one of things that is putting manufacturing at risk.

Mr. Evans: That is not an intended consequence of the Bill. I accept that the intention is to provide temporary and agency workers with some of the same rights as permanent workers, although, as I have said, there is a great deal of confusion about whether they already have those rights. Manufacturing is clearly on the ropes in this country, and adding further burdens would mean even more jobs being lost.

Finally, the Government have mentioned the commission, but I am not sure how well established it is. On the radio this morning, the commission was described as another way of kicking the matter into the long grass.

Mr. McFadden *indicated dissent.*

Mr. Evans: I am not sure who will be on the commission, but I assume that it will include people from employer organisations such as the CBI and the IOD and representatives from the trade unions. A number of organisations represent smaller businesses, and I ask the Minister to ensure that someone from one of them sits on the commission. Companies such as Ford or Honda employ thousands of people, and big business will be represented on the commission, but what about employers who have only two or three employees? Smaller businesses will see things in a completely different light, because they do not have a human resources department to advise them—they may or may not have an accountant. People who run smaller businesses pore over the books with a candle burning until gone midnight to try to ensure that they are complying with the ever-changing enforcements that are imposed upon them. It is therefore important that the commission includes an insight from smaller businesses on how regulations might impact on them. Smaller businesses employ agency workers, and we should proceed on the basis of experience.

Mr. Chope: Does my hon. Friend agree that we should be told the commission's reporting time scale today, because it is highly material to what might happen if the Bill goes into Committee and then comes back here on Report? It would be utter folly and a complete waste of parliamentary time if the Bill were given a Second Reading today only for the Government to block it thereafter because they are waiting for the results from the commission later in the year.

Mr. Evans: If the Bill is silent on several areas, the Minister has been silent on several other areas. One such area is the time scale for when the commission meets, its composition, how often it will meet and when it will publish a report, which I assume that the Government will then look into. It appears that the Government will not oppose the Bill on Second Reading. Although they do not want the Bill, as it currently stands, they will allow it to go Upstairs. The display of armed forces by the hon. Member for Ellesmere Port and Neston (Andrew Miller) indicates that the Bill will be read a Second time, because sufficient hon. Members will be here. A lot of parliamentary time will be used Upstairs on improving the Bill, but the Bill could be junked as soon as the commission reports. That does not seem to be a common-sense way of proceeding.

Mr. Chope: Does my hon. Friend think that the attitude of the Government today is best described as appeasement? They recognise that they are in no position today to produce the troops in order to defeat their rebellious Back Benchers, which is why they are appeasing those Back Benchers by saying that they will not oppose the Bill on Second Reading.

Mr. Evans: The shadow Minister, my hon. Friend the Member for Wealden (Charles Hendry), put it succinctly when he said that the Government are looking both ways. They have to produce different messages for different audiences. They are in hock to the trade union movement, but at the same time business organisations, to which they also try to be friendly these days, are telling them about the huge impact that the Bill will have. Looking both ways, which I thought that we left to the Liberal Democrats, is worse than the dithering that we have come to expect from the Government.

Although the Minister has already spoken, I hope that he will at some stage—perhaps in an intervention on one of my hon. Friends who is lucky enough to catch your eye, Mr. Deputy Speaker—provide some of the answers to the questions about the time scale of the commission. If there are failures in the current agency system they should properly be repaired, and if people are being badly done by by unscrupulous employers who are looking for all sorts of loopholes and are using the agency system as a way of hitting the rights of their workers, we clearly need to address them.

Mr. Greg Knight: On the subject of information from the Minister, does my hon. Friend share my hope that the Minister will tell the House a bit more about the "Know before you go" leaflets and perhaps place one in the Library so that we can look at it? Perhaps he will also tell us how many languages the leaflet has been translated into.

Mr. Evans: I hope that the Minister will be able to do that, because the leaflets are a useful device. If they are only in English, they will be of limited help to a Polish person who has little knowledge of English. I assume that the leaflets will appear in different languages.

Mr. McFadden: The leaflets are translated.

Mr. Evans: Splendid. I assume that the leaflets will be translated into the languages of the countries in which the embassies are based. That is important. I also hope that the Minister will take on board our support for the need to get the information out and perhaps provide samples of the leaflets in the Library so that we can see what message they send.

I know exactly where the hon. Member for Ellesmere Port and Neston is coming from with his Bill. We want to ensure that the people who work in this country get the proper protection that they deserve. I have great doubts that the Bill will do that, and clearly employers organisations and the Government also have great doubts. The commission is probably the right way to proceed so that we can examine the unintended consequences. It may be that tweaking the existing legislation may afford agency workers the rights that we all want them to have. If not, at least the commission

can come back and say, "No. Fresh legislation is needed. This is what we need to do and this will be its impact. It won't destroy jobs and will give the protection that we want to give to agency workers." If that is the case, I am sure that such legislation will have the full backing of the House.

11.32 am

Philip Davies (Shipley) (Con): It is a pleasure to follow my hon. Friend the Member for Ribble Valley (Mr. Evans). As ever, he spoke a lot of common sense and, as we all know, he speaks with the experience of running a small business.

I totally accept my hon. Friend's point that the Bill is well meaning and that nobody is trying to do anything untoward. However, such Bills are born out of a total misunderstanding of what it is like to run a business and an ignorance of the pressures that many businesses face. Many Labour Members see businesses as some kind of cash cow or guaranteed profit-making machine and they believe that all those who run them drive round in Bentleys or Rolls-Royces and exploit workers willy-nilly. The reality is that many businesses, particularly small businesses in this country, are struggling to maintain their current employment levels. All that such Bills will do is put people out of work.

I congratulate the hon. Member for Ellesmere Port and Neston (Andrew Miller) on introducing the Bill. He is a regular and distinguished contributor to Friday debates on private Members' Bills and I am therefore delighted that he has had the opportunity to introduce one of his own. This is the second time that such a Bill has been introduced by a Labour Member. The hon. Member for Newcastle-under-Lyme (Paul Farrelly) introduced a similar Bill in the last Session and that too had the support of well over 100 Labour Members.

The Bill seeks to secure equal treatment for agency workers and will presumably ensure that they are entitled to the same terms and conditions as directly employed workers. The hon. Member for Ellesmere Port and Neston has argued that we cannot turn away from what is a mounting concern for our communities—legalised discrimination affecting a significant number of workers in this country. It strikes me that this Bill almost reflects the attitude of the Labour Members who would rather have fewer people in work provided that those who are left are employed under the same terms and conditions. As it happens, I would prefer people who have jobs to keep their jobs. That is a noble cause to support, but there is a dogmatic principle that everybody should be paid the same, even if they are a temporary worker. The fact that that worker may then be put out of work seems to be of no consequence as long as everybody sticks to the principle, which becomes an end in itself. I am afraid that I do not share that view; I want to see people in work.

The Government are always talking about having to encourage people to get into work, including those who have never worked before. However, at the same time, it seems that the Government's Back Benchers are trying to do something that will stop people ever having the opportunity of getting into the workplace. My hon. Friend the Member for Ribble Valley spoke about the time that he spent as an agency worker and how that gave him an opportunity to get experience of work and develop a work ethic.

Mr. Evans: I was thinking of the time when I was at university. I did not pay any fees and received a small grant, but working for the agency allowed me at least to get by. The situation is now doubly worse. There must be many students who have fees as well as accommodation and food to pay for. If the Bill's impact means that many agency jobs will go, their plight will be even worse. They must be relying on a lot of agency work.

Philip Davies: Such work instils a work ethic in people that we hope will take them further forward, and my hon. Friend is absolutely right about the pressures facing students. I know from my experience at Asda that we took on temporary workers when we needed them and many of them were students or people looking for work experience for the first time. Most of those people did not work there for years on end; such examples are few and far between. The vast majority of them work for the company for a short time and that does them good. They know what they are being paid, they understand the terms and conditions and are happy to take a job on that basis. They see that it offers them an entrance into the workplace and might well help them finance their studies while they are at university. It gives them an opportunity that they want and that they make the most of. It would be folly to introduce a Bill that might have the impact of not providing those people with an opportunity to get their foot on to the first rung of the working ladder, because it would be unattractive to employers to take them on. We want to encourage people to have a work ethic if they have never had a work ethic before. Agency working is often the way into the workplace for many people.

Mr. Chope: Does my hon. Friend agree that, if the Bill goes through, it will make it more difficult for people to have access to work experience? The Government seem to want to promote work experience among younger potential employees, but this Bill runs against that.

Philip Davies: My hon. Friend is entirely right. The Government also talk about extending the number of apprenticeships, but most people have the understanding that those employed on apprenticeships are not employed on the same basis as permanent staff who have been there for a long time. We all acknowledge that, if people are trying to get a foothold in the workplace, employers need concessions to be encouraged to take them on. It strikes me that the Bill flies in the face of everything that the Government say about trying to instil a work ethic and about getting people who have never worked into work for the first time.

To be fair, the hon. Member for Ellesmere Port and Neston said that the Bill was not designed to end agency working in itself but to ensure that agency workers were paid the rate for the job. The Bill does not clarify the period that agency workers must work before they qualify for equal treatment. Without any indication of the qualifying period, the Bill must appear to everybody—even those who support its thrust—as fatally flawed on that basis alone. I heard talk—the Minister will correct me if I am wrong—of six months being mooted as a qualifying period. It is perfectly clear that most hon. Members who have turned up today do not believe that there should be a

[Philip Davies]

six-month qualifying period; they do not think that there should be a qualifying period at all. The unions that are behind the Bill are clearly against any six-month qualifying period.

Mr. Chope: As the Bill stands—without a qualifying period—it would impact on temporary employees immediately. Does my hon. Friend agree that the Government should assess the Bill on the basis of its current contents, rather than on what its provisions might be in the future?

Philip Davies: My hon. Friend is absolutely right. When we take a decision on Second Reading, we should judge the quality of the Bill as it stands. I heard the spokesman for the Liberal Democrats, the hon. Member for Solihull (Lorely Burt), say that they would do the typical Liberal trick of supporting the Bill on Second Reading but opposing it on Third Reading. That strikes me as trying to ride both horses at the same time. If the Liberal Democrats are against the Bill, they should vote accordingly on Second Reading.

Simon Hughes (North Southwark and Bermondsey) (LD): The hon. Gentleman misrepresents my hon. Friend the Member for Solihull (Lorely Burt). She said that we would not oppose the Bill's Second Reading, but that unless it was substantially amended, we would oppose it on Third Reading.

Philip Davies: I urge the hon. Gentleman to look at the Bill as it stands, because that is what will be voted on today. If he is saying that the Bill is unacceptable as it stands, may I suggest that he vote accordingly?

Simon Hughes: I do not want to delay the debate. Our position is similar to the Government's. They say that they will not oppose the Bill on Second Reading. They do not support it, but they hope that things will emerge from ongoing discussions—so do we. Such discussions will be more likely to happen if the Bill goes into Committee, because that will put pressure on the Government and focus their mind.

Philip Davies: But the Liberal Democrat spokesman talked about all the problems with the Bill, whether it is slightly amended or not. She suggested that the basic premise of the Bill is wrong. The hon. Gentleman's party's position is not the same as the Government's. The Government are against the Bill, but they understand that the vast majority of Labour Members who are here are in favour of it. The Government have caved in not due to any point of principle of wanting it to go into Committee, but because they are engaged in a cynical tactical manoeuvre to allow them to avoid a huge row with their Back Benchers. They will allow the Bill to go into Committee, no doubt so that they can try to fillet it and make it completely meaningless. I am not entirely sure whether that position is the same as the hon. Gentleman's. I shall give him the opportunity to clarify the situation.

Simon Hughes: In that respect, the hon. Gentleman is being helpful. As far as I am aware, my colleagues and I have one view—a common view. He is right that that is not the same as the Government's position.

Philip Davies: I am pleased that the hon. Gentleman has been able to clarify the position.

Mr. Chope: Before my hon. Friend gets seduced into thinking that there is a common view among the Liberal Democrats, will he recall exactly what the hon. Member for Solihull (Lorely Burt) said? I clearly remember that she said that her party would support both a closure motion and the Bill's Second Reading. That seems to be very different from the understanding of the hon. Member for North Southwark and Bermondsey (Simon Hughes).

Philip Davies: My hon. Friend was clearly listening to the hon. Lady's speech more enthusiastically than I was. I am sure that the *Official Report* will make exactly what she said abundantly clear. Perhaps the hon. Member for North Southwark and Bermondsey (Simon Hughes) will clarify the situation once and for all.

Simon Hughes: I really was hoping that we would not get into this. If there is a closure motion, we will support it. We will not oppose the Bill's Second Reading. We will then see what comes out of Committee. Unless the Bill is substantially amended, we will oppose it on Third Reading.

Philip Davies: I am grateful for that clarification—if it was a clarification. Despite our brief interlude, I am none the wiser about the Liberal Democrats' position. However, I am sure that other people will have been able to understand the hon. Gentleman's comments.

The Bill would ensure that provisions on equal treatment were backed by a stronger regulatory framework that would include mandatory licensing arrangements and better inspection regimes, with strict penalties for non-compliance. The Minister said that the Government did not believe in people going round businesses to inspect for compliance with the law. I am not entirely sure whether that aspect of the Bill would mean that more people would be inspecting businesses and taking up more of their valuable time by asking to see paperwork to determine exactly what they were doing.

My hon. Friend the Member for Ribble Valley made an important point when he talked about the impact of such measures on big businesses rather than small ones. I had the great fortune of working for Asda, which is a very big business that is owned by the biggest company in the world: Wal-Mart.

David Taylor (North-West Leicestershire) (Lab/Co-op): And the most exploitative.

Philip Davies: I do not know whether the hon. Gentleman has visited Wal-Mart in America, but I have. My experience is that Wal-Mart looks after its employees much better than most businesses in this country. I am not entirely sure of his experience of Wal-Mart and its employees, but I would be happy for him to share that with us.

Mr. Greg Knight: My hon. Friend is making the very good case that the Bill could lead to job losses. Those losses could be far greater if France moved in the opposite direction, as we have heard. Is he thus about to argue that the answer would be an EU-wide common employment policy for all member states?

Philip Davies: My right hon. Friend knows that I would never argue for a common EU policy on anything, certainly while we are a member of the European Union. Once my panacea arrives and we are no longer a member of the EU, I will be happy for the remaining members to impose as many burdens and costs on themselves as they wish, because that will give us a competitive advantage. However, while we are a member of the wretched European Union, I am not in favour of a common position.

David Taylor: The hon. Gentleman invited me to refer to Wal-Mart. As an ex-employee of that empire, and to give us a measure of its progressive industrial relations in the United States of America, will he indicate its attitude towards the recognition of trade unions?

Philip Davies: I am more than happy to deal with the hon. Gentleman's question. During my time with Asda and Wal-Mart, the number of people who were members of a trade union fell. Asda recognises a trade union: the GMB. To the best of my knowledge, it has a good relationship with that union. However, during my time at Asda, fewer and fewer people were joining the union, and the reason why touches on a point made by my hon. Friend the Member for Ribble Valley. From everyone's viewpoint—especially that of the Government, who are often praising Asda for its employment practices—Asda is a very good employer. It gives its staff good terms and conditions and allows them flexible working. It makes a point of going out of its way to look after its employees, so people do not feel the need to join a trade union as they do not feel that they are being downtrodden.

As my hon. Friend said, successful businesses tend to have two things in common: they look after their staff and they look after their customers. I am not aware of any successful business throughout the world that does not abide by those two principles. Every failed business in the world has two things in common: they did not look after their staff and they did not look after their customers.

I have always believed that of the two, the most important is looking after staff, because companies rely on their staff to look after their customers. If companies are not looking after their staff properly, the likelihood is that they will not be looking after the customers properly. I take no lessons from anyone on the importance of employers looking after their staff. The company that I used to work for made a great point of looking after its staff, which it did probably better than virtually anybody. The result was that fewer people wanted to join a trade union.

A large number of Labour Members support the Bill, and more than 150 have signed an early-day motion on the subject. As I understand it—perhaps I will be corrected if I am wrong—the hon. Member for Ellesmere Port and Neston believes that backing the Bill would enable the Government to fulfil their manifesto commitment to enact domestic legislation to ensure the equal treatment of temporary and agency workers. I am delighted to see, first, that so many Labour MPs have come along to stick the boot into their Government, and, secondly, that so many are here to fulfil a manifesto commitment. I very much hope to see the Labour Benches full in a few weeks' time when we debate a referendum on the European treaty. If fulfilling one's manifesto commitments is so important, let us hope that Labour Members demonstrate a great deal of consistency in that.

The Government say that they refuse to back the Bill but that they will not oppose it on Second Reading. Their opposition to it is at best lukewarm. They say that they do not want to introduce any measure that could cost British businesses jobs. It strikes me from that that they concede that the Bill, if enacted in its current form, would cost British businesses jobs. I do not understand how on earth any Labour Member could want to sign up to and support a Bill when their own Government have made it abundantly clear that they believe that it would lead to job losses in this country. As we heard, the CBI estimates that the Bill as drafted could lead to 250,000 job losses. Its people are at the chalkface and they know what is going on in their businesses. I have always believed that the people who know best about any particular subject are those who are involved in it every day of their lives, because they see it as it is. It is not us pontificating from a comfy chair about what businesses should or should not be doing to look after their workers that matters; it is the businesses themselves that know what pressures they face, and they say that the Bill could lead to 250,000 job losses. The Minister would not say how many job losses he thought that we would see as a result of the Bill, but it is clear that the Government accept that there would be job losses.

Mr. Chope: The debate has often taken place in the context of the Bill being a burden only on business, but it could also place a large burden on the taxpayer because almost 40 per cent. of the 1.4 million temporary workers work in public administration and the public sector.

Philip Davies: My hon. Friend is right. Many Departments employ temporary and agency workers. It would be interesting to know what policy the Government employ on the treatment of their temporary workers, and whether they enjoy the same pay and conditions as permanent staff. The Government and Labour Members want to inflict such measures on businesses, and it would be nice to know that they were setting an example. I am certainly interested to know how the public sector treats its temporary workers. It does not need to wait for the law to change to implement best practice as it sees it. If the measure is so important, the public sector can implement it in its workplace. No one needs to wait for particular legislation to be introduced before doing that. I am happy to give way to the Minister if he wants to indicate the Government's policy on their treatment of temporary and agency workers whom they employ. He does not seem to want to get into that, from which we will have to draw our own conclusions.

An impasse seems to have been reached at a European level on the text for a temporary and agency worker directive, and that appears to have prompted the calls for a national Bill. As my right hon. Friend the Member for East Yorkshire (Mr. Knight) said, the debate has been going on in the European Union for many years. My understanding is that the Government have always played their part in trying to kill off the

[Philip Davies]

proposal at European level, which makes it all the more surprising that they do not have the courage of their convictions to vote against the Bill on Second Reading. They have been active behind the scenes in Europe in opposing the Bill, but it appears that they will be reticent in a public vote of the House of Commons, which would enable people to see where the Government stand on it.

A number of organisations fundamentally oppose the Bill, and I shall go through each in turn to see what they think of it. The British Retail Consortium, which I know well from my time working for Asda, has fundamental objections to the Bill. The first, which was also made clear by my hon. Friends the Members for Wealden (Charles Hendry) and for Ribble Valley, is that agency workers are already covered by all key employment rights. Health and safety was also mentioned, and they are protected by health and safety legislation as well. They are also protected by, anti-discrimination legislation, just like any other worker, so on many levels, the Bill is not required.

The flexible labour market, which the Bill seeks to undermine, benefits not only businesses but the people who work for them. Of course, it allows companies to meet peaks in demand, but it also allows workers to manage their work alongside other commitments. Temporary working means that people can work when they want to work, and not necessarily always at the times that their employer wants them to work, so they can conduct other activities. The British Retail Consortium believes that temporary working offers a valuable route into the workplace. Last week, I spent four days working in St. George's Crypt, which is a homelessness project in Leeds. It does a fantastic job in tackling homelessness in Leeds and helping people with addictions. People who work there regularly told me—and I saw this for myself—that we have to instil a work ethic in people in that position.

There are many families in which no one has worked for generations. They do not have any experience of work, so they do not know what it is like to get up in the morning and go to work. Temporary and flexible working gives those people the opportunity to gain a work ethic. They may work only a few hours a week to start with, or a few hours a month, but at least that gets them into a routine. If we seriously wish to help vulnerable people—homeless people and people with addictions—to have a normal life, which, to my mind, means going out to work every day, temporary working is a valuable way of giving them a work ethic. If we imposed extra burdens on businesses to employ temporary workers, it would, at a stroke, take away the opportunity from many of those people to get a foot on the work ladder.

Equal pay between agency temps and permanent employees cannot always be justified, as we must take into account differences in loyalty and experience. Many good employers make a point of rewarding the loyalty of employees who have worked for a company for a long time by giving them bonus payments. Are we really saying that, under the Bill, someone who wishes to work for only a few weeks for their own benefit and convenience should, at a stroke, be paid the same as someone who has been a loyal and faithful servant to a company for many years? If that is the route we are going down, it will be bad for employees and undermine employers' attempts to reward loyal employees.

Such an approach would also lead to prohibitive costs, preventing companies from using agency workers at all. The hon. Member for Ellesmere Port and Neston said that his Bill was not designed to end the practice of agency working, but if we made it expensive to employ temporary workers, that would be the practical outcome, as the Bill would stop people using temporary workers. We have got ourselves into that situation, because time after time, the Government have made it more expensive to employ people. One need only speak to businesses in one's constituency to discover that it is a nightmare to employ people. They say that it is time-consuming, bureaucratic and expensive to take people on as permanent staff. If staff do not perform properly, the hurdles employers have to overcome get rid of them are a nightmare. Many small businesses cannot cope with that. My hon. Friend the Member for Ribble Valley made a point about the different needs of big businesses and small businesses.

Mr. Greg Knight: Is my hon. Friend certain that his example of bonus payments would be covered by the Bill? One could argue that giving a long-serving, loyal employee a bonus payment would be justified "on objective grounds" under clause 1(2).

Philip Davies: My right hon. Friend raises an interesting point about clause 1(2). He may well be right that bonus and loyalty payments may be exempted on the basis of objective grounds, but the Bill does not define objective grounds. The meaning of that phrase may have to be tested in a court of law. It would be incredibly damaging, expensive and time-consuming if every time an employer wished to do something to support a loyal and long-serving member of staff, it faced court action. It would be completely debilitating for businesses to be left in limbo, not knowing what they could and could not do as a result of the Bill. Therefore, I say again that even those who might agree with the Bill's thrust could not possibly support it because of the uncertainty that it would create.

Mr. Evans: Is my hon. Friend aware that in 2006 the Department for Work and Pensions had 120 agency staff, between 2005 and 2006 the Department of Health spent more than £12 million on agency staff, and in 2006, to meet the single farm payment scheme, 53 per cent. of the staff working on that matter in the Department for Environment, Food and Rural Affairs were agency workers? The Government therefore endorse the efficacy of employing agency staff, but the Bill could impose an extra burden and cost on them.

Philip Davies: My hon. Friend is entirely right. The poor, hard-pressed taxpayer has already paid enough without being expected to cough up even more to fulfil the obligations that the Bill may inflict. Given that so many temporary workers are employed by the Government, they could implement the measures contained in the Bill for their workers anyway. They do not need any law to be passed for them to implement these measures for their own staff, which might well serve as a shining example to other employers.

The British Retail Consortium makes it abundantly clear that temporary staff are protected by the national minimum wage, health and safety, discrimination and working time legislation. It feels that there is a perception, particularly among Labour Members, that temporary workers are subject to unsafe conditions, suffer discrimination, are paid badly and work long hours. I have no idea on what basis they make that assumption, but it is clearly one that they make. Agency workers receive the same protection in all those areas, including working hours, pay, discrimination and unsafe conditions, as any other worker. The perception of temporary workers that some Members are seeking to create is simply untrue.

Another point that has already been made and which bears repeating is that agency work is often more expensive than direct employment as employers pay the agency a fee that covers the wages and the agency's costs. Therefore, businesses are not using agency staff to save money, but because it suits their needs to do so. We heard a lot about unscrupulous employers, and there are doubtless employers who do not comply with the law, but surely the answer cannot be to pass even more laws for them to ignore. There is always the desire to be seen to be doing something. Whenever the Government are faced with a problem, there are two elements to their solution. The first is that they must be seen to be doing something, and the second is that whatever they do must not offend anybody, so we end up with more and more well-meaning legislation, none of which is ever properly enforced. Surely the Government should be concentrating on enforcing existing legislation, before they think of embarking on new legislation.

We come back to the driver for the Government in even considering allowing the Bill to go into Committee and seeing it come into effect in one form or another. As the right hon. Member for Makerfield (Mr. McCartney) said, this is about implementing not necessarily a manifesto obligation, but the Warwick agreement pledges. The Labour party has been reticent about expanding on what that agreement means, but let us be clear what it means. Before the last general election, the trade unions agreed to bail out the financially embarrassed Labour party to the tune of millions and millions of pounds, to help it to fight the election, on the condition that, if it was elected back into government, it would implement an awful lot of legislation that would do huge damage to businesses—on the condition that it would implement all the favourite hobby-horses of the trade union movement. The Bill is about honouring the Warwick agreement. To my mind, and I am sure to that of most of the public, it is a rather grubby agreement, even if we look at it in the best of ways.

That is what the Government are indulging in. They are not doing what they think is in the best interests of the country or of protecting people's jobs, or doing what is the fairest thing for all concerned. They are doing something that they were forced to do because they had no money before the last election. They have been forced into doing so to get themselves out of a financial hole. That cannot be any way to set legislation. This is being done under that grubby arrangement.

The British Retail Consortium has always made it clear that it wants to ensure that no worker is exploited. I am sure that the Minister will confirm that it has worked with the Government on targeted enforcement of the national minimum wage, for example, as well as other issues involving vulnerable workers, so it is not as if employers such as those in the British Retail Consortium are trying to protect unscrupulous employers. It has been doing its best with the Government to try to clamp down on unscrupulous employers. It is trying to protect jobs and people's access to the work market.

Mr. Chope: Does my hon. Friend accept that one of the advantages of temporary work is that, if someone finds themselves working for an unscrupulous employer, they can terminate that employment straight away and then be placed by their agency with another employer who is not so unscrupulous? There is much more flexibility than one would get if one were in permanent employment.

Philip Davies: My hon. Friend is right that one of the beauties of working for an agency is not only that it allows people to have a job that they can fit around their other commitments; it also means that, if they find somewhere to work that does not suit them and they have a clash with the people who employ them or something along those lines, they can easily move on to another employer, and someone else can take that job. People do not take these jobs for very long as a general rule. My hon. Friend is entirely right in what he said.

Around 2 to 3 per cent. of all workers are employed on an agency temporary contract. Earlier, we heard that only about 6 per cent. of people are on a temporary contract. Therefore, this is not a big part of the work force. It is a rather small part of our general work force. Nevertheless, it is incredibly important. These people work in a way that suits both the workers and the businesses.

Figures show that up to half of agency workers are not even seeking a permanent job. The industry surveys show that 52 per cent. of agency workers choose temping for positive reasons. They are making a conscious decision to work in that way. Sometimes, they do that because they get better pay working for an agency, or to gain valuable work experience. Twenty per cent. use temporary work as a route into a permanent job. Therefore, for lots of people, it is a foothold into a permanent job. If we were to take away that particular avenue, those people might not end up with a permanent job in the long run, or benefit from any of the rights that the hon. Member for Ellesmere Port and Neston wishes them to have.

Given the global competitive market in which we work, agency work is needed now more than ever. Given that we have had extensions to holiday entitlement, to maternity leave and to paternity leave, it is crucial that it is as easy as possible for businesses to take on temporary workers. If the Labour party wishes to impose all these benefits on people who are permanent workers, it has to acknowledge that someone has to fill in the gaps. That is where temporary workers are crucial. We must protect temporary agency workers, not clobber them.

Equal pay cannot always be justified, as I discussed with my right hon. Friend the Member for East Yorkshire. There is a wide variation in pay in the temporary agency market. Many agency temps get a higher rate of pay than they would get in permanent roles. My hon. Friend the Member for Ribble Valley gave the example of nurses. He is absolutely right, and the same point applies

[Philip Davies]

to teachers. Supply teachers employed on a daily basis often get a higher rate of pay than they would if they worked permanently. The arrangement suits everybody. It suits the teachers concerned, because they might have other commitments. People get paid more because they are available at short notice, thereby enabling them to meet the possible needs of a school or, in the case of nursing temps, a hospital. We do not want such workers not to be available at short notice when people in our schools and hospitals need them.

People in accountancy also often work on a temporary basis when, for example, tax return deadlines are approaching, and one of the biggest sectors for temporary staff—in which people actually choose to be temporary staff—is IT, particularly skilled IT. People with expertise in a particular field are brought in for short periods and are very well remunerated. The idea that people on temporary working contracts are all exploited horribly by mean and nasty employers could not be further from the truth in many cases.

The British Retail Consortium has said that in order to be fair, if such legislation is enacted—it is an "if", and the BRC is clearly against it—the qualifying period before equal treatment is to be considered is crucial. It seems that those who support the Bill do not want any qualifying period whatsoever. The Government have mentioned, I think, a period of six months, but the BRC believes that 12 months would be required. That would bring everybody in line with other, related employment rights such as protection against unfair dismissal; at the moment, somebody has to work for a year before they are entitled to such protection. If we are to go down this route, we must surely have a qualifying period, and it must be the same as for other kinds of employment.

Too short a qualifying period would price some temporary workers out of the market, particularly the most vulnerable ones who are trying to seek a way back into the employment market after unemployment or a way into it for the first time. It should be pointed out that EU states such as Germany adopt a similar approach, while others pay agency temps at a special trainee rate. Such options might be considered if the Government end up going down this line and giving in to their Back Benchers.

It is clear that the British Retail Consortium is wholly opposed to the Bill. I should point out to Labour Members that its member organisations employ an awful lot of people in this country, such as those working in supermarkets. It therefore speaks on behalf of a great many employers, who employ a large number of people.

It is important that we examine the labour market outlook surveys of employers. Employers were asked about the EU agency workers directive, which is the forerunner to this Bill. It is interesting to note the attitude of different employers when considering the issue. It has to be said that speculation is rife that some form of agreement on this directive will emerge during the French presidency, as my hon. Friend the Member for Wealden indicated. The wish is to impose burdens on our businesses to help us become less competitive in relation to them.

I want to spend a little time examining employers' reactions to the Bill in surveys of the labour market outlook. Let me make it abundantly clear that UK employers' reliance on agency workers is very high. In one survey, 76 per cent. of organisations that took part reported that they make some use of agency staff. Although few people might be employed on temporary contracts, a lot of businesses and organisations in this country depend on temporary workers. As I mentioned in an intervention, dependence is particularly high in manufacturing and, as my hon. Friend the Member for Christchurch (Mr. Chope) made clear, in public services.

The incidence is much lower in Wales at 67 per cent., Scotland at 62 per cent. and Northern Ireland at only 53 per cent. than in England, where more than 70 per cent., and in some parts of England more than 80 per cent., use temporary staff. In parts of the south-east in particular, it can be very difficult to recruit staff with the right skills. It is therefore crucial to have a ready-made pool of talent to use while trying to recruit permanent staff. Those employed on a temporary basis might move into a permanent job in the long run if they prove themselves.

Mr. Greg Knight: Will my hon. Friend also recognise the importance to the tourist industry of seasonal and agency workers?

Philip Davies: My right hon. Friend is right. His constituency includes Bridlington, which benefits hugely from tourism. He is a great champion for tourism and for his constituency. My hon. Friend the Member for Ribble Valley and I are conducting an inquiry into tourism on the Culture, Media and Sport Committee. We will look at the importance of temporary, agency and even migrant workers to that industry. Many businesses are finding it hard to compete with cut-price deals abroad, and we would not want to undermine further the tourism industry and small bed-and-breakfasts and hotels.

Mr. Knight: I am delighted to hear my hon. Friend's comments. In passing, may I invite him and my hon. Friend the Member for Ribble Valley (Mr. Evans) to visit Bridlington, where I shall be happy to stand the drinks?

Philip Davies: My right hon. Friend makes a tempting offer, which is hard to turn down. I look forward to fixing that up with him shortly.

Mr. Evans: Does my hon. Friend recall that the Culture, Media and Sport Committee heard evidence from a hospitality industry representative that a large number of migrant workers were working in tourism and hospitality? That is a clear example of the need to ensure that people know the existing rules. The last thing that we want is a huge raft of new legislation that either will not be enforced or, if enforced too rigidly, will result in the disappearance of the jobs that migrant workers do to serve the public in areas such as my hon. Friend's and mine.

Philip Davies: My hon. Friend is right. I am sure that he will recall that, according to the hospitality industry representative who appeared at one of our evidence

sessions, the reason why so many migrant workers work in the tourism industry is that it is difficult to get people in this country to turn out to work. The work ethic of people in this country is poor compared with that of some of the migrants that the industry employs. In this country, 1.25 million 16 to 24-year-olds are not in employment, education or training—they are doing nothing. If, by using temporary agencies, we can find a vehicle to get some of those people off their backsides and into some kind of work, it will do an awful lot of good, not just for them and their families but for the economy and the country. As a result, we would probably not need as many people coming into the country. We must be mad to let people come in and take jobs that people in this country are more than capable of doing. If the people here do not get any foothold in the employment market, that is only a dream. Temporary agencies give a lot of those people their first stepping stone into work. The proportion of employers that use agency workers—*[Interruption.]*

Mr. Deputy Speaker: Order. Conversations are breaking out throughout the House. Hon. Members must listen to the hon. Member who is addressing us. *[Interruption.]* Order. If hon. Members are not intending to listen, I suggest that they leave the Chamber and find something to do for the time being. When an hon. Member is addressing the House, it is normal to listen to what they have to say.

Philip Davies: I am very grateful for that, Mr. Deputy Speaker.

Returning to the survey, the proportion of employers that use agency workers is interesting. Some 85 per cent. of manufacturing and production employers use agency workers at some point, as do 85 per cent. of our public services.

I mentioned briefly the importance of the manufacturing sector to our economy in an intervention on my hon. Friend the Member for Ribble Valley. Everybody in the House agrees that this country's manufacturing base is in a rather precarious position. It has been going downhill for many years, and we should be doing things to try to protect it. As he said, we face more and more global competition from places such as China and India. We will never be able to compete with them on employment costs and practices, nor should we try to do so, but it must be going in completely the wrong direction to keep piling more and more regulation on our businesses.

If Labour Members are so concerned about the working practices of workers across the world, surely it is better to try to retain as many manufacturing jobs as we can in this country, with the high employment obligations that we have, rather than price people out of the market in this country so that they set up a manufacturing plant in Beijing, where health and safety protection is virtually non-existent, and the wages are, too. Surely Labour Members concede that it is better that jobs remain in this country, even with slightly less protection than they would want, than to have them farmed out to places such as China and India, where workers will get no protection whatever.

Mr. Evans: I want to make a point about call centres. It is great to have them in the United Kingdom—we have a lot of them, they provide jobs, and I suspect that many of those are agency jobs. If, all of a sudden, we start pricing those jobs out of this country, it would be easy for companies to start using call centres in India or other parts of the world, and that has been done. We are talking not about protecting agency workers but about removing jobs from this country and exporting them to other countries where, as my hon. Friend has just said, health and safety standards, and pay, may be much lower.

Philip Davies: My hon. Friend is entirely right, and he is right to raise the subject of call centres. In my time at Asda, I spent a number of years supervising the call centre that it ran. Customers used to ring up with complaints about service or the products that they had bought. We used to employ quite a few temporary workers from agencies, and there is a quite a high turnover in call centres. I would like to think that we were a good employer, but by the nature of the people that call centres tend to employ—students or recent graduates—there is bound to be a turnover of staff. As long as they move on to bigger and better things, that is good. If we played our part in giving them the skills that they needed to move on to a better job, that was to everybody's benefit.

The point about taking on temporary staff that is not understood in the Bill is that, when we needed someone to do a job at short notice, we as an employer were taking a gamble. When someone takes on a permanent member of staff, they advertise the job and say exactly what qualifications and skills are needed. People then go through an interview process. They are interviewed to see how they would fit into the culture of the organisation and whether they have the skills and experience that are being sought, or any other personal qualities that are wanted. Employers can do tests and all kinds of things to ensure that they get the right person. Once all that has been done, it seems perfectly reasonable that the person would be paid a particular rate to do that particular job. When employers use a temp agency to get staff, however, they do not have those luxuries. They are taking a gamble that the person who walks through the door—

MR. DISMORE *rose in his place and claimed to move,* That the Question be now put, but MR. DEPUTY SPEAKER *withheld his assent, and declined then to put that Question.*

Philip Davies: I am grateful to you for that, Mr. Deputy Speaker. I am surprised that the hon. Member for Hendon (Mr. Dismore) would wish to cut me short, given the remarkable stamina that he displays when he speaks in these debates. I can assure him that there is plenty more that I wish to cover in my speech before I shall be ready for him to cut me short.

Employers who go to temp agencies for staff are taking a gamble that the person who walks in through the door will be capable of doing the job, and that they will fit in with the culture of the organisation. It is perfectly reasonable and rational that that person would initially not be paid at the same level as everyone else, because it is impossible to guarantee that they will be of the same calibre. An employer might well have asked the agency to send someone with particular qualities, but even so, they are still putting their trust in

[Philip Davies]

someone else. It is perfectly reasonable, if they are taking a gamble on someone, to pay that person less than they would pay someone who has gone through a rigorous reeruitment process for the same job. Those people would not have got the job on the same basis. One would probably have had several days of interviews to get the permanent job, while the other would simply have walked through the door because a temp agency had sent them. Why on earth would they both deserve the same level of pay from day one? I do not see the logic of that argument.

Mr. Chope: Does my hon. Friend regret the fact that there seems to be a mood of intolerance among the Labour Members who are listening to his important arguments? This issue could affect as many as 1.4 million of our fellow citizens.

Philip Davies: My hon. Friend makes a good point. I am disappointed that Labour Members wish to cut short the debate on a Bill that, if enacted, could result in the loss of 250,000 jobs in this country. One would have thought that they would want rather a lot of scrutiny of a piece of legislation that could cost 250,000 of our constituents their jobs.

Mr. Evans: Another beautiful thing about agency work is that it allows people to test different jobs. They might not always know what they want to do, and they can try several different ones through an agency. They might then find one that they would like to do on a permanent basis. They will have built up a rapport with the firm while working there as an agency worker, and the firm will know what they are like and what they are worth when they employ them on a permanent contractual basis afterwards.

Philip Davies: My hon. Friend is right. Accessing an employer through an agency is a good way of showing that employer how good we are in order to gain a permanent contract. Indeed, 87 per cent. of the organisations that responded to a recent Labour Market Outlook survey said that they had recruited permanent staff who had initially worked for them as agency workers in the year prior to the survey. The hon. Member for Ellesmere Port and Neston wants to give people certain rights, but many are gaining those rights anyway within a short space of time, once they have proved themselves in that way.

I am sure that we all know people who are good at certain things and less good at others. I certainly know people in schools who say that are not particularly good at sitting exams, and that they freeze on the day and do not do themselves justice. That is why we went—wrongly, in my opinion—down the route of assessing coursework instead of setting exams. That was the rationale for doing that. Similarly, there are probably lots of people who do not show themselves in their best light in interviews or selection tests. Getting some on-the-job training through a temp agency allows such people to prove how good they are, and that might well be the best way for them to get a permanent job with the enhanced rights that Labour Members want them to have. Labour Members have not understood the importance of temporary agency working as a way of getting into a permanent job. By making it less attractive to take on temporary workers, the Bill could prevent many people from getting a job at all, because they would not have the opportunity to prove themselves in that way.

According to the survey, agency workers earn about two thirds what permanent employees earn, although, as I mentioned earlier, it would be wrong to conclude that all agency work is low paid and low status because some of the best-paid and highest-status jobs are temporary. However, it is also true that temporary employees generally have a more positive attitude to their jobs than permanent employees, possibly for the reason mentioned by my hon. Friend the Member for Ribble Valley. I meet lots of people who are about to leave school or university, and when I ask them what their ambition is and what they want to do when they leave school, lots of them say—it is quite a respectable answer—"I don't really know. I'm not entirely sure what I want to do."

Temporary work gives people an opportunity to try out different forms of employment. They may work in a call centre for a while, find that it is not for them and go back to their agency and say, "It's not really working out. Could you find me a job somewhere else?", or they may take to it like a duck to water and want to stay. The survey shows that temporary employees generally have a more positive attitude to their jobs, even though they have fewer employment rights than permanent employees. That did not come out in the remarks of the hon. Member for Ellesmere Port and Neston

In the survey, employers' organisations contended that it is inappropriate to require that agency workers be given the same pay and conditions as permanent employees, especially very shortly after recruitment, because people who come to a job through a temporary agency usually do so because they do not have the same experience and competence in that job as permanent staff. The survey asked how long a period the Bill should require, if it came into force, before the terms and conditions applied. Its findings were interesting. Some 26 per cent. thought that they should apply after one year of service, and 27 per cent. thought that they should never do so. If we ever introduce this or a similar Bill, employers' views on the timing of pay and contracts of employment conditions are clear: they should apply after a minimum of one year's service.

Mr. Chope: In the comprehensive survey of employers, is any mention made of the significance of employing temporary and agency workers for delivering our Olympic bid in 2012? The bid cannot be delivered without a very large number of temporary and agency workers.

Philip Davies: My hon. Friend is right, but I do not happen to have the figures to hand. The Government tell us constantly that every part of the country and people in every constituency will benefit from the Olympics. I am not entirely sure how the people of Shipley will benefit; the Minister has not yet explained that to me.

We are always being told of the great benefits of the Olympics. One of those benefits is that people will get contracts to build all the sites required. As my hon. Friend says, that will no doubt involve workers on temporary contracts who may well be paid differently

from permanent employees in such businesses. In fact, because of the time scales involved and the Olympics' importance to this country, those people may be paid more than permanent employees of the firms bidding for the work, because their expertise will be in such short supply. We should not think that agency and temporary workers are always paid less than permanent employees of the same firm. Often they are paid more.

Mr. Chope: Does my hon. Friend accept that a large pool of temporary and agency workers will enable the Olympic Delivery Authority not to be held to ransom by contractors who say that they have only a limited number of permanent employees?

Philip Davies: My hon. Friend is right. He will know as well as anybody that the cost to the taxpayer of the Olympic games has risen at an alarming rate, and we still have four years to go. The last thing that we need is a Bill such as this, which might well lead to taxpayers having to dig even deeper into their pockets to fund the Olympic project. He makes a very good point in raising the issue of the Olympics.

Mr. Evans: Scarce skills will be necessary to deliver a project as gigantic as the Olympic games and the only thing more embarrassing than the escalating cost of the games would be if we were unable to deliver on time. Agency workers will be invaluable to ensuring that the Olympic games take place in London in 2012.

Philip Davies: My hon. Friend is right. Without agency workers, the games could probably not be delivered on time. The Government tell us how important the Olympic games are to Britain, and I support the games coming to Britain, but it is essential that we make the use of temporary workers attractive.

The survey reveals a spread of opinion on the impact of the agency workers directive if it were implemented in the UK. Employers were asked about the overall impact of the directive, which, as we all know, is the forerunner of the Bill. Only 17 per cent. thought that the impact would be positive, whereas 37 per cent. said that they knew already that it would have a negative impact on their business. Of the employers who took a negative view, 61 per cent. expected upward pressure on pay and benefits packages. That might be what the hon. Member for Ellesmere Port and Neston aims to achieve through his Bill, but this country's police officers, teachers and nurses are probably fed up to the back teeth of hearing the Government stress the importance of pay restraint to avoid rampant inflation, so it seems bizarre that when Government Members are telling police officers, teachers and nurses that they cannot have the pay rises to which they are entitled in one go because that would create inflation, and 61 per cent. of those who think the directive will cause problems say that one of those problems will be upward pressure on pay and benefits packages, they are so willing to support the Bill. Will the Minister calculate the likely impact on inflation if the Bill is enacted and people's pay is increased by more than the businesses employing them can afford?

In that survey, 29 per cent. of respondents said that they expected it to be less likely that agency temps would be hired as permanent employees. The Bill's promoter is trying to get agency workers the same employment rights as permanent employees. Now, when such workers become permanent employees, they get those benefits, but 29 per cent. of employers are saying that the Bill would make it less likely that agency temps would ever become permanent employees. He would therefore deprive those workers of the benefits that he is trying to give them.

Almost half—47 per cent.—of the employers responding to the survey said that the directive would make hiring agency temps more bureaucratic. As we know, businesses already face far too much bureaucracy. For companies such as Asda, which I used to work for, bureaucracy, while annoying, is not disastrous, because they can afford to employ people to go through and ensure compliance with all the directives and bureaucracy—it is meat and drink to them. Employing such people takes up only a small proportion of a big business's costs. However, for the many small employers that are the engine room of our economy—for small shopkeepers and other small businesses in our constituencies—expecting them to abide by more bureaucracy, legislation and rules is simply unrealistic. They spend long enough hours managing their own business and keeping it going. Many small business men work very long hours for little reward to keep people in employment, and many keep workers that they really cannot afford to keep because they are loyal to their employees. Imposing further costs and burdens on them would be a terrible crime and certainly lead to lots of small businesses closing in our constituencies.

Employers think that the agency workers directive will have an impact on their recruitment strategy. It is important that we look at the various sectors. Of employers in manufacturing and production, 47 per cent. say that the directive would have a negative impact on their recruitment strategy—they would recruit fewer people as a result. We often talk about how we need to support manufacturing and how nice it would be to grow our manufacturing base. This Bill would do more than anything to undermine our manufacturing businesses and base. The survey shows that 34 per cent. of private sector service companies said that they would recruit fewer people; 42 per cent. of public service companies said the same; and the figure was 32 per cent. in the voluntary sector. Clearly, that would have a devastating effect on employment and recruitment.

Employers believe that the Bill would have a slightly different effect in different areas of the country. It is no surprise that the biggest impact would be in London and the south-east. In London, 44 per cent. of employers said that the Bill would have a negative impact on their recruitment strategy. In my area of Yorkshire and the Humber, 39 per cent. said that it would have a negative effect on recruitment strategy, and I certainly do not want to support a Bill when 39 per cent. of the organisations surveyed in my own area, which employ my constituents, say that they would employ fewer people as a result. Labour Members should think long and hard about the Bill's impact on employment among their constituents in their constituencies. How would they explain that their constituents were out of work because of a piece of legislation that Labour MPs had themselves passed?

Mr. Chope: Is not that particularly important when we seem to be going into a downturn, possibly a recession? A report in today's *Financial Times* suggests

[Mr. Christopher Chope]

that UK growth will be well below 2 per cent. next year. It predicts that we will have increased inflation and less employment.

Philip Davies: In his customary fashion, my hon. Friend makes a powerful point.

It is important to note that the survey of employers on their response to agency workers legislation and the agency workers directive revealed that 68 per cent. believed that they would recruit fewer agency workers as a result. When asked whether they would recruit more permanent workers, shifting the emphasis away, only 32 per cent. said that they would recruit more. Inevitably, then, if this Bill is passed, people who have a job at the moment will be kicked out of it with very little prospect of somebody else taking them on. It is clear that that would happen if the Bill were to become an Act.

It is all very well for us to pass legislation that we think is well-meaning and will go down well with our unions at our union branch meetings and all the rest of it. However, we need to think about the individuals who currently have a job and are quite happy doing it under their present terms and conditions. If we are not careful, those of us here who are unhappy for those workers will end up putting them out of work because the idea of this Bill goes down well at a union branch meeting. That, to me, is totally and utterly unacceptable. I certainly do not want to be party to any Bill that will lead to some of my constituents who are in a job and enjoying it being put out of that job as a result.

Another problem of the directive is how it would affect productivity. Far more employers believe that this would have a negative effect on productivity in the workplace than believe it would bring benefits to the workplace.

I am aware that time is moving on and I certainly do not wish to take up too much of the House's time, but I would like to mention some of the concerns raised by the Recruitment and Employment Confederation. It too did a survey, finding that 84 per cent. of agency workers were satisfied with their assignments and that only 9 per cent. were dissatisfied. Furthermore, 66 per cent. of agency workers are satisfied with their pay, which is up from 56 per cent. last year. More and more agency workers are actually satisfied with their pay. Only 23 per cent. are dissatisfied. A large number—38 per cent.—said that they were not even looking for permanent work, which is a rise of 6 per cent. on the last quarter.

It seems to me therefore that this Bill is actually a solution looking for a problem. Lots of employers are very happy with the current arrangements for employing agency workers, because they suit their needs and help their businesses grow. Many temporary workers are happy with their pay and conditions already, without any intervention from Government Members. Many people are being given opportunities that they would otherwise never get, and many people will be in work as a result of current arrangements, when they would otherwise not be. We tinker with the state of play at our peril. We all know that the Bill will cause job losses. I did not come to this House to introduce legislation that costs people their jobs. I came here to try to create a thriving economy that puts more people in employment and creates more wealth for this country, but the Bill will have the opposite effect. The Government know that the Bill will have a negative effect on employers, and I urge them to have the courage of their convictions and vote against it on Second Reading.

12.45 pm

Mr. Christopher Chope (Christchurch) (Con): The frustration that I felt in waiting so long to be called has been more than compensated for by the quality of the contribution by my hon. Friend the Member for Shipley (Philip Davies). It is vitally significant that he has put on the record the views of employers. He curtailed his remarks, because he was going to tell us a lot more about the attitude of temporary workers and agency workers. Perhaps it will interest Labour Members if I pick up my hon. Friend's point that 66 per cent. of agency workers are satisfied with their pay—I am not sure whether 66 per cent. of MPs are satisfied with their pay—which indicates the high level of satisfaction among agency workers.

I declare an interest, because I employ a gap-year student on a temporary employment contract. I pay that student well in excess of the minimum wage and comply with all national regulations. It would ridiculous to say that MPs or others cannot take on gap-year students as temporary employees. My constituents and I have significantly benefited from the work of that particular employee and others whom I have previously employed in similar positions.

Although I congratulate the hon. Member for Ellesmere Port and Neston (Andrew Miller) on having chosen this subject following his success in the ballot, I am concerned that he couples his position as the promoter of the Bill with being the Chairman of the Regulatory Reform Committee, which I suspect entails a conflict of interest. This Bill is highly regulatory. Indeed, the fact that the Government are not enthusiastic shows that it must be an incredibly highly regulatory measure, because they normally go along with regulation.

Many hon. Members support the Bill, and, perhaps in defiance of the Government Whip, they have signed early-day motion 692, in the terms of which lies the fallacy of their position. Early-day motion 692 states that

"there are 1.4 million agency workers in the UK"

and points out

"that many new jobs are considered temporary and are often filled by agency staff; recognises that such staff are often used to cope with fluctuations in demand and form a legitimate part of the labour market",

which is fine. However, it goes on to say

"that they are subjected to inferior pay and conditions and blatant exploitation".

According to early-day motion 692, the 1.4 million agency workers are all subject to inferior pay and conditions and blatant exploitation. We know from the evidence provided by organisations on all sides of the argument that the proportion of agency workers and temporary workers who are subject to exploitation is smaller than the proportion of permanent employees who experience that condition. Early-day motion 692 immensely exaggerates the problem.

The motion

"further recognises that agency workers are sometimes employed to undercut permanent workforces".

At least, that is more moderate language, because of the use of the word "sometimes", although I do not know whether that means 50, 100 or 1 million times, given that there are 1.4 million agency workers—but I do not quarrel with the use of that word. However, the early-day motion overstates the case when it refers to "divisive conditions and resentment".

The motion then

"calls on the Government to take appropriate action to establish the principle of equal pay and conditions for agency workers compared with their permanent counterparts."

That is why this is such a significant debate, because we are considering the issue not just in terms of whether the Government should support the Bill, but in the context of what is happening in Europe. Unfortunately, when the Government removed the UK's opt-out from the social chapter, they opened our country up to regulation by the European Union on the basis of majority voting. We have often found that our particular circumstances governing employment in this country are at odds with what happens on the continent. We have found that the imposition of the 48-hour working time directive has had perverse consequences in our labour market, probably including being partly responsible for an increase, following a period of decline, in the number of agency and temporary workers employed in the UK economy in the last two years.

Philip Davies: My hon. Friend is making a powerful point. Does he agree that the competitive advantage that the UK has always traditionally had over lots of EU countries has been eroded by this kind of legislation being inflicted upon us in the same way as it has always been inflicted upon those other countries? Not allowing people to work more than 48 hours might be well-meaning, but it often works against the wishes of the employees. Sometimes they wish to work longer hours. Such legislation works against their interests.

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman must keep to the terms of the Bill before us.

Mr. Chope: I am grateful to you, Madam Deputy Speaker, and I am grateful to my hon. Friend for his intervention. The core of all this is sovereignty. Why should not we in the United Kingdom Parliament decide what terms and conditions should be imposed and what terms and conditions should be freely negotiated between willing employers and willing employees in the UK labour market? My inclination is to be on the side of the right-to-work campaign. Emphasising the other side of the argument, which places a lot of regulations and burdens on employers, often has the perverse consequence of denying people who have a natural disadvantage in the labour market the opportunity to exercise their own right to work and to choose their own terms and conditions. That regulatory burden is one of the main contributors to the fact that 2 million people, including 1 million in the younger age group, are unemployed. They are not unemployable, but it will be very difficult to get many of them back into the labour market unless we introduce more flexibility rather than reduce flexibility, which is the purpose behind the Bill.

I understand that the Minister has to face up to the reality of an enormous split in the Labour party on this issue. He knows that as we approach a general election the resources of the trade unions will be vital, and that, if the Government do not deliver on the Warwick agreement, they will be in trouble as far as those resources are concerned. Even he has recognised that we cannot just throw in the towel to appease the trade unions under the Warwick agreement if that will cause a disaster for the UK economy. For many months, the Minister and the Government have stood out against this Bill and its predecessor and stood out against the ill-conceived European regulation covering the same subject. However, right at the end of the Minister's speech, during which he refused to take any interventions, and after setting out in great detail all the Bill's shortcomings, he said that the Government would not actually vote against it. It is disappointing that they do not have the courage of their convictions. It would be better for them to be seen to be going down fighting on behalf of the United Kingdom's flexible labour market. That would have sent a strong message to our European so-called partners ahead of the negotiations on the directive. I fear that the way in which the Government are dealing with the Bill is showing them to be indecisive and the poodle of their backwoodsmen—and backwoodswomen, I imagine.

The Minister especially criticised the Bill because it does not specify the moment at which equal treatment will be required for agency workers. However, he did not spell out the fact that because the Bill does not define that point—it was not defined in the similar Bill to which the Government objected on Fridays in the previous Session—the rights that it sets out would come into effect from the very moment that an agency worker was employed. No one in their right mind thinks that that proposal is sensible, but, interestingly, despite all the protracted negotiations that preceded the Bill's publication, the promoter and sponsors of the Bill have not tried to introduce a figure to meet the Government's objection. The Bill is fundamentally flawed for that reason, if for no other.

I applaud what my hon. Friend the Member for Wealden (Charles Hendry) has said from the Front Bench. These days, the Conservative party is sometimes accused of being rather wishy-washy—albeit not as wishy-washy as the Liberal Democrats—and of sitting on the fence. Journalists on *The Daily Telegraph* and *The Sunday Telegraph*, and elsewhere, think that we are especially wishy-washy on taxation and public expenditure. However, leaving that aside, I welcome the fact that we are not wishy-washy on this Bill. I doubt that we will be able to muster sufficient numbers to defeat the Bill on Second Reading—we will find out whether the Liberal Democrats vote for the Bill or abstain, as the hon. Member for North Southwark and Bermondsey (Simon Hughes) indicated that they would—but it is more important to be right than to go along with the majority.

During my time in the House, I have always been interested in defending minority rights. Agency and temporary workers are in a minority—that goes without saying. Their rights are important. Individuals who are

[Mr. Chope]

out of work have a right to test out different types of work through different employers via the use of agencies, or job brokers, as they are increasingly called.

The Department for Work and Pensions is setting up a network of job brokers, some of which will be encouraging employers to take on temporary staff and giving them temporary subsidies so that they can take on those staff. That will happen in recognition of the fact that the value to an employer and work force of an individual taken on in such circumstances is not as great as the minimum wage that must be paid. Such a proposal is a welcome introduction of flexibility and a way of avoiding the rigid consequences of the minimum wage legislation, which many Conservative Members criticised when it was introduced. The minimum wage has now been increased across the country to a level that puts employers in a position whereby they cannot afford to take on the inexperienced or those without much recent time in work without some sort of subsidy. The Government recognise that in the job-broking system, and that is a way forward. However, it is at odds with their approach to this Bill: they do not like it, but do not have the courage of their convictions to vote against it. At a time when our economy is entering, if not a crisis, a period of significant downturn, with the prospects for growth far below what has been forecast by the Government, organisations outside the House will want to see whether Parliament is on their side in ensuring that we get a more flexible labour market and that we do not put more people out of work.

At a time when many of us are thinking about the implications of the Olympic games for our country, the points made about the Olympic Delivery Authority are pertinent. It is inconceivable that all the people who will work on the Olympic games, which will take place over a concertina period of three or four weeks, should be employed permanently. It would be ludicrous to say that. I suspect that some people who would have been taken on for four-year fixed-term contracts have not been taken on because we have not quite got to the four-year trigger point.

The legislation to implement the regulations on permanent workers, on which the Bill is modelled, introduced a rigidity into the employment market. If someone is on a fixed-term contract of more than four years from 2002, that person is deemed to be on a non-fixed-term contract as soon as the contract reaches four years and, on the termination of that employment, is entitled to compensation for loss of office, to redundancy pay and so on. We have seen the consequences of that in the case of some chief executives of local authorities who were employed on fixed-term contacts on the basis that that would give them a higher salary. However, when the fixed-term contract has expired, they have still been entitled to severance or redundancy money because of the four-year rule.

Philip Davies: My hon. Friend makes a powerful point. Does he agree that if temporary workers have to be given the same pay and employment rights as permanent workers, the same argument can be used the other way around? Given that the time scale for the Olympics means that people will probably be paid more as temporary workers because of their skills, which will be used for a short period of time, the argument will be that permanent staff should be paid the same amount.

Mr. Chope: My hon. Friend is on to a good point. Again, it is another reason why the Bill as drafted is wholly inadequate and unsatisfactory.

It is regrettable that there are no explanatory notes. I notice that the next Bill for discussion does not have any explanatory notes either. I do not know whether that is because this Bill's promoter thinks that it is self-explanatory or whether he wishes to keep people in the dark. It is customary for Bills to have explanatory notes. Indeed, I think it is obligatory, under the rules of the House, for Government Bills to have them. In the absence of explanatory notes, one has to speculate about the meaning of some of the expressions in the Bill.

My understanding is that it introduces three new rights for temporary and agency workers under clauses 1(1), 3(1) and 3(4). I am not going to go through the Bill line by line, as we were promised we would be allowed to do with the European constitutional treaty. Certainly, Madam Deputy Speaker, you would not allow me to go through this Bill day by day, as the Prime Minister said that we would go through the European Union (Amendment) Bill. I would, however, like to highlight one or two provisions that should be tightened up in Committee should this Bill be given a Second Reading.

As has been said, clause 1(2)(b) does not define the "objective grounds" to which it refers. In clause 1(3), "pro rata temporis"—the meaning of that phrase will be familiar to anyone who did Latin at school or university, but not to others—would not cover overtime. That is a good point in the Bill, in comparison with the European Union directive, and it is a pity that the Minister did not highlight it. That is a positive feature, but vague language is deployed in clause 2, particularly in subsection (1)(b), which uses the expressions, "broadly similar", "having regard", "where relevant", "seniority", "similar level" and "qualifications and skills". There is no reference, however, to age or experience. All those vague concepts are used to try to derive a comparator, which under the provisions of clause 2 could be a hypothetical person, which is quite ludicrous.

The Union of Industrial and Employers Confederations of Europe consistently argued against giving rights to individual agency and temporary workers that would enable them to access the terms and conditions of permanent staff. I do not think that the employers are wrong: it is perfectly reasonable that terms and conditions of employment in individual contracts should remain a private matter between the employer and the employee. That is a particularly significant factor in the UK, where most contracts of employment are with the individual, as opposed to the collective basis often used on the continent.

The rights given by clause 3(1) would impose a particularly onerous burden on employers, as their existing contracting terms that prevented someone from becoming a permanent employee would be made void. If an employer had a policy or an agreement with trade unions that temporary workers could not be taken on as employees, such a condition would be null and void . What is the point of that? It is unnecessarily oppressive

and regulatory, and it discriminates against the rights of individuals to reach agreements based on their assessment of what is in their best interest.

Clause 3(4) states:

"An agency worker has the right not to be subjected to any detriment by any act, or any deliberate failure to act, of the end user or the employment business, or employment agency, done on a ground specified in subsection (5)"

That is a serious issue, which will create a substantial burden for employers, and runs counter to the principle of privacy of contract.

Philip Davies: My hon. Friend makes a powerful point. We know that the Labour party is pushing the Bill as a payback for the Warwick agreement and the money given at the last general election, but what does my hon. Friend think is in this for the unions? Is this not about not what is in the best interests of temporary workers, but the fact that very few temporary workers are members of trade unions, so the unions want the temporary working arrangements in this country to be undermined to boost their flagging membership rates?

Mr. Chope: Absolutely; my hon. Friend is on to the real point that trade union membership has been declining and the unions would like to be able to access a new cohort of potential members. That is really what underlies this, because with membership comes money, and with membership and money comes more influence in the Labour party and over the Government. We have seen examples recently of the consequences of that for the Great British people.

The issue of detriment in clause 3(4) is serious, and that is another reason why employers are so concerned about the Bill.

One has to take a deep breath when one realises that clause 4 is promoted by the Chairman of the Regulatory Reform Committee. It talks about

"the appointment of a regulatory authority with suitable duties and powers for the purpose of enforcing the rights afforded to agency workers",

and

"the appointment of statutory officers with suitable duties and powers"

and so on, and "alternative dispute resolution", but with matters ultimately going to an employment tribunal. We know about the costs and delays in the employment tribunal process.

We also know how employers, particularly small employers, are held to ransom by the threat of cases being taken to the employment tribunal. Were the Bill to be enacted, it would only need a temporary or agency worker even to suggest that they would take the issue to an employment tribunal for the small employer to quake in his boots and say, "Well, I can't possibly face the costs that might be involved in going to a tribunal, in terms of my time and that of other employees who might have to give evidence; I certainly can't afford to employ counsel or solicitors to make representations on our behalf; and I certainly can't afford all the delays and hassle in preparing the case." Therefore, as so often happens, the threat is made by an employee and the case is settled and the employee goes away with some money, often quite a large sum of money, on the basis that the employer feels that it is better to pay a lump sum to get rid of the problem than to defend rights in the tribunal.

Philip Davies: My hon. Friend is entirely right, but that problem is not only faced by small employers. In my experience, many large employers face vexatious complaints with threats of employment tribunals and end up having to pay people, because it is often cheaper to pay them off than to defend the case at a tribunal. Big companies suffer from that just as much as small companies.

Mr. Chope: I am grateful to my hon. Friend for telling the House about that, because he has an enormous amount of experience of working for a big company. In a sense, there is an analogy between what happens with regard to an employment tribunal and what is happening today with the Government. In the face of the threat of defeat by their own Back Benchers, the Government have given in, even though they had right on their side. That is exactly the problem confronting employers when faced with a tribunal. They have right on their side, but the pressure is on them to appease and to give into those who do not have right on their side. Therefore, these provisions will add to costs, delays and uncertainties.

As has been said already by a number of contributors to the debate, the law of unintended consequences will come to apply in a big way. Often in the House, we pass regulatory measures and find that the consequences in the real world are rather different from what we expected, but in this case we know what the consequences will be, because they have been flagged up by employers across the country, both large and small: there will be fewer opportunities in the workplace for temporary and agency workers, and fewer opportunities for those who are not currently in work. The result will be bad for those individuals and for the least able people in our society: the people we want to help most—certainly those whom we on the Conservatives Benches want to help most.

Philip Davies: We are united in our opposition to this Bill and hope that it does not come into effect, but if a Bill of this nature were enacted, what qualifying period should there be before the equal rights of temporary workers took effect? I said, as many employers do, that at least a year should go by before such workers are considered for the same employment rights. Will my hon. Friend share with the House what he thinks about that matter?

Mr. Chope: My hon. Friend asks me my opinion. I think that one year is the absolute minimum. One year is the period before the unfair dismissal rights come in under permanent employment—*[Interruption.]*

Madam Deputy Speaker: Order. There are rather a lot of private conversations breaking out in the Chamber.

Mr. Chope: I am not put off by private conversations in the Chamber, although obviously they are out of order. However, at a time when this House is increasingly regarded as an irrelevance to our national life, such behaviour sets a very poor example to those who may be watching our proceedings on television. This week, as you will know Madam Deputy Speaker, quite a lot of schoolchildren are on half term. Instead of watching their Gameboys, perhaps they are watching the Parliament channel.

Madam Deputy Speaker: Order. I hope that if they are watching that channel they will hear a contribution to the debate about the Bill that is under consideration.

Mr. Chope: I hope, and indeed the record will show, Madam Deputy Speaker, because you have not called me to order, that for 32 minutes my contribution has been pertinent and in order, as were those of my hon. Friends. Does the hon. Member for Great Grimsby (Mr. Mitchell) wish to intervene?

Mr. Austin Mitchell (Great Grimsby) (Lab) *indicated dissent.*

Mr. Chope: He does not. Perhaps the thought of all these schoolchildren being able to watch him on television will cause him to rise to his feet so that he can be identified.

I will not dwell on that matter any more, but the time scale and the view that a minimum period of one year should pass before the legislation comes into play is important. My view is that even one year would be too short a period, because that would create a cliff face. It may result in a large number of agency and temporary workers who have been employed for 11 months finding that their contract has come to an end, not because they are not up to the job or not providing a good service to their employers, but because the employers do not wish to take the risk of effectively taking them on as permanent employees. Therefore, my answer is that I think that a period far in excess of one year would be appropriate.

I hope that the promoter of the Bill will respond to the debate, particularly on this issue. The commission has been suggested by the Government as a vehicle to avoid having to face up to what the Bill demands head on. I would be grateful to the promoter of the Bill if, when he winds up the debate, he is able to tell us how he envisages the time scale for that commission working.

Mr. Dismore *rose in his place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The House proceeded to a Division.

Madam Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 157, Noes 9.

Division No. 093] **[1.20 pm**

AYES

Abbott, Ms Diane
Anderson, Mr. David
Anderson, Janet
Austin, John
Baird, Vera
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Bercow, John
Berry, Roger
Betts, Mr. Clive
Borrow, Mr. David S.
Brown, Mr. Russell
Bryant, Chris
Burden, Richard
Burgon, Colin
Cable, Dr. Vincent
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clelland, Mr. David
Clwyd, rh Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Davidson, Mr. Ian
Davies, Mr. Dai
Devine, Mr. Jim
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Efford, Clive
Engel, Natascha
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flynn, Paul
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Galloway, Mr. George
Gapes, Mike
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Havard, Mr. Dai
Henderson, Mr. Doug
Heyes, David
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, Simon
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Jackson, Glenda
James, Mrs. Siân C.
Jones, Mr. Martyn
Kemp, Mr. Fraser
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marsden, Mr. Gordon
Marshall, Mr. David
McCafferty, Chris
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonnell, John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
Meacher, rh Mr. Michael
Michael, rh Alun
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moran, Margaret
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Naysmith, Dr. Doug
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Prosser, Gwyn
Purchase, Mr. Ken
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruddock, Joan
Sharma, Mr. Virendra
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, John
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Thurso, John
Trickett, Jon
Turner, Dr. Desmond
Walley, Joan
Waltho, Lynda
Weir, Mr. Mike
Whitehead, Dr. Alan
Wilson, Phil
Winnick, Mr. David
Wood, Mike
Wright, Mr. Anthony
Wright, David
Younger-Ross, Richard

Tellers for the Ayes:
Mr. John Heppell and Mr. Andrew Dismore

NOES

Brokenshire, James
Chope, Mr. Christopher
Davies, Philip
Evans, Mr. Nigel
Francois, Mr. Mark
Hendry, Charles

Hollobone, Mr. Philip
Lait, Mrs. Jacqui
Robathan, Mr. Andrew

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.

Question put accordingly, That the Bill be now read a Second time:—

The House divided: Ayes 147, Noes 11.

Division No. 094] **[1.35 pm**

AYES

Abbott, Ms Diane
Anderson, Mr. David
Anderson, Janet
Austin, John
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Bercow, John
Berry, Roger
Betts, Mr. Clive
Borrow, Mr. David S.
Brown, Mr. Russell
Burden, Richard
Burgon, Colin
Cable, Dr. Vincent
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clelland, Mr. David
Clwyd, rh Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Davidson, Mr. Ian
Davies, Mr. Dai
Devine, Mr. Jim
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Efford, Clive
Engel, Natascha
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flynn, Paul
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Galloway, Mr. George
Gapes, Mike
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Havard, Mr. Dai
Henderson, Mr. Doug
Heyes, David
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, Simon
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Jackson, Glenda
James, Mrs. Siân C.
Jones, Mr. Martyn
Kemp, Mr. Fraser
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marsden, Mr. Gordon
Marshall, Mr. David
McCafferty, Chris
McCartney, rh Mr. Ian
McDonnell, John
McIsaac, Shona
McKechin, Ann
Meacher, rh Mr. Michael
Michael, rh Alun
Miller, Andrew
Moffat, Anne
Moran, Margaret
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Naysmith, Dr. Doug
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Price, Adam
Prosser, Gwyn
Purchase, Mr. Ken
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Sharma, Mr. Virendra
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, John
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Thurso, John
Trickett, Jon
Turner, Dr. Desmond
Walley, Joan
Waltho, Lynda
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Wilson, Phil
Winnick, Mr. David
Wood, Mike
Wright, Mr. Anthony
Younger-Ross, Richard

Tellers for the Ayes:
Mr. John Heppell and Mr. Andrew Dismore

NOES

Brokenshire, James
Chope, Mr. Christopher
Davies, Philip
Evans, Mr. Nigel
Francois, Mr. Mark
Hendry, Charles
Hollobone, Mr. Philip
Kirkbride, Miss Julie
Lait, Mrs. Jacqui
Ottaway, Richard
Robathan, Mr. Andrew

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.

Bill read a Second time, and committed to a Public Bill Committee, pursuant to Standing Order No. 63 (Committal of bills not subject to a programme order.)

Leasehold Reform Bill

Order for Second Reading read.

1.49 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I beg to move, That the Bill be now read a Second time. *[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. Will those Members who are not staying for this debate please leave the Chamber as quickly and quietly as possible?

Simon Hughes: Thank you, Madam Deputy Speaker. This is a bit like one of those afternoons on Wimbledon's centre court when the main match has finished and people leave to do other things—including, I gather, a well-deserved photocall on the front steps for the supporters of the previous Bill.

We now move on to something no less important, which has an effect on no fewer people. I have the honour and privilege to propose the Leasehold Reform Bill, which is designed to reform the law affecting people who have bought their properties from local authorities—an issue that matters hugely to that group of people ever since the right to buy first came into play under Mrs. Thatcher in the 1980s.

Mr. Andrew Dismore (Hendon) (Lab): Will the hon. Gentleman give way?

Simon Hughes: Not yet.

I have been in this place for nearly 25 years, which people may think is a good or bad thing. I have applied every year in the ballot for private Members' Bills, but this is the first time that I have succeeded and I am very grateful that I have got there at last. The paradox is that this was the first year in which someone else—none other than my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg)—actually signed the book for me because I could not be here on that day. I am doubly grateful for my right hon. Friend's intervention, without which the Bill would not be before us. I am grateful to him and other co-sponsors: the subject of the Bill is a live issue in all their constituencies.

Let me explain the numbers affected in a borough such as mine. I am one of three MPs for the borough of Southwark: the Leader of the House of Commons, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), represents the middle section and the Minister for London, the right hon. Member for Dulwich and West Norwood (Tessa Jowell), represents the southern part, along with part of Lambeth. The figures from the local authority suggest that Southwark has 41,000 council tenants, that 1,300 have bought their property from the council and are now freeholders, and that there are 13,000 leaseholders. Hence 13,000 Southwark council leaseholders are affected, and in addition a significant number of people in my constituency area have bought their properties from the City of London corporation, as Southwark contains a significant number of City of London corporation properties.

That provides an idea of the numbers of people with leasehold properties in many inner London authorities, but there are significant numbers in many other urban areas, and obviously smaller numbers in authorities with less municipally owned housing stock in the first place. That shows the scale of the potential constituency of people affected by these matters. That is why, over the years, colleagues in all parts of the House have raised leasehold issues on the Adjournment, in parliamentary questions and in debates on legislation.

Mr. Dismore: The hon. Gentleman refers to the numbers in inner London, but I can certainly tell him that the numbers may be even greater in outer London, where the boroughs are geographically large and had more council housing to start with. I believe that his Bill raises some important points. I know from my own casework that leasehold charges are a matter of great concern to many council tenants—or former council tenants, I should say—who feel that in the London borough of Barnet, for example, the arm's length management organisation, Barnet Homes, has not treated them fairly, particularly when very large bills for tens of thousands of pounds come through the door.

Simon Hughes: I am grateful for that. I was not in any way trying to suggest that the hon. Gentleman's borough or many other local authorities do not have huge issues. He is absolutely right to reflect those concerns, as indeed the hon. Member for Beckenham (Mrs. Lait), who is on the Conservative Front Bench today, has done over the years. Regularly attending our constituency surgeries are council leaseholders, leaseholders from the organisations that succeeded the local authority in managing the housing stock, and members of housing associations.

The force of the Bill's potential implications was brought home to me most when, some time ago, a pensioner couple who had just managed to get some money together to buy a very small City of London corporation flat on the well-maintained Avondale estate on the Old Kent road came to me with a bill of £27,000. They probably did not have even £1,000 savings, let alone £27,000. Eventually, after long negotiations, we managed to get it down to about £11,000, but even so, that was the charge they had to pay.

When people consider security in a tenanted property, many of them understandably think that it may be better to acquire ownership, as far as they can—it is not freehold ownership; it is long leasehold ownership, which involves a lease of 21 years, 99 years or whatever. Their families often encourage them to do that and may assist in the process, so it is a perfectly natural position for someone to find themselves in.

Having arrived in this place not long before the Landlord and Tenant Act 1985 was enacted, I have the sense that people were not given good advice on the implications of leases from the beginning. As the Minister for Housing knows—I apologise for not welcoming her earlier not only to the Front Bench, but to her new responsibilities—leases have changed and councils have evolved. Although leases are now standard word-processed forms, they have changed as issues have been identified. For example, the important point that the word "reasonable" in the lease means "reasonable" as perceived by the local authority within a wide range of possibilities, as opposed to what the

tenant buying the flat might perceive to be reasonable, was often not explained to prospective purchasers.

I want to deal with the general situation before turning to the main proposals in the Bill. The Bill seeks to put leaseholders at the heart of the decision-making process for major works on their properties. For the first time, it offers leaseholders a significant chance of having a real say in who does such work and how and when it is done, and I will return to the implications of that statement in a second.

The Bill tries to deal with the fact that people are often given bills amounting to £1,000 a month or more, once works have been agreed. People feel that they have little say over that process. That is a bigger issue in the context of a perfectly reasonable Government policy, which is to insist that all social rented property conforms to the decent homes standard by the end of this decade. That is a perfectly good policy. As you know from your constituency, Madam Deputy Speaker, and as we all know from ours, the consequence of that policy is that councils review all their housing stock and decide on major programmes of work to get to the decent homes standard by the end of this decade. If the occupants are tenants, they are protected, because their weekly rental cost will not change fundamentally and the money for works will come from the council's housing account, which is ring-fenced. However, the council has a duty to the council tax payer, the housing revenue account and its tenants to make sure that the leaseholders pay their fair share, so it must collect the money from them, and—whether the work involves roofing, a new water tank, plumbing, central heating, radiators or windows—it cannot in law differentiate between tenants and leaseholders. The council therefore cannot easily use a contract that states, "Only do the tenants. Do not do the leaseholders." Sometimes, it decides under the decent homes initiative that it will install new windows and new doors for the whole block, but some of the people who have bought their property have just replaced their windows and doors. Not surprisingly, such people say, "Hang on a minute. I have just spent a lot of money, thank you very much. Why should I now have to spend money on something that I do not need?" That is the context.

Since the decent homes policy was implemented, those bills have become higher. Some important evidence was presented to the Communities and Local Government Committee one-day hearing on 5 March last year, not least by Mr. Tony Essien of the Leasehold Advisory Service, whom I have met—he is extremely impressive and well informed—to confirm the fact that the issue has become much more financially acute since the decent homes standard has been on the agenda. The issue is as much about the question, "Can I afford the bill?", as it is about the nature of the work.

Ways have been developed to assist leaseholders with financing such bills. If the council has the money to buy back the property, it may do so, but there is no legal possibility of, for example, the council buying back half the property, which would allow people to become shared owners in the same way as other people are shared owners in the private sector, which would mean that people would carry half the burden rather than the whole burden. Again, people are acutely aware that that is an option that they would like to have.

The Bill also specifically seeks to place a limit on the monthly charge that someone could be required to pay to their local authority for works to be done. I realise that that means that the council might not get its money back as quickly as it would like, but it is reasonable to have an upper monthly limit. People who buy now or have bought in the past would know what their potential maximum outgoings would be. With the best will in the world, when people are suddenly hit by a proposal for major works and a huge bill that runs into five figures, the likelihood of some of them—single people, the unemployed or a retired couple—being able to find the necessary capital funds or borrowing might be very reduced indeed. The older one is, the more difficult it is to do that. The same applies if someone is not earning.

The other specific proposal relates to what in the Bill are called "sinking funds". Sinking funds used quite commonly to be held by councils. Someone would buy a council place and they paid into a fund. A court case involving my borough some years ago effectively put an end to general sinking funds, which enabled people to anticipate costs and put the money in up front so it would be available for a rainy day. I would like us to be able to set up in law an individual sinking fund or individual deposit account. When someone buys, they will be able to have a fund to do with their property and on which they can draw if that becomes necessary. It is much easier to put something by for 10 years so that one can meet at least half the cost than it is suddenly to find that one does not have any funds at all.

Ms Dari Taylor (Stockton, South) (Lab): This is an extremely complex issue, and the hon. Gentleman's speech has made clear just how great the complexities are. I am quite shaky about supporting the Bill because it is such a complex issue. He spoke about halving the burden and examining how share ownership could become a factor so that tenants would own half and the local authority would own half a property. That sounds a sensible way forward, but my concern is that having a 50 per cent. buy-out on potentially 13,000 leasehold properties would require a staggering amount of money. Where is that finance going to come from?

Simon Hughes: Many of the hon. Lady's constituents will have bought their own property. Knowing the housing stock in her part of the world, I believe that there may be relatively more freeholders than there are in London, and the answer to her question is that most people will not avail themselves of the provision. I have been very careful to keep the propositions in the Bill as simple as possible, and where necessary to make them outline—in other words, to give the Government the power to introduce detailed regulations after consultation with everybody. That is to deal with the complexities and technicalities. The law is difficult and there has been law in this area since the early 1980s. I accept entirely that the practice is quite complicated.

It is helpful to respond to the hon. Lady's points, so I shall list the issues that people have brought to me recently and that I seek to deal with in the Bill. I will do that so that everybody here and outside can understand what the proposals are. They can then come to a judgment on them. I have collected the comments made to me in the past few months about the unfairnesses of the

[Simon Hughes]

current system. Those comments were made by people who have bought from my local authority—it tries to do the job well, and the man in charge, Mr. Green, is an excellent and competent local government officer to whom I pay tribute—or by those who are tenants of the City of London, which also has a well-run housing department.

A family from the Dickens estate made the point that there should be a limit to the increase in annual service charges. A family from the Rouel road estate in Bermondsey said that there should be some sort of means-testing or discounted service charges for single occupants. Again, they were worried about the cost. A family living on the Jamaica road in the middle of Bermondsey said that there should be a discount on service charges for pensioners and people on low incomes—again, that was a worry about costs. Another family on the Dickens estate said that consultation should be meaningful, rather than a process of just issuing letters. That is a common theme, and people say, "If you're going to consult us, act on what we tell you." That family made the further important point, which is covered in the Bill, that a quick, local arbitration service for leasehold disputes would be welcome. They say that the leasehold valuation tribunal—it does a good job nationally, and while it can work regionally, it is a national body—is

"expensive and takes too much time, effort and legal knowledge".

A family on the Old Kent road said:

"Councils should be obliged to publish their annual service charges...The definition of consultation is not clear and normally becomes 'information' rather than 'consultation'. There doesn't seem to be an obligation to take into account leaseholders' responses other than to respond in writing...Councils should have to prove that they have got the best deals rather than the onus being on the leaseholder to find a better deal...This is not just about tendering as the actual specification that the council gives for work needs to be as basic as possible in the first place (a Ford Mondeo rather than a Rolls Royce specification)."

A family living in an estate off the Old Kent road whom I have dealt with throughout my time as an MP say that councils should have to keep records of agreements, services and works that affect leaseholders, because one often has to go back to check the work of six, seven or eight years ago to know whether further work suggested by the council is justified. A family up by the Elephant and Castle said that consultation was still not effective enough, while a family from outside my constituency who had heard about the Bill said that it would be really good if decisions of the leasehold valuation tribunal were binding on the local authority affected by them, so that people would not have to argue the case all over again.

I have tried to set out a response to such comments in four substantive clauses. Clause 1, "Involvement of tenants in decisions on works", is a replacement provision, so this clause is not all new law. It replaces section 20ZA(5) of the Landlord and Tenant Act 1985. Proposed new subsection (5)(d) is a new provision that would require consultation on specifications in addition to tenders.

Richard Younger-Ross (Teignbridge) (LD): My hon. Friend makes a good point. He is highlighting a problem that affects even rural Devon, where we have a small number of flats. Maintenance, including planned maintenance, seems to be a key problem. My background is in architecture, and I know that we now look at maintenance programmes over five years. Should not local authorities be negotiating with tenants on a long-term rolling programme so that people not only understand that a lift or roof might need replacing in five years' time, but have an idea of future costs, rather than just the costs for the following year?

Simon Hughes: That is an extremely good idea. Since the Minister for Housing took up her job, she might have become aware that this big issue needs to be addressed. At the moment, local authorities can seek dispensation from the requirements of consulting on specific works when they have a long-term contract with somebody who has worked on a estate for a long time. More and more cases are subject to requests for dispensation. They are not covered by the normal process of consultation on works and there is no framework to cover them. Many local authorities prefer to enter into such long-term contracts, but we have as yet no legal framework to make them work well for the leaseholder. My hon. Friend is absolutely right that it would be better if people knew about the likely work over 10 or 20 years so that they could budget accordingly.

Clause 2 would amend the Housing Act 1985 to provide that consultation should take place with tenants on not only a local council's idea—replacing a roof, for example—but a proposed Government policy, such as that on decent homes. It is no good being consulted only after Government policy has been decided. People need to take a view when the Government are formulating a policy that might require local authorities to do lots more work than they might have planned.

Richard Younger-Ross: A further problem that people may face is that if an authority is stuck for cash in a year, it could try to defer maintenance works. If a property is not maintained properly, the costs can be greater later. Proper consultation would allow tenants to ensure that their property was properly maintained and not left to rot because the local authority was a bit strapped for cash.

Simon Hughes: That is another perfectly proper observation. Again, the Minister will know that the big debate is the context of the housing and revenue account and the money available, but there is also the question of how the council manages its dual obligation to ensure that property is maintained, as it is required to do for a tenant, which is in the tenancy agreement, and to fulfil its obligation to the leaseholder, as it is required to do when someone buys a flat, maisonette or house. If the council does not, for example, ensure that the tank in the roof holds water rather than leaks water, it is in breach of its obligation and can be taken to court. That would be a bigger bill for the council and would come out of the same pot.

Proposed new subsection (5)(e) in clause 1 is a new proposal that would give more power to tenants. When the council comes along and says, "This is what we want to do," the proposal would allow leaseholders to make a counter-proposal if 25 per cent. of them get their act together sufficiently to agree on one. A ballot could then be held—provided, obviously, that the counter-proposal passed the technical tests of the

specification of the tender—on whether people in the block wanted the counter-proposal or the original proposal. That would be determined by a majority.

Mr. Christopher Chope (Christchurch) (Con): Would consultation take place after the tender had been received? I can see the case for it before the tender, when there is the specification, and I can see the case for it if there is a proposal not to accept the lowest tender, but I cannot see the need for it otherwise.

Simon Hughes: It would clearly logically be before the tender. The hon. Gentleman is right. That is why it is described as being

"in respect of proposed works".

To put it in simple terms, the council might say, "This is what we are proposing to do. We are going to replace all the windows and doors and the roof." It would be nonsense if a single tenant could force a ballot on an alternative, but it would be different if a quarter of the residents—a small number in a small block, a big number in a big block—could say, "We don't need the windows or doors done. Yes, we need the roof and the other element done, and this is our proposal." If that counter-proposal won the day, we would be allowing people in the block to decide what work needed to be done, having heard the argument.

The hon. Gentleman, like all colleagues in this place, makes judgments about what should be done in his home. Somebody who wants to buy his place might not make the same judgment. We all sometimes defer decisions on house maintenance because it is more convenient to do it later and we do not have the ready cash. That is normal human behaviour and applies just as much to people outside the House as inside it. We should all have the freedom to decide. I want to give people the power to drive the decision, rather than have it driven at them and imposed by the council, with no ability to do anything but make their observations and have the decision forced on them irrespective of their views.

Proposed new subsection (5)(f) contains the proposal for the ballot. Paragraph (f)(iii) would allow the majority to decide the outcome. Proposed new paragraph (g) would require documents to be kept for 10 years. That is a practical issue. As I understand it, it is not the obligation at the moment. As a result of the cycle of major works, documents should be kept that long because they have to be available for a reasonable time.

Proposed new paragraph (h) would allow for a local arbitration tribunal. Southwark has a good arbitration process for tenants, but we do not do leasehold arbitration. Under the Arbitration Act 1996, it should be possible to have local arbitration if everyone agrees to it. The point has been made to me strongly that it should be an independent arbitration tribunal. It should not be a local authority tribunal, but one on which the local authority and the leaseholder agree.

Proposed new subsection (3) would limit the monthly instalments. I have said how important that is to residents in my constituency. If the bill is £12,000 or more, people should be able to insist on paying it in instalments. I had a discussion with the people who advised me—people in Southwark, Lease UK, and so on—and in the end I decided that it should be £250 a month maximum. Councils may say that we need more than that, but for many people, that is a considerable amount. There is no theology about that sum, but it is my best proposal.

Mr. Dismore: I am following the hon. Gentleman's analysis with interest. However, it is troubling, because it could saddle someone with a debt for four years and prevent them from moving on. Would it not be better to make provision in regulations, because if the measure were amended from time to time by regulation, we could take account of inflation, property prices and so on?

Simon Hughes: I would be happy with that arrangement. Stepping back from the detail of the measure, I had a brief word with the Minister yesterday. I am open to the notion that the debate should achieve the best outcome, and I am conscious that the Housing and Regeneration Bill, which runs in parallel, as it were, with my measure, is proceeding through Parliament. I urge the House to allow my Bill to go into Committee, so that we can develop that exchange. I am willing to accept that the matter would be better handled in regulations than in the Bill.

Finally, clauses 3 and 4 provide for regulations, for that very reason. Clause 3 provides for a power to buy back under regulation. It could be a buy-back of 50 per cent., or of varying amounts. The system should not be complicated, as that is not what councils want. My instinct is that a buy-back of 50 per cent. is something with which councils would be willing to live, whereas a buy-back of varying proportions would be more difficult for them.

Shona McIsaac (Cleethorpes) (Lab): Grimsby and Cleethorpes have an enormous number of leasehold properties, but mainly houses. I served on the Committee that considered the Commonhold and Leasehold Reform Act 2002. My understanding—and I hope that the hon. Gentleman can clarify this—is that in law, a leaseholder is another category of tenant. When he discusses the concept of buy-back, what is being bought back? I have grave reservations about leasehold as a form of tenure, and would rather get rid of it. People think that they are buying their home, but they are only buying the right to live in that property for a certain period of time. How does the Bill fit in with that arrangement? He has only discussed local authorities. How does his Bill cross over to people living in private blocks of flats where major works are undertaken?

Simon Hughes: The hon. Lady has opened a can of worms. I know more about housing in Cleethorpes and Grimsby than she might expect, because my recently deceased good mother was born and brought up in Lincolnshire. My grandmother moved her family of five daughters around what seems like 25 properties when they were growing up in Cleethorpes and Grimsby. We once went on holiday to visit them all—they are still there.

The Bill is not intended to deal with private leaseholds. I thought that it was enough to take on council leaseholds. The hon. Lady is right: people think that they are buying the property, but in fact they are buying an interest in the property, which falls short of ownership. If it is a house, they buy the freehold.

Shona McIsaac: Normally.

Simon Hughes: Indeed—they do not always do so. If it is a flat or maisonette, or sometimes a house, they buy a lesser interest—a leasehold. The law calls them tenants: the existing legislation refers to them as qualifying tenants. In ordinary language, people think of them as council leaseholders. The Bill seeks to deal with council leaseholders or leaseholders of social landlords—people who have bought from the Peabody Trust, the Guinness Trust, the Samuel Lewis Trust and so on. Technically, buy-back would occur when someone sold their interest back to the council, which would then give them a 50 per cent. interest. They would end up being a half-owner of the leasehold. The council or the social landlord would be the other half-owner, but it would keep the freehold, so that at the end of 125 years the property would go back to it in theory.

I understand the worries about other leasehold, but I do not want to open that Pandora's box now, because it is with regard to council leaseholders and social landlord leaseholders that I have experienced the most pressure. I speak as someone who represents more council tenants than, I think, any other English colleague, and that is the issue that people want me to do something about.

To pick up the point made by the hon. Member for Hendon (Mr. Dismore), I hope that the Minister, even though she does not like the Bill as it is, might be willing to let it go into Committee where we could work together, and what cannot go into the Housing Bill, which is due to return on Report, could be dealt with here in a way that commands cross-party support. I do not seek to do something that does not have cross-party support. I want us to respond to the problems experienced by the hon. Member for Beckenham (Mrs. Lait) in her part of London, the hon. Member for Hendon in his part of London, the hon. Member for Cleethorpes (Shona McIsaac) in the north-east, and my hon. Friends in the south-west. This is not a matter on which the Member of Parliament has a party view; we as Parliament need to get it right.

I am conscious that there has been much legislation on this issue since the '80s and that aid has been given to councils to help people with funding, which is welcome. I am also conscious that the social sector working party has made recommendations that have been thoroughly considered and were presented last year to Government. I know that others, such as the Joseph Rowntree Foundation, have given good advice. The London leaseholders network has been active, as have the leaseholders forums in my borough. Hon. Members, such as the hon. Member for Regent's Park and Kensington, North (Ms Buck), have made good contributions and commitments in debates, in which colleagues of mine, including my hon. Friends the Member for Hazel Grove (Andrew Stunell) and for Manchester, Withington (Mr. Leech), and the hon. Members for Cities of London and Westminster (Mr. Field) and for Poole (Mr. Syms), and others have participated. I am also conscious that the Department for Communities and Local Government has taken an interest and that the Minister's predecessor, the right hon. Member for Pontefract and Castleford (Yvette Cooper), came forward with some Government proposals recently, two of which are in the Housing Bill that is due to return to the House soon. However, none of those proposals allows buy-back, which we need to get some people out of a financial hole, none of them puts ceilings on bills, and we need that, and none of them gives enough say to people on the process so that they participate in it rather than feel that they are almost passive participants.

I hope that colleagues will support a Bill that will give leaseholders a much fairer deal, that will respond to their continuing concerns—whether they are young, middle-aged or elderly people who are struggling to pay their bills and still feel that we are not listening—and that the Government will be positive about responding to it. I will work with the Minister and colleagues throughout the House, and I hope that we will be allowed to make progress on an important Bill.

2.23 pm

Mrs. Jacqui Lait (Beckenham) (Con): I chair the management company in the leasehold block of flats in which I live, so I have a direct interest in the issue of leasehold. I congratulate the hon. Member for North Southwark and Bermondsey (Simon Hughes) on introducing a Bill that contains many of the thoughts that I have long had on this issue, because, as he acknowledged, I have many public sector leaseholders in my constituency. I also welcome the new Minister for Housing to the Front Bench.

I welcome what the hon. Gentleman seeks to achieve with the Bill. For a long time, I have been concerned that public sector leaseholders do not have the same rights of consultation as they do in the private sector, for which, my goodness, some of us have fought very hard. The best of councils and other social landlords have brought this form of consultation forward informally, but it has taken an enormous amount of hard work to get them to that stage. I acknowledge the work that my housing association is now doing with our public sector leaseholders, but it is still being done only with the head, not the heart and the head. Therefore, I welcome what the hon. Gentleman is proposing on consultation.

The hon. Gentleman's idea of a sinking fund is interesting. We have tried in my block of flats to establish a sinking fund. It is a very small block, with people who are used to private sector thinking, and it is proving pretty difficult to get such a fund going. I can see difficulties with it, but, as a form of saving by individual leaseholders, it has its attractions.

On the buy-back issue, my housing association has offered to buy back on occasions to sort out some leaseholding and tenancy problems. That can happen if the will is there. I suppose that the hon. Gentleman is trying with the Bill to create best practice, and the more we can push councils and housing associations towards best practice, the better. Local arbitration is also a sensible idea.

I have great sympathy with the drift of the Bill and I hope that it goes into Committee, but there are some major drafting problems. It tends to refer just to council tenants, rather than all tenants. I accept the point that the hon. Member for Cleethorpes (Shona McIsaac) made about the difficulty of the definitions of tenants and leaseholders in law, but I get the

impression that the Bill applies to all leaseholders, not just public sector leaseholders, so there are some major flaws, which I assume would be dealt with in Committee. However, the general move and the impulse behind the Bill is a good one, and I commend the hon. Gentleman for bringing it forward.

2.26 pm

Mr. Christopher Chope (Christchurch) (Con): I have a lot of sympathy with parts of the Bill because in the days when I was chairman of housing and then leader of Wandsworth council, I think that we were involved in the sale of more leasehold council flats than any other local authority in the country. We were proud of that. We knew that a problem could be caused in future if those leaseholders did not have agreements that were going to be affordable in the long term. There is no doubt that there are issues here, but I am concerned about the process in relation to the Bill.

I looked in the weekly bulletin last Saturday to see whether the Bill had been printed and it had not been. I do not think that it was printed until Wednesday or Tuesday. When it was printed, it was printed without any explanatory notes. Frankly, I do not think that it is reasonable that, with that short period of notice, people should be expected to give it a Second Reading on the nod. I would be much more inclined, using terminology that the hon. Member for North Southwark and Bermondsey (Simon Hughes) will understand, to let it go part heard. The issue was commented on in a sense by my hon. Friend the Member for Beckenham (Mrs. Lait). She said that she thought that the Bill should extend to all leaseholds.

Mrs. Lait: No.

Mr. Chope: She does not. I am sorry.

Mrs. Lait: I do not want to hold my hon. Friend up, but I think that the Bill does that, as it is drafted, but it should not.

Mr. Chope: My hon. Friend has obviously been reading the submission from the National Landlords Association, because it thinks that the Bill as drafted does apply to all leasehold properties.

Simon Hughes *indicated dissent.*

Mr. Chope: The hon. Gentleman indicates that it does not and obviously I accept that, but unfortunately because of the procedural shortcomings to which I have referred that is not apparent.

I am also concerned about the position in relation to the bills and cross-subsidies. As the hon. Gentleman said, each of the leasehold properties and the accounts for it must be looked at in isolation. If a scheme is brought in whereby some tenants can defer their payments for substantial periods of time, that will be at someone else's expense. In the private sector, if the lease is worth anything, and most of these leases are worth something, it is possible to get help from a mortgage company. Perhaps in the new climate following the Royal Assent last night to the Northern Rock legislation, it will be possible to get Northern Rock, a state-owned bank, to provide a soft loan, or otherwise, for people who cannot afford their repairs. One can understand why people might want to help those who find it difficult—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on Friday 13 June.

Remaining Private Members' Bills

FOOTBALL SPECTATORS AND SPORTS GROUNDS BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 25 April.

FORCES WIDOWS' PENSIONS (EQUALITY OF TREATMENT) BILL

Order read for resuming adjourned debate on Question [1 February]. That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 17 October.

Gaming Machines

Motion made, and Question proposed, That this House do now adjourn.—*[Alison Seabeck.]*

2.31 pm

Dr. Stephen Ladyman (South Thanet) (Lab): I am grateful for this opportunity to put before the House a matter of particular concern to my constituency. I should begin with an apology to my hon. Friend the Minister. I know from my own experience as a former Minister that for those who draw having to answer the Friday Adjournment debate, it is not usually the highlight of their week; it means cancelling all their engagements with their constituents. I apologise to them and to him, but this is a matter of some importance to people who work in my constituency.

I rise with a feeling of déjà vu. In 2001, when the Budd report on gambling was published, many of us in this House—on both sides—worked very hard to explain to the Government what we perceived to be its deficiencies. Had it been enacted in the way that Budd proposed, it would have ended the seaside arcade and amusement machine business very quickly. However, through those debates and all that work in the House, in which many of us were closely involved, the Government came to realise that the coin-operated amusement machine industry was very important, that seaside arcades were a very important part of the traditional seaside offering, and that it was therefore necessary to ensure that an accommodation was reached with the industry such that it could survive.

That accommodation was reached in the end. I do not think that the amusement arcade industry was entirely happy with it, but both it and the Government thought that there was a basis for moving forward and that the industry would survive. Subsequently, the Gambling Act 2005 was passed. Unfortunately, that hopeful attitude has proven not to be well founded. The industry in general is suffering greatly, and I will explain why in a moment.

The reason why this issue is important to me is, of course, that I have a seaside constituency. It includes the seaside towns of Ramsgate and Broadstairs, in which we have a number of arcades. There are also a number of people in my constituency who provide and maintain these machines, and a company, Harry Levy Amusements, that makes quite a few of them. All those businesses are suffering greatly.

I have a personal interest, as well, in making sure that the seaside arcade survives. I have very fond memories of spending a few coins in seaside arcades as a child. It was a fun part of going to the seaside—one played on the beach, had some ice cream and went into the arcade. I do not see why the kids of the future should be denied that pleasure.

How bad is the position? Since September 2007, when the 2005 Act came in, the revenue of adult gaming centres—the part of the seaside arcade where only people aged over 18 can play—has been reduced by 23 per cent. The family entertainment centres that are usually attached to adult gaming centres, and in which anybody can play such machines, have seen a 15 per cent. loss in revenue. Machine suppliers' income has been reduced by 16 per cent., and machine manufacturers' trade has fallen by 55 per cent. on average.

Let me give as a concrete example to my hon. Friend the experience of Harry Levy Amusements, the company in my constituency that makes some of those machines. Since September, its production has dropped by 40 per cent., and its number of employees is 20 per cent. down for this time of year. Usually, by this time of year, 75 people would be working in the factory. At the moment, it has just 50 people working, so 25 jobs have been lost already. Usually, it would take its orders for the year at the major ATEI trade exhibition in January. This year's orders were 50 per cent. down on last year's, which were 35 per cent. down on the previous year. My hon. Friend will see that the industry has a serious problem.

Mr. Anthony Wright (Great Yarmouth) (Lab): I congratulate my hon. Friend on securing this timely debate. My constituency, like his, relies heavily during the summer months on family entertainment centres. But it is important to remember the impact not just on family entertainment centres but on the creation of other industry jobs, such as screen printing and manufacturing. Does he believe that that is one of the failures of the Gambling Act, along with the effect on family entertainment centre revenues?

Dr. Ladyman: My hon. Friend is absolutely right, and I congratulate him on his efforts on behalf of his constituents to raise those concerns. A lot of ancillary industries are involved. I have mentioned only Harry Levy Amusements, but that company buys components, parts and services from other surrounding factories, which also experience a knock-on effect.

Miss Julie Kirkbride (Bromsgrove) (Con): The hon. Gentleman makes an important point. I would encourage him to add bingo halls to his list of adult gaming centres and seaside arcades. In my constituency, they have suffered a catastrophic fall in their income for very similar reasons.

Dr. Ladyman: I agree with the hon. Lady. Bingo halls have also been affected by the smoking ban, which I supported and have no objection to, but it has had a further impact on those businesses.

What has happened to seaside amusement arcades? Before the Gambling Act, they were able to operate what were called section 16 machines, which would allow a £2 stake for a £500 potential prize. They were allowed an unlimited number of those. They were competing, however, with licensed bookmakers' shops, which were allowed to have fixed-odds betting terminals, on which one can gamble as much as £100 on every press of the button for a £500 prize.

When amusement arcades had a significant number of section 16 machines with a £2 stake and maximum £500 prize, they could compete with bookmakers. Since the Gambling Act was introduced, however, those section 16 machines have been made illegal, and 13,000 have had to be removed from amusement arcades around the country, or upgraded. That involves about £50 million-worth of equipment. Their replacements, known as B3 machines, only allow a £1 stake, and adult gaming centres are only allowed four of them. They now have to compete with bookmakers—which can have four machines that take up to £100 stakes for £500 prizes—with only four machines that can take a £1 stake. The only impact that bookmakers have felt as a result of the Gambling Act is that their fixed-odds betting terminals were renamed B2 machines; otherwise, they have been allowed to carry on doing exactly the same thing as before.

Faced with a choice of going to an adult gaming centre, where one is limited to a £1 stake, or a bookmaker, where one can potentially gamble £100 a time, people are going to bookmakers in great numbers. Family entertainment centres that were associated with adult gaming centres used to rely on a certain amount of cross-subsidy from the revenue of those adult gaming centres, so family entertainment centres are also suffering.

In addition, compliance costs have increased under the new Gambling Act. Previously, operators might have been able to comply with the old legislation for as little as £85. They now have to pay £1,000 to comply with the new Act. The owners of some of the arcades in my constituency tell me that their costs have gone up to as much as £3,000 to comply with the Act, so there has been a loss of revenue and increased compliance costs.

The problem is precisely encapsulated in a letter that Harry Levy Amusements has been prepared to share with me. I shall not use the names of the people involved, but it is a letter that the company recently received from one of its best customers, when he had to cancel his order. It states:

"With reference to our telephone conversation yesterday we have experienced a significant downturn in High Street business since September 1st. I would relate this directly to the unfair playing field created by the new legislation with our main competitor the High Street bookmaker. As I am sure you are aware the category B3 machines that have replaced the popular section 16 format are restricted to a £1 stake, whereas the FOBT machines in bookmakers can offer anything up to a £100 stake.

Also the FOBT machines include B3 games on their programs and as such offer a greater variety for the customer. This leaves adult gaming centres without an individual product to be able to compete. Another contributing factor would be the extended opening hours of the bookmakers from 6pm till 9pm which has reduced our evening trade.

Sorry to cancel the order."

With that, Harry Levy lost a significant order and a significant amount of work.

I have also been contacted by Community, the trade union that represents people who work not only in seaside arcades but in the licensed bookmaker trade. It, too, is worried about the trend and its social consequences. In its view, bookmakers do not monitor the people who play their machines as closely as the seaside industry monitors those using adult gaming centres. Justification for its concern that the Act is having an inadvertent social effect can be found in the 2007 gambling prevalence survey, which found that there was a 2.6 per cent. rate of problem gambling associated with slot machines in seaside amusement arcades—the so-called B3 machines—but that the machines offered in licensed betting offices were associated with an 11.2 per cent. problem gambling rate.

The Gambling Act, which was intended to prevent the social problems of gambling by preventing people from getting into trouble, has had the perverse effect of destroying good business revenues and pushing people in the direction of a series of machines and an environment that make them more likely to be problem gamblers. Whether one is concerned about the social impact, the traditions of the British seaside or the businesses associated with seaside arcades, the Gambling Act has had that

[Dr. Ladyman]

perverse effect, which nobody, neither the industry nor the Government, intended. That clearly needs to be addressed.

Seaside arcades need a competitive product. I understand that Adjournment debates are not the place for major Government announcements; I hope that my hon. Friend will stand up and say that he will give me everything that I am asking for, but I am not very optimistic. I hope, too, that, in the next few days, he will announce that he is going to conduct a thorough and urgent review of stakes and prizes across the board in this sector. In the meantime, the stake on B3 machines needs to be increased to £2, and the adult gaming centres need to be given the opportunity to have more of them.

The industry has said that it would like 20 per cent. of the machines in adult gaming centres to be B3 machines with £2 stakes. If my hon. Friend the Minister could announce that in the near future—while the review is going on—it would send a signal to the industry that it has a future, and there is a real possibility that we could turn the problem around.

My hon. Friend and his colleagues in government have proved that they are prepared to listen and act decisively. They did so on the potential loss of gaming revenue in clubs. They realised that there was going to be a serious problem and introduced so-called B3A machines for clubs to prevent that from occurring. So my hon. Friend and his colleagues have already demonstrated that they are prepared to act decisively when there is evidence of a problem, and I hope that he will agree to act as decisively now in respect of the sector that I have described. If he does, he will forever be known as the saviour of the British seaside, and I promise him that, when he comes to Ramsgate or Broadstairs, there will be an ice cream waiting for him.

2.45 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I congratulate my hon. Friend the Member for South Thanet (Dr. Ladyman) on securing this important debate. It is good to see lots of hon. Members in the Chamber to discuss this crucial issue, which affects not only the seaside towns but many of our other towns as well. He referred to Ministers being held to account here on a Friday afternoon; I am pleased to be here to talk about this important subject. He has tempted me to make many announcements today, but I hope that he will forgive me if I do not do so. I shall, however, think through the issues that he has raised.

The Easter holidays will soon be upon us, and they are the traditional curtain-raiser to the season in many seaside towns. Now is therefore an opportune time to reflect on the important rôle that those towns play in our national life and economy. It is true that many businesses in seaside towns, including the arcades, are having a tough time. Across Government, we are therefore putting in place a range of initiatives to assist the economies of seaside towns and to boost tourism. The then Secretary of State for Culture, Media and Sport, my right hon. Friend the Member for Stalybridge and Hyde (James Purnell), announced a new funding programme for coastal resorts in November last year. That will see £45 million of investment over three years to help regeneration through heritage and culture. A cross-Whitehall working group has been set up to look further at the common issues facing coastal towns and to make sure that our approach is joined up.

As my hon. Friend the Member for South Thanet has said, seaside arcades form an integral part of many families' seaside holidays or day trips. The penny falls and crane grabs have provided many generations of children—and some adults—with harmless fun, and we want to see that continue. Of course, the arcade sector also encompasses adult gaming centres—AGCs—in the many hundreds of arcades for the over-18s that can be found not only in seaside towns but on many inland high streets.

I should like to pay tribute to the responsible operators of AGCs and their staff, who have worked hard in recent years to professionalise their operations and improve the sector's image, developing a loyal customer base in the process. It is a matter of concern to me that some in the industry appear to be experiencing difficult trading conditions. We are looking closely at the evidence provided by the British Amusement Catering Trade Association on the extent of the current downturn and what might have caused it. My hon. Friend referred to the range of factors that might be involved. I supported, and continue to support, the smoking ban, because I think that that was the right thing to do. There have been wider technological developments in the gambling industry and there is now more intense competition from other sections of the leisure industry. All those factors might have played a part. Much has been made of the part that the introduction of the Gambling Act 2005 may have played, and I will consider that alongside other possible factors.

What has perhaps been overlooked in the debate is how we have sought, through the Gambling Act, to help to equip arcades to face some of the new challenges that they face. We have introduced an effective system of regulation for the gaming machine sector, right the way through the supply chain from manufacturers to suppliers to operators. That has ensured that customers can have the confidence and assurance that they are dealing with professional organisations that take consumer protection seriously.

We have scrapped the prohibition on profit or revenue sharing that was introduced in the Gaming Act 1968. It will take time for the full impact of that change to be felt, but it creates the potential for suppliers to exploit new markets. We have also completely overhauled the rules governing how gaming machines may operate, giving manufacturers new flexibilities in the way in which machines can be developed. For the first time, adult gaming centres have been granted an entitlement in law to up to four high-stake, high-prize gaming machines. I understand the issue around B3 machines, and I am prepared to look at that and have a detailed discussion. We made it clear throughout the passage of the Gambling Act what limits on stakes and prizes would apply under the new legislation, and we made it clear that these machines would not qualify for grandfather rights.

We want to assist the industry, but our principal objective in regulation is to protect the public, and I make no apologies for that. Even allowing for that overriding priority, the industry has fared well under this Government by any measure.

Mr. Anthony Wright: Does my hon. Friend accept the argument that driving customers away from family entertainment centres has had the effect of sending them into hardened gambling in licensed betting offices? The 2005 Act also made licensed betting offices more open. They are no longer seedy places; they have become open and transparent, so that people can see them and be attracted to the machines. Inevitably, we have driven people away from family entertainment centres and adult gaming centres into more hardened forms of gambling.

Mr. Sutcliffe: I understand my hon. Friend's point. He will be aware of my announcement on Wednesday asking the Gambling Commission to look at fixed-odds betting terminals. We want firmer evidence that what he describes is taking place, but I am happy to meet him to discuss the issue in greater detail.

The Government think that we have done very well by the gambling industry. In 1995, the maximum stake and prize for what is now a category C machine were 25p and £10 respectively. Had we increased those limits in line with inflation since then, the limits at the end of last year would have been 35p and £14.11 respectively. Instead, they are now 50p and £35. We raised maximum stakes and prizes to those levels in October 2006 in return for a welcome commitment from the industry about social responsibility, a year ahead of the 2005 Act's planned implementation date.

At the same time, we doubled the maximum stake on what are now category B3 machines to £1. The maximum prize remains £500. Had we raised stake and prize levels in line with inflation since 1995, they would now be 35p and £352.70. We introduced those changes just 16 months ago because many in the industry were finding it tough, yet some in the industry are now asking us to double the maximum stake again on B3 machines to £2, the same amount as category B1 machines, which are permitted only in casinos.

Miss Kirkbride: I should like to be clear about what we are talking about. It is my understanding that before September 2007 bingo clubs and the sort of centres that the hon. Member for South Thanet mentioned were allowed machines with £2 stakes. The day after the Act's implementation, those machines were removed and £1 stake machines were put in. That made a qualitative difference to the kind of gaming that those centres were able to offer their customers, with the result that many customers walked away because the thrill was no longer as good. Surely it is a clear-cut argument: one day they had good business, and the next it had fallen by about 25 per cent. Is that not what we are talking about?

Mr. Sutcliffe: I do not think that it is as clear as that, although I understand the hon. Lady's point. There are exceptional circumstances in bingo, and I hope to return to them in discussions with the bingo industry. She is quite right that we are talking about issues affecting bingo. We are not unsympathetic to the issues raised by adult gaming centres, whether in seaside towns or in urban areas, but we want to ensure that we protect the consumer as well. It is important to strike the right balance.

I understand the industry's point, as my hon. Friend the Member for Great Yarmouth (Mr. Wright) mentioned, about bookies and fixed-odds betting terminals having caused some of the problem, but it is a bit perverse to argue that we should offer an increased category of gambling in adult gaming centres. If FOBTs are causing the problem, we need to deal with it, and we will consider that.

Dr. Ladyman: I hear what the Minister is saying, but I want to emphasise the point that I made in my speech and pick up the one made by my hon. Friend the Member for Great Yarmouth (Mr. Wright). We know that the rate of problem gambling in adult gaming centres even when the machines had £2 stakes was about 2 per cent. The problem rate in licensed betting offices with those machines is 12 per cent. I am with my hon. Friend the Minister on the matter—I want to protect people from problem gambling, but the way to do so is to encourage them out of the bookmakers' shops and back into adult gaming centres.

Mr. Sutcliffe: I understand my hon. Friend's point. That is why we gave the Gambling Commission the powers that we did. He is right to say that consumer protection is vital. I am not trying to dismiss the argument made by BACTA; hopefully some time next week I shall discuss with BACTA what we might be able to do.

I acknowledge the problems being experienced in the industry and in communities, which have been highlighted by my hon. Friend today and by an early-day motion that many hon. Members have signed. I recognise that the problems are genuine. In coming up with a solution, as I want to do, I have to get the balance right, so I shall consider what my hon. Friends have said in this debate and the contents of the early-day motion, and continue to work with the industry and the association to make sure that we resolve the problems. I hope that the industry accepts that we have made great strides in the Gambling Act and the way in which the industry has developed. We all want seaside towns to be successful.

Dr. Ladyman: I knew that I would get a sympathetic hearing from my hon. Friend, because he is a sympathetic and fair man. I have every confidence that he will be able to sort out the problems, but I stress the urgency of the situation. We cannot afford to wait for a six-month review, or even a three-month review. My constituents' businesses are going under now. We need to send a signal now.

Mr. Sutcliffe: My hon. Friend will know that BACTA has written to me. I hope to be able to respond to the association's letter next week, as I am aware of the urgency. The industry has made a number of representations to me and I accept that there is a serious problem. However, I hope he accepts that we cannot react indiscriminately. We need to make sure that our response is a measured one.

I fully understand the concerns relating to gaming machines and bingo. We have a long tradition of bingo in this country and we do not want to do anything to damage it further. We want to support the gaming industry and bingo, and I hope that in the next few weeks we will be able to make some positive announcements.

Question put and agreed to.

Adjourned accordingly at three minutes to Three o'clock.

House of Commons

Monday 25 February 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

SELECTION

Ordered,

That Mr Simon Burns be discharged from the Committee of Selection and Alistair Burt be added to the Committee.—*[Mr. McLoughlin.]*

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Student Visas

1. **Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): What account she takes of the contribution of foreign students to the UK economy in taking decisions on student visas. [188113]

The Minister for Borders and Immigration (Mr. Liam Byrne): Foreign students benefit our country to the tune of almost £8.5 billion a year. Students will be included in the new points system, which will make the system easier to police.

Mrs. Humble: I thank my hon. Friend for that reply. Overseas students make a valuable contribution to this country's economy. Universities recognise both that and their role as sponsors under this new visa scheme, but they are still unclear about how it will be administered. Will he talk to education institutions about how the new certificates will be administered and, above all, how the new registration requirements will be monitored?

Mr. Byrne: My hon. Friend is right that big changes will be introduced in the granting of visas to students under the points system. In particular, a new register will come into place with much tougher obligations on colleges to report events such as non-attendance and extended periods of absence, but, more importantly, students will, for the first time, be tied to a specific institution—they will not be able to come in under the sponsorship of one organisation and switch in-country to another. As these are big changes, I plan to publish blueprints of how the new system will work as early as possible so that there is as much time as possible for us to discuss the details with universities. I will certainly make sure that I talk to universities in my hon. Friend's area as we try to get these proposals right.

Mark Pritchard (The Wrekin) (Con): Foreign students undoubtedly make a valuable contribution to this country's economy, but with one in five students dropping out of full-time education, many of whom are foreign students, how confident is the Minister that universities are communicating foreign student drop-out rates to the Border and Immigration Agency?

Mr. Byrne: We introduced changes in April last year, through a change to the immigration rules, that made it mandatory for education institutions to keep effective records on, for example, enrolment, and to report those records to the BIA when asked to do so. The new proposals under the points system take that tightening of the system a stage on, so that it becomes mandatory for universities and other higher education institutions to report not only students who do not turn up for their course, but extended periods of absence. We are giving universities time to prepare for these changes because we realise the new burdens that will be put on them, but I think the hon. Gentleman would agree that the system needs to be tighter in future.

David T.C. Davies (Monmouth) (Con): Is the Minister aware that a large number of language schools are completely bogus and are nothing more than a front to get people illegally into this country? What action is he taking against such bogus language schools?

Mr. Byrne: We are determined to take colleges off the register of licence sponsors whenever we come across evidence of such abuse, and if the hon. Gentleman has information about colleges perpetrating such abuse I would, of course, be grateful to receive it. Well over 100 colleges have been taken off the register over the last year and a half, thanks to the work of the BIA.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Foreign students make a valuable contribution to many of our disciplines, particularly in manufacturing industry. However, there is one discipline through which they make little contribution to the UK economy: journalism. Will my hon. Friend therefore make sure that foreign journalists who apply for visas come here on the basis that they deal with factual evidence and factual evidence only?

Mr. Byrne: I am grateful to my hon. Friend for that observation. It is important for it to be much harder for organisations to get on to the appropriate register in years to come. Under the points system, it will be easier to police new regulations on how colleges get on to the register. I will, of course, look at any new ideas for such requirements that my hon. Friend might like to suggest.

Police Numbers

2. **Mr. Mark Harper** (Forest of Dean) (Con): What representations she has received on police force strength following the publication of the Flanagan review. [188114]

The Secretary of State for the Home Department (Jacqui Smith): The Flanagan report makes it clear that we must think seriously about how we can make best

use of police resources to meet the demands that the service faces. The changes that Sir Ronnie recommends could release up to 7 million police hours—the equivalent of 3,500 extra officers. I welcome Sir Ronnie's contribution to the debate, and the strong case he makes for reform to improve the outcomes that we can all achieve for the public.

Mr. Harper: The Home Secretary did not really answer my question, but she will know that I asked what representations she had received about the Flanagan report. May I commend to her an excellent article by Gloucestershire's chief constable in *The Citizen* last week, in which he refers to Sir Ronnie's recommendation that damping be removed? If that were to happen, Gloucestershire would lose 100 police officers or have 6.5 per cent. added to its council tax. Will she rule out the removal of damping?

Jacqui Smith: It is because we ensured not only a 2.9 per cent. overall increase in revenue support for police forces, but a floor increase of at least 2.5 per cent. for all authorities that the hon. Gentleman's authority has been protected at that floor. We managed to find the balance between moving partially towards the formula for which many hon. Members on both sides of the House have called and protecting police forces such as his.

John Reid (Airdrie and Shotts) (Lab): May I express my gratitude to Sir Ronnie Flanagan for the expeditious and efficient way in which he conducted this review of policing? I know that the Secretary of State shares my view, which motivated the commissioning of this report, that we need to reduce bureaucracy and red tape. How quickly will she be able to act on his recommendations, particularly the important ones such as the streamlined reporting of crimes, which is being piloted by Staffordshire police?

Jacqui Smith: I thank my right hon. Friend for his prescience in asking Sir Ronnie to undertake the review when he was Home Secretary. He is right to say that it contains many important recommendations, including the one to which he refers. That approach is being piloted in Staffordshire. It reduces the reporting down to one page of recording for the vast majority of crimes and enables more emphasis to be placed on caring for victims. I expect to be able to roll it out much more widely very quickly—in fact, before the end of this year.

Mr. Gregory Campbell (East Londonderry) (DUP): The Government have indicated that they want the devolution of policing and justice in Northern Ireland. Does the Home Secretary accept that many people across the divide in Northern Ireland would much prefer additional resources to provide more police officers on the ground to combat criminal activity before we go down the line of devolving policing and justice?

Jacqui Smith: As the hon. Gentleman knows, extra resources are being made available and ongoing discussions are taking place about the governance of policing in Northern Ireland. The point that Sir Ronnie makes has wide relevance. He says that the reforms that he has proposed, upon which we are acting and which I am sure will be relevant in Northern Ireland, will enable us to maximise police officer time spent on the front line and to use our resources as effectively as possible.

Keith Vaz (Leicester, East) (Lab): As the Home Secretary knows, the Select Committee on Home Affairs launched its new inquiry into policing in the 21st century this morning in Newark and tomorrow we will examine Sir Ronnie and his findings. Will she confirm that the police constable is central to the Government's strategy on policing, that all the other parts, such as police community support officers and new technology, are secondary to that visible commitment to policing and that there is no question of a reduction in police numbers as a result of this report?

Jacqui Smith: Nothing in this report implies a reduction in police numbers. My right hon. Friend is right to say that the office of constable lies at the heart of policing, which is why officer numbers have increased by 14,000 since 1997. That increase has occurred alongside increases in other police staff, who work alongside those officers to do the job that our communities expect of them and that they are delivering so successfully.

Mr. David Ruffley (Bury St. Edmunds) (Con): The Flanagan report, which the Home Secretary welcomes, states that

"maintaining police numbers at their current level is not sustainable over the course of the next three years."

Will she unambiguously pledge to the public and the police that those numbers will not be cut?

Jacqui Smith: I believe that between 1993 and 1997 police officer numbers fell by 1,100. We are increasing the resources available to support revenue funding for policing by 2.9 per cent. both next year and the following year. We are providing the resources necessary for chief constables to make the required decisions about their force's staffing levels of police officers and others. It is difficult for Conservative Members to make a credible case for increased resources when they have not supported the increases in resources and they had such a pitiable record in government.

Alcohol Restriction Zones

3. **Mr. David Kidney** (Stafford) (Lab): What recent assessment she has made of the effectiveness of alcohol restriction zones in reducing levels of alcohol-related crime. [188115]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): No assessment has been made nationally of the effectiveness of designated public places orders; however, I am aware that some local authorities—Southampton, for example—have made assessments of their DPPOs. The fact that more than 554 DPPOs are in existence suggests that they are effective in combating alcohol-related crime and disorder.

Mr. Kidney: I thank the Minister for that answer. The Stafford town centre zone was so successful in cutting crimes of violence and public disorder that last year the police, the council and the public agreed to extend the zone, so does that not show how effective the measure can be in tackling alcohol-related crime? Does my hon. Friend agree that to tackle alcohol-related crime, we need more measures such as the zones and the more general application of laws that permit the police to seize alcohol in public places?

Mr. Coaker: I agree with my hon. Friend and I am pleased that he has referred to the success of designated public places orders, because there has been a massive increase in their number. Personally, I am surprised that there are not even more of them spread out across the country. My hon. Friend is also right to point out the need for further powers to be given to the police and for further campaigns. He will be aware that a number of such campaigns have been conducted recently, including confiscation of alcohol from schoolchildren during half-term. We hope to see many more such activities in due course.

Sir Patrick Cormack (South Staffordshire) (Con): What are the Minister and the Home Secretary doing about the problem of cheap alcohol? Will they respond to the initiatives taken last week by Tesco and others?

Mr. Coaker: I have already discussed with Tesco the proposal it made and we shall consider how we take the matter forward. The hon. Gentleman will be aware that a review of pricing and promotion is being undertaken by the Department of Health. The report is due in July; we look forward to it and will take appropriate action then.

Nia Griffith (Llanelli) (Lab): We are all very aware of the growing number of under-age drinkers who drink excessively in our streets and parks. Will the Minister tell us how the new confiscation measures will work to ensure that young people do not simply reoffend and carry on with the same practices?

Mr. Coaker: To stop young people reoffending we must first stop them believing that they can drink in public and act in any way in public without consequences. My hon. Friend is right to point out that our confiscation campaigns are directly focused on young people, to say that it is not acceptable to drink in public and then to use that as an excuse to vandalise and commit other acts. The confiscation powers enable the police, where they believe there is a risk of disorder, to confiscate alcohol from young people and, alongside our campaigns to tackle under-age sales, we believe they will make a real difference to the problems that I know exist in many estates across the country.

James Brokenshire (Hornchurch) (Con): This week, a Home Office report is expected to show that in the year after the introduction of the Licensing Act 2003, crimes of serious violence committed in the early hours of the morning jumped by a quarter. In January 2005, the Government claimed that giving local councils the right to charge pubs, clubs and other alcohol retailers for the costs of policing was a priority, through the establishment of new alcohol disorder zones, yet three years on they are still not in place. Why not?

Mr. Coaker: We will bring forward measures to introduce alcohol disorder zones in the near future. The hon. Gentleman referred to the review of the Licensing Act; the interim report into the implications of the Act, which we published last July, showed that serious violent crime over a whole night had actually fallen by 5 per cent.

Wheel-Clamping

4. **Mr. John Spellar** (Warley) (Lab): What progress has been made on regulating wheel clamping on private land. [188116]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): The Security Industry Authority will undertake a feasibility study of various policy options for the regulation of vehicle immobilisation companies—commonly known as clampers—in the private sector, the results of which will be available in early 2009. Further details will be published in the SIA's business plan for 2008-09.

Mr. John Spellar (Warley) (Lab): First, may I say that it is a pleasure to see you in your place, Mr. Speaker? May you long stay there, as a reminder that in this country the Speaker is chosen not by an attempted coup from the Press Gallery, but by the Members of the House of Commons.

My hon. Friend the Minister will be aware that since 1992 wheel-clamping has been banned in Scotland, yet in the midlands and the rest of England cowboy clampers still inflict outrageous penalties on motorists. Will she give civil servants clear instructions to put a stop to that outrage, not in 2009 but this year?

Meg Hillier: I thank my right hon. Friend and congratulate him on the tenacity and vigour with which he has pursued the issue for a number of years. Scotland has a different legal jurisdiction, under which theft is defined differently, which is why such activity is illegal there.

Fees are supposed to be reasonable, and it is intended that anyone who is clamped can raise the matter, because the individual clamper will be registered and licensed by the Security Industry Authority. There is recourse while we take the time to ensure that we get a proper, proportionate response.

Mrs. Maria Miller (Basingstoke) (Con): In high-density, high-rise developments such as Winterthur way in my constituency, where residential parking was limited by design, the threat of wheel-clamping is part of everyday life. Will the Minister ensure that the review places enough emphasis on not just deterring unwanted parking but protecting residents to ensure that they are not penalised unnecessarily as part of the process?

Meg Hillier: The hon. Lady rightly mentions the balance that must be struck: people who are clamped are not happy about it, but there is a clear need to protect landowners and residents from illegal parking. I would welcome her comments and her input into the suggestion of options for the feasibility study. The Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling (Mr. Coaker), will take up the very points she raises.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): But are there not clear rules at the moment that forbid the absolutely outrageous behaviour of private companies that clamp people's cars and charge exorbitant rates? Is it not the responsibility of Her Majesty's Government to make that very plain to the public, who are getting fed up with such behaviour?

Meg Hillier: The law requires individual clampers to be licensed as members of the Security Industry Authority. They must charge a reasonable fee and have adequate signage in place. If any individual has any concerns, they have recourse to complain to the SIA. We hope that we will be able to tackle the concerns that hon. Members have raised in the ongoing study.

Mr. Andrew Mackay (Bracknell) (Con): Surely that is not the case. Under present legislation, there is no control over the fees charged to unclamp a car. Extortionate fees are being charged, and nothing can currently be done about it. When will the Government introduce fresh legislation to put that right?

Meg Hillier: I am in danger of repeating myself. We recognise the points that hon. Members raise, but fees currently have to be reasonable. However, there is clearly concern, which is why we are undertaking a feasibility study to ensure that we get a balance between fees charged and protection for landowners. That is what we are going to do, and we will unveil plans in 2009.

Kelvin Hopkins (Luton, North) (Lab): Is not the way forward simply to restrict wheel-clamping to the police and to directly employed, accountable staff of local authorities?

Meg Hillier: My hon. Friend is welcome to put his views as part of the ongoing review, but there would be some issues of cost for landowners were they forced to use only a limited, narrow group of suppliers.

Cannabis

5. **Mr. Graham Brady** (Altrincham and Sale, West) (Con): What steps she is taking to reduce levels of cannabis use among children and young people. [188117]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): The Government are tackling cannabis use through a comprehensive package of measures as part of our national drug strategy, including prevention, education, early intervention, enforcement and treatment.

The Government's message on cannabis use to young people is consistent and clear: cannabis is harmful and illegal, and should not be taken.

Mr. Brady: The Minister will be aware that there is alarming evidence of links between cannabis use and mental health problems for young people, particularly schizophrenia and psychosis. The Government's "Talk to Frank" website states:

> "There's also increasing evidence of a link between cannabis and mental health problems such as schizophrenia. If you've a history of mental health problems, depression or are experiencing paranoia, then taking this drug is not a good idea."

Does the Minister accept that that could mislead young people into believing that, if they have no history of mental health problems, it is safe to take cannabis? Will he ensure that the advice is strengthened to make it clear?

Mr. Coaker: I will look at it, but I do not accept the hon. Gentleman's point. He is right to point out that there is increasing concern throughout the House and the country about the link between stronger strains of cannabis and mental health. That is why my right hon. Friend the Home Secretary has announced a review. The Advisory Council on the Misuse of Drugs, as the hon. Gentleman is aware, is looking into it and will make its recommendations in late April, which the Home Secretary will consider.

Mr. Lindsay Hoyle (Chorley) (Lab): My hon. Friend ought to be aware that reclassification is part of the issue. We ought to reclassify cannabis. Not only has it got stronger, but the results of long-term cannabis use have been shown. Let us not continue to talk; let us take action and reclassify it as soon as possible.

Mr. Coaker: My hon. Friend is right to express his views with such passion. We are all concerned about the increasing evidence of a link between cannabis and mental health issues. That is why we are statutorily required to consult the ACMD, which is what we are doing. We must wait for its advice, which we have asked it to give as quickly as possible. That advice will come at the end of April, and then my right hon. Friend the Home Secretary will consider it.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Does the Minister accept that there is no evidence that increasing the classification to class B would reduce cannabis use, just as there was no evidence that reducing it to class C increased its use? Is it not crazy for him and his colleagues to purport to have evidence-based policy making if they are willing to reject the advice of the ACMD when it reports?

Stephen Pound (Ealing, North) (Lab): It didn't do you any harm, then.

Mr. Coaker: That is a better answer than I could probably make! In all seriousness, the point made by the hon. Member for Oxford, West and Abingdon (Dr. Harris) demonstrates the need for the Government to have a statutory committee to consider the issues. The point that he makes has been made in public for the first time to the ACMD. That is a change that we brought about—different opinions have been put to the ACMD by scientific advisers, health professionals and all sorts of people, including his point about cannabis and the point made by my hon. Friend the Member for Chorley (Mr. Hoyle). The advisory council will judge the issues, come to a view and make a recommendation to my right hon. Friend the Home Secretary, and she will consider it. That will be evidence-based policy.

John Robertson (Glasgow, North-West) (Lab): Early this month, Dr. King, an adviser to the Home Office, told the advisory council that the use of home-grown cannabis in the UK has risen from 15 per cent. to 70 per cent. The Government have put most of their

attack into preventing cannabis from coming into the UK, but will my hon. Friend tell me what he is going to do about the home-grown stuff, the use of which has so greatly increased?

Mr. Coaker: My hon. Friend raises an important issue. Last year, the police undertook an enforcement campaign, Operation Keymer, which targeted so-called cannabis factories in residential areas. The drugs strategy that we are due to publish shortly will address that issue, saying that we need more of that type of enforcement activity. As well as issues about drugs and cannabis farms, we are concerned about the increasing evidence of a link between trafficked children and cannabis factories.

Inward Migration

6. **Mr. Stewart Jackson** (Peterborough) (Con): what recent estimate she has made of levels of net migration to the UK. [188118]

The Minister for Borders and Immigration (Mr. Liam Byrne): In 2006, the net inflow of migrants to the UK was 191,000. For those who take an interest in the issue, as I know the hon. Gentleman does, that is about 15 per cent. lower than the year before and about 22 per cent. lower than in 2004.

Mr. Jackson: My constituency has borne, and continues to bear, the brunt of the shambles that this Government call an immigration policy. Does the Minister think that my constituents will be reassured by a policy involving a belated points-based system but no upper limit on the number of people allowed to come to the United Kingdom?

Mr. Byrne: I respect the passion with which the hon. Gentleman presents his argument, and I know that he recently held a debate in the House—I think it was last week—on the impact on public services that he sees locally. However, when I look at the proposals for caps on migration, I find it difficult to see how they would capture, touch or affect more than one in five of the newcomers who entered the UK in 2006. I believe that the points system will capture at least three in five, and I therefore think it is the right way forward for carefully controlling migration to the United Kingdom.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): With regard to the administration of immigration law, will the Minister take whatever action is open to him to stop solicitors taking up asylum, leave to remain and nationality cases in which there is no need for legal representation—cases for which these greedy shysters grab money, and which they far too often bungle, so that they then have to come back to Members of Parliament? In addition to taking whatever action he can, will he ask the Law Society to investigate?

Mr. Byrne: The position in my right hon. Friend's constituency sounds a little bit like that in mine, but he has a far more distinguished record than I have in helping constituents with errors made by immigration lawyers who claim to be acting in their clients' best interests. One of the biggest things that we can do to help resolve the problem this year is to make the law far simpler. That is why later this year we will introduce a Bill to simplify the immigration system and immigration law, some of which dates back pretty much to when I was born.

Dr. Vincent Cable (Twickenham) (LD): Is the Minister aware of last week's OECD study, which showed that there are more British immigrants overseas than overseas immigrants in Britain? The implication of our experience of negative net immigration is that if immigrants returned to their country of origin, we would have more people here, not fewer.

Mr. Byrne: I had not spotted the report to which the hon. Gentleman alludes, but he is absolutely right to say that sometimes when we hold debates about the number of people coming into the UK, we forget that, for example, in 2006, of the 529,000 people who came into the UK, 77,000 were British citizens.

Clive Efford (Eltham) (Lab): My hon. Friend is aware of the growing concern among some sectors of the work force, particularly in the building trade, about maintaining rates of pay because of the large influx of EU migrants coming to work in the UK. There are no simple solutions to the problem, but does my hon. Friend think that we should implement measures such as those in the Temporary and Agency Workers (Equal Treatment) Bill, or allow multidisciplinary enforcement teams to go to workplaces such as building sites and make sure that people are properly qualified and are there legitimately? What can he do to implement such schemes?

Mr. Byrne: I am grateful to my hon. Friend for championing those issues with me, both in the Chamber and outside. I said last year that I think that in the next couple of years we need to double the Border and Immigration Agency's budget for enforcement, and we need to use a portion of those resources jointly with other parts of Government, so that where possible we come together with the Gangmasters Licensing Authority, Her Majesty's Revenue and Customs and national minimum wage inspectorates to take a concerted approach to tackling abuse of workers from abroad, who are often vulnerable, and to stop the undercutting of British wages.

Damian Green (Ashford) (Con): The Minister's latest attempt to affect levels of migration was last week's Green Paper. He will have noted that it united opinion across the spectrum—against it. *The Guardian* said that Ministers should have

"more...respect for the facts".

The Independent described it as

"Clumsy steps in the wrong direction".

The Sun said that it was "a gimmick", and the *Daily Mail* said that it was "simply barmy". I will spare the Minister the verdict of the *Daily Express*. Ministers were clearly trying to talk tough. To that end, page 34 of the paper says:

"Probationary citizens will not...be entitled to access mainstream benefits".

Can the Minister name a single benefit that is available now that will not be available under the new regime?

Mr. Byrne: I am grateful to hear the spectrum of opinion that the hon. Gentleman mentioned; it might be a good sign that we have got things right. If he studies the issue in detail, he will soon realise that we propose a five-year cap on temporary leave. That will mean that quite a few benefits based on national insurance contributions, such as incapacity benefit, the state-based pension and those NI-based payments that require more than five years of contributions, will no longer be available to those coming into the country on temporary leave. The message that we want to send is simple: if someone wants access to mainstream benefits, they should have to earn their citizenship in Britain. People should not be allowed to sit on temporary leave for indefinite periods.

Gangs/Gun Crime

7. **Stephen Pound** (Ealing, North) (Lab): What plans she has to support police forces in tackling gangs and gun crime. [188119]

The Secretary of State for the Home Department (Jacqui Smith): I set up the Tackling Gangs action programme in September to undertake law enforcement and community engagement activity in areas of London, Manchester, Birmingham and Liverpool where guns and gangs are a particular concern. An action day in November resulted in 124 arrests and the seizure of 10 real and over 1,000 imitation firearms. Early indications from a survey of front-line staff show that they believe youths are less at risk now of involvement in gangs and gun crime than they were six months ago.

Stephen Pound: In thanking my right hon. Friend for her comprehensive answer, may I tell her that, particularly in my part of north-west London, the gang and gun culture is corrosive and massively dangerous and destructive, not just to the young children dragged into that murderous web but to the rest of us, who are literally caught in the crossfire? What lessons have been learned from the Tackling Guns action programme that can be applied to north-west London?

Jacqui Smith: In the areas on which we focused, we have learned important lessons about how to identify gang members at an early stage, and how to use all the resources in the hands of the police, particularly things such as covert surveillance, to do so. We have learned more about how we can mediate and put in place services that prevent the escalation of violence between gangs. We have learned about how we can prevent young people from being drawn into gangs in the first place, and how to ensure that there are exit strategies to get them out at the end. Alongside that, we have taken action to cut off and reduce the supply of guns into the country. All of those are aspects of success of the Tackling Gangs action programme, and they can all be shared more widely at the end of the programme.

Michael Fabricant (Lichfield) (Con): The Home Secretary said that 10 guns were confiscated. She will know that some estimates say that 70 guns a week on average are imported illegally into the United Kingdom, because of our porous borders. Years ago, the Home Affairs Committee recommended the introduction of an X-ray system at all ports of entry. Nothing has happened. When are we going to stop illegal importation of arms into the United Kingdom?

Jacqui Smith: First, we have made sure that the Serious Organised Crime Agency and Her Majesty's Revenue and Customs increase the priority in resources focused on this issue. Secondly, specific operations have looked at some of the suggested routes in for illegal working and, thirdly, the new UK Border Agency can focus its combined resources on ensuring that we cut even further the import of illegal guns.

Antisocial Behaviour Orders

8. **Sir Nicholas Winterton** (Macclesfield) (Con): What assessment she has made of the effectiveness of antisocial behaviour orders. [188120]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): Three independent reports, including the Home Affairs Committee report of 2005, the Audit Commission report of May 2006 and the National Audit Office report of December 2006, have confirmed that our approach to tackling antisocial behaviour is working. We have also appointed Ipsos MORI to undertake a qualitative study investigating the circumstances in which different antisocial behaviour interventions are most effective. Antisocial behaviour orders are just one of these. The outcome is to be published some time in 2008.

Sir Nicholas Winterton: Does the Minister not accept that antisocial behaviour orders, sadly, have not been the success that many Members of Parliament would wish them to be?

Stephen Pound (Ealing, North) (Lab): Yes they have.

Sir Nicholas Winterton: Oh no they have not. The National Audit Office, which the Minister cited, indicated a breach rate of 55 per cent., and the rate in Durham is as high as 74 per cent. When are we going to try to tackle the situation before young people start to become antisocial? Can we not give greater encouragement to the sea cadets, the Army cadets, the air cadets, the scouts, the guides and other uniformed organisations, to give young people a purpose in life at an early stage?

Mr. Coaker: I am tempted to say that the National Audit Office said, "Oh yes they are". In my constituency and in constituencies throughout the country, people want more, not fewer, antisocial behaviour orders because they see their effectiveness in dealing with antisocial behaviour. However, the hon. Gentleman makes a reasonable point when he asks whether we have to rely solely on antisocial behaviour orders. Of course we do not. Those are a consequence for people who act in an antisocial way, but it is an important part of policy to try and prevent that in the first place, including through parents, families and the uniformed organisations of the sort that he mentioned.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I welcome the approach taken by the Minister, and emphasise that the experience in my constituency and

in the black country is rather different from that outlined by the hon. Member for Macclesfield (Sir Nicholas Winterton). The opinion locally is that if we are to combat crime, there must be a high level of community involvement. Antisocial behaviour orders not only provide a fast-track method of dealing with individuals, but give reassurance and incentives to local communities to get involved in anti-crime initiatives. Will my hon. Friend ensure that that element is reinforced at local level in community policing?

Mr. Coaker: My hon. Friend makes a thoughtful contribution. As he says, antisocial behaviour orders are one part of the answer when dealing with antisocial behaviour, but alongside that there need to be other initiatives not just by the police, but by the local authority, schools and all the other agencies working together to tackle problems. As part of that, it is important to involve young people, as my hon. Friend said. When we talk about antisocial behaviour, it is incumbent on us to remember that the vast majority of young people in this country are decent, hard-working and growing up in difficult times. They want something done about the small minority who are a problem as much as the rest of us do.

Mr. Philip Hollobone (Kettering) (Con): The ASBO unit at north Northamptonshire police is overwhelmed with work because it is far from straightforward to persuade magistrates to issue an antisocial behaviour order. It is meant to be a weapon of last resort. What speedy and effective penalties are in place to ensure that parents are held responsible for their children's behaviour?

Mr. Coaker: The hon. Gentleman makes an important point about the fact that, as I said, antisocial behaviour orders are one part of the solution, but he is right to point out that alongside that we hear the cry, "What are parents, schools and families doing?" Other measures are available, such as acceptable behaviour contracts. Parental contracts are also available to the courts to ensure that the minority of parents who refuse to take responsibility for their children are encouraged to do so. Where parents refuse to do so, surely being encouraged to do the right thing and look after their own children is part of the solution as well.

Helen Jones (Warrington, North) (Lab): What steps can my hon. Friend take to encourage local authorities that have consistently failed to use antisocial behaviour orders against antisocial tenants to do so, instead of leaving people at the mercy of awful tenants next door to them? Can we stop local authorities constantly offering mediation, which puts the victim on the same level as the perpetrator, and encourage them to tackle those who make decent people's lives a misery?

Mr. Coaker: I know that my hon. Friend has been working hard in her local area, and that awful and tragic events have recently taken place there. She is right to point out that we need to ensure that existing laws are enforced and acted on. That is why we recently published a document to send out to local authorities and to the police reminding them of the powers that are available. May I add a point that I made to my hon. Friend—whether it is antisocial behaviour, kids on the street or antisocial tenants as she described, it is important that they do not merely receive warning after warning, and that sooner or later there is a consequence for their action. If that means tough action with respect to antisocial tenants, that is what should be used.

Terrorism Legislation

9. **Mr. Ben Wallace** (Lancaster and Wyre) (Con): What plans she has to review legislation concerning the offence of possessing articles for a purpose connected with the commission, preparation or instigation of an act of terrorism. [188121]

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): All counter-terrorism legislation, including the offence of possession for terrorist purposes under section 57 of the Terrorism Act 2000, is subject to regular review. In the light of the Court of Appeal judgment on 13 February in the case of Zafar and others, we have considered whether any change to the legislation is needed. We have concluded that no change is required.

Mr. Wallace: In the light of that court case and the ever-growing number of young men from Lancashire being radicalised into extreme forms of Islam, does the Minister recognise that the 2000 Act has not stemmed the flow of such material? Will he consider introducing an offence of possessing propaganda for the purpose of recruitment or radicalisation, to go further than the current Act?

Mr. McNulty: Those points are perfectly reasonable, but as I have said, we have reviewed the 2000 Act, not least in the light of what is available in the Terrorism Act 2006. We think that most of the areas are covered at the moment. The hon. Gentleman will know that the Director of Public Prosecutions has said that the specific judgment on section 57 was

"specific to the facts of the case"

and was therefore unlikely significantly to affect existing convictions or forthcoming prosecutions. He subsequently wrote a letter to *The Times*, published on Saturday 16 February, in which he stated:

"We do not expect any significant read across, either to existing convictions or to forthcoming trials, which do not share the specific facts of this case. Far from 'terror law' being 'in tatters',"—

as some would have it—

"the Terrorism Act 2006 appears to deal with any perceived difficulty on these facts."

Topical Questions

T1. [188088] **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Jacqui Smith): Effective and visible neighbourhood policing for local communities is a key element in the fight against crime. From April, neighbourhood policing teams will be working in every area of England and

Wales and I want everyone to have the opportunity to shape their team's priorities for fighting crime in their area.

Today I am announcing, with the police, the launch of the Name in Every Neighbourhood campaign. Over the next few weeks, every household will hear from, be able to contact and be able to influence their local team. A new national neighbourhood policing website will let the public find the names and numbers of their local team, and the use of contracts between the police and the public will help to deliver this important change. I congratulate police forces across the country on helping to make neighbourhood policing a reality.

Mr. Carmichael: There is growing concern in Scotland about the operation of the Counter-Terrorism Bill—in particular, clause 27, which would allow offences committed in Scotland to be tried in England, and, theoretically, vice versa. Does the Secretary of State understand that that is fraught with difficulty? Will she assure me that if the provision goes on to the statute book, it will operate only after the agreement with the Lord Advocate of very clear guidelines for its operation?

Jacqui Smith: If there are linked attacks in, for example, London and Scotland, it is important that it should be possible, through the proposals that we are putting forward in clause 27, for both those linked cases to be prosecuted in one place. That is what the universal jurisdiction that we are proposing would enable us to do. When countering terrorism, it makes sense for us to be able to prosecute in the place where the investigation takes place, wherever that is.

T2. [188089] **Joan Walley** (Stoke-on-Trent, North) (Lab): Today, the Addaction report has said that the cost of illegal drug use has been £110 million in the past 10 years and that just 10 per cent. of total spending is going on drug treatment. This week, the Government are set to unveil their strategy on drug treatment. Will my right hon. Friend consider how we can work with the police and the north Staffordshire safer communities partnership? Furthermore, will she meet Professor Crome of the Edward Myers centre, to see how we can make sure that successful police operations, such as the Nemesis operation, get more and more people into drug treatment?

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I thank my hon. Friend for her question. Operation Nemesis in Stoke was fantastically successful and led, I believe, to a 20 per cent. reduction in crime. If we are to bear down on and reduce crime, getting drug-misusing offenders into treatment is absolutely essential. The drugs intervention programme that we have introduced is one part of that, and my hon. Friend will be aware how that operates. I understand that there are one or two difficulties in her local area with commissioning of services. Perhaps the best way of taking that problem forward is for us to discuss it, and I will be happy to do that if she wishes.

Chris Huhne (Eastleigh) (LD): The announcement made today by the Home Secretary, and earlier outside this House by the Prime Minister, of a new emphasis on neighbourhood policing is very welcome. However, what assurances can the Home Secretary give that the phone service will not be hit by 101-style budget restraints, that local residents will have access to ward-level crime and conviction data enabling them to be knowledgeable in holding local teams to account, and that more police, not fewer, will be available for a visible presence on the beat?

Jacqui Smith: First, on local crime information, we have committed to ensuring that by July this year crime information is available for local people on the basis of their areas. Secondly, we have been clear, not only with the additional numbers of police officers but with the police community support officers who are playing such an important role in neighbourhood policing, that those teams need to be visible and accessible. The success that we have already seen in some areas of this country in rolling out neighbourhood policing shows us the potential that there will be when it is everywhere from April.

T3. [188090] **Mr. Lindsay Hoyle** (Chorley) (Lab): My right hon. Friend is well aware that the Government are committed to police community support officers. Does she share my concerns that there are seven absent or vacant posts for PCSOs in Chorley, leaving the Clayton area very vulnerable to crime, as that is the worst community support officer reduction that has taken place so far? Will she speak to the chief constable to seek to ensure that those vacancies do not remain open?

Jacqui Smith: It is of course the responsibility of chief constables to ensure that they are making the best use of the resources that they have in relation to police officers and to police community support officers, but given that eight years ago there were no police community support officers and now there are 16,000, I hope that those vacancies will not remain empty for long.

Mr. Michael Howard (Folkestone and Hythe) (Con): Later this week, the European Court of Human Rights is expected to rule on whose DNA is to be permitted to remain on the United Kingdom's database. Does the Home Secretary agree that decisions of this kind should be made not by unelected foreign judges, however distinguished, but by elected Members of this Parliament? Regardless of the merits of the argument on that particular question, what representations is she making to the court to increase what it calls its margin of appreciation so that fewer decisions of this kind are made in Strasbourg and more in this House?

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): The DNA database has been a fantastic crime-solving tool and is something that we fully support. It would be inappropriate for me to comment in detail on the Government's defence in the case of S and Marper, which is going to court on Wednesday. We will await the outcome of that and take action as necessary, but our position is very firmly that the DNA database is valuable and we want to retain it.

T4. [188091] **Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): May I tell the Home Secretary that there is great concern in Cleveland about how the funding for Cleveland police is allocated? Only recently, Cleveland's chief constable, Sean Price, said:

"There is a basic flaw in the way we are treated in terms of funding allocation. Cleveland is grouped with metropolitan forces when performance is measured yet we are"

also

"classed as a shire force".

Will the Home Secretary look at how the funding is allocated so that we get fair funding?

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): I met very recently the chief constable, Sean Price, and the chair of the police authority, David McLuckie, to talk about this and a range of other matters. I have to say two things. First, Durham is not unique in having an urban core and a rural surround and the challenge of both those aspects of policing. Secondly, colleagues on both sides of the House are rather impatient that we get to the formula agreed upon three years ago rather than reopening a new one. However, I am happy to meet my hon. Friend and his colleagues from Cleveland if they want to discuss further, outwith the current budget round, the specifics of the formula and how it relates to Cleveland.

T5. [188092] **Anne Snelgrove** (South Swindon) (Lab): I welcome the announcement by my right hon. Friend the Secretary of State on neighbourhood policing, and in particular, the creation of the new website. Would she confirm that my constituents will be able to access details about their neighbourhood policing teams at the click of a button? Will she join me in congratulating the Wiltshire constabulary on creating 23 neighbourhood policing teams, covering the whole of my constituency, and indeed the whole of Swindon?

Jacqui Smith: Yes, I can confirm that from next month, the website will ensure that people can know the names and telephone numbers of teams who will be working day in, day out with them in their neighbourhoods. Wiltshire constabulary deserves congratulations for the way in which it has responded to the challenge of ensuring that we have visible, responsive policing in every neighbourhood in this country.

David Davis (Haltemprice and Howden) (Con): In the last two years, the number of killings with a knife has jumped by 18 per cent. Can the Home Secretary tell the House why, in 2005, she voted against increasing the maximum sentence for knife possession to five years?

Jacqui Smith: We, of course, have implemented an increase in the maximum knife sentence from two years to four years. Alongside that, as I announced last week, we are undertaking a range of actions to ensure that we are able to cut knife crime, particularly among young people where—I agree with the right hon. Gentleman on this—it is a particular concern.

David Davis: The right hon. Lady says that she has implemented the law, but of the more than 6,000 convicted of carrying a blade in a public place in 2006, just two got the maximum sentence. Does she accept that a one in 3,000 chance of punishment deters no one?

Jacqui Smith: Serious punishment is obviously an important part of countering knife crime, which is why we will change the situation so that there will be a presumption of prosecution for those who are caught carrying knives. Secondly, we will make it more likely that those carrying a knife are caught, by investing in the opportunity for police to use search wands and portable arches. Alongside that, through the extra investment into the roll-out of programmes such as the Be Safe project, which takes place in schools and teaches young people about the implication of carrying knives, we will try to prevent young people from even thinking about carrying knives on the street in the first place.

T6. [188093] **John Robertson** (Glasgow, North-West) (Lab): Security at our airports is important to us all, particularly those of us who fly to be here. Once again, today, a bunch of lunatics managed to get on to a plane and off it, and then climbed up on top of it to drape a sign from its tail. That could have been someone with explosives. The shuttle from Glasgow had just arrived, and I walked by the plane at the time. Will my right hon. Friend assure me that there will be an investigation into today's debacle at Heathrow airport?

Jacqui Smith: Yes. This is a country in which we believe in the right to protest, but protesting in a way that could put in danger, and certainly inconveniences, those travelling on our airlines is clearly irresponsible.

T7. [188094] **Mr. Peter Bone** (Wellingborough) (Con): Both the Lord Chancellor and the Home Secretary, in response to recent oral questions from myself, have refused to say how many MPs have been bugged. Will the Home Secretary say how many MPs have had their conversations intercepted over the last 10 years? If she fails to do so, will there not be an assumption that there is a Government cover-up?

Jacqui Smith: No I will not, and there is not.

Tim Loughton (East Worthing and Shoreham) (Con): My constituency has again been blighted by the establishment of a so-called cannabis café, to the great annoyance of local residents. It acts as a magnet for all sorts of low life coming into Lancing. Despite the best endeavours of the police, who have raided the place five times, no prosecution has been brought to close it down. It is heavily fortified, well beyond what is required for a legitimate café, and a constantly fired furnace is used to burn the evidence the minute any police come in. I have written to the Home Secretary, but can she offer any help so that places such as this, which are clearly trading illegally and are fortified well beyond their needs, can be closed down, as local residents want?

Mr. Coaker: If the hon. Gentleman wishes to speak to me straight after questions, I shall meet him to discuss that quite deplorable situation. I have not heard of anything quite as bad as that with respect to cannabis cafés. We need to ensure that we nip the

situation in the bud, so that people see the serious consequences of such practice, and so that it does not spread anywhere else in the country. I will be pleased to hear the details because I have not heard of anything like that anywhere else in the country.

David Taylor (North-West Leicestershire) (Lab/Co-op): In our country there are organisations that promote bad behaviour and drug abuse, such as the Bullingdon dining club at Oxford, which is famous for hard drinking, bad behaviour and drug abuse and is also responsible for the decline and fall of many of its members. Will the Home Secretary say whether there is any indication over a 20-year period that the use of cannabis in clubs like the Bullingdon dining club is any higher or lower or about the same as it was when the Leader of the Opposition was an active member of that club in 1988?

Jacqui Smith: What I can say to my hon. Friend is that cannabis use—indeed, all drug use—is lower now than it was in 1997. Cannabis use is lower among young people. I agree with him that we need to find positive role models for young people to encourage them to live their lives as we would hope that they would.

Bob Spink (Castle Point) (Con): A young boy in my constituency who spat at his sister recently spent the night in the Essex police cells and may end up with a record. This unpleasant but not extraordinary incident consumed a massive amount of police time and resource. When can we get back to dealing with those things through parents, families and common sense, thus saving police time?

Jacqui Smith: I am sure that the hon. Gentleman would agree that it is always difficult in this place to comment on the details of individual cases. It is precisely in order to ensure that police forces across the country can concentrate on the things that matter to local people that we will ensure first that there is a neighbourhood policing team in every area from April, and secondly, as part of the new public service agreements that we will introduce from April, that there will be more flexibility for local forces to concentrate on local priorities.

Miss Anne McIntosh (Vale of York) (Con): The Home Secretary said in response to an earlier question that she wants to roll out neighbourhood watch schemes in every neighbourhood. That will not happen if North Yorkshire gets a similar police funding settlement to the constituency of the hon. Member for Middlesbrough, South and East Cleveland (Dr. Kumar). Will she please review the police funding for the forthcoming financial year and introduce rurality and sparsity factors to the way in which the funding is allocated?

Mr. McNulty: As I suggested in an earlier answer, we are still seeking to implement the formula agreed some two or three years ago. The hon. Lady may want to get together with other MPs and look specifically at the rural dimension and at restoring the rural policing element of the old formula, which will clearly be at the cost of something else—I am sure that her urban colleagues would have something to say about that. I am happy to meet the hon. Lady and a cross-party group of MPs to discuss the matter further. If we do not have the formula right as regards the rural dimension and rural policing resources, I am happy to talk about it.

Points of Order

3.33 pm

Mr. David Winnick (Walsall, North) (Lab): On a point of order, Mr. Speaker. You were good enough to inform Members that a review of Members' allowances was to take place. As I understand it, you informed us that there should be a debate in July in connection with the Baker review on salaries and that the report on expenses and allowances should be ready for the autumn. As I say, we appreciate your keeping us informed. May I put it to you, Sir, in view of the public concern over the whole issue and the rather misleading impression that we are all on the make at public expense that, if it is in any way possible, the review should have greater urgency and should not wait until the autumn? I put it to you, too, that the matter is causing damage to the reputation of the House. The sooner we can resolve it, the better.

Mr. Speaker: I say to the hon. Gentleman that the House unanimously—including him—agreed to put the matter to the Members Estimate Committee, which I chair. The House has charged me with a responsibility and I will carry out that duty until the House decides otherwise. That is a good thing for the reputation of the House.

David T.C. Davies (Monmouth) (Con): On a point of order, Mr. Speaker. Given the comments of the chief inspector of prisons at the weekend about the crisis into which the system has been plunged, could you tell me how I, in my relative naivety, can persuade the Government that the matter calls for an urgent statement, especially given that the Secretary of State for Justice is telling magistrates now to put people in prison?

Mr. Speaker: The hon. Gentleman should table questions on those issues. If he wishes, he could apply for an Adjournment debate. Those are ways in which he can help matters.

BUSINESS OF THE HOUSE (LISBON TREATY) (NO. 5)

Motion made, and Question put forthwith, pursuant to Order [28 January].

That the Order of 28th January be further amended as follows: in the Table, in the entry for Allotted Day 6, in the third column:

(a) for '4½ hours' substitute '4 hours', and

(b) for '1½ hours' substitute '2 hours'. —*[Mr. Alan Campbell.]*

Question agreed to.

Treaty of Lisbon (No. 6)

[6TH ALLOTTED DAY]

Mr. Speaker: I inform the House that I have selected the amendment in the name of the right hon. Member for Richmond, Yorks (Mr. Hague).

3.35 pm

The Secretary of State for International Development (Mr. Douglas Alexander): I beg to move,

That this House approves the Government's policy towards the Treaty of Lisbon in respect of provisions concerning international development.

The challenge of eliminating global poverty is one of the greatest that faces our generation. Succeeding will require the concerted efforts of Governments in the developed and developing world, the private sector, civil society, individual citizens and the European Union.

The Lisbon treaty gives the European Union an opportunity to move on from years of debating the reform of its institutions to looking out on to the world and dealing with the issues that matter to the people of Europe. Not only in this Chamber is tackling global poverty much debated. In 2005, nearly 250,000 people took to the streets of Edinburgh to call on world leaders to help make poverty history. On one October day last year, more than 1 million Europeans stood up and spoke out against global poverty.

The Lisbon treaty will strengthen the European Union's development assistance by ensuring that development aid is used to reduce poverty, humanitarian aid is allocated on the basis of need and non-aid policies take account of development objectives.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): The Secretary of State speaks of giving aid to less developed countries. Given that the European Union has not been able to sign off its accounts for many years, what confidence can the public have that the European Union can monitor the funds given to other countries to ensure that they go to the people who genuinely need them rather than into dictators' pockets?

Mr. Alexander: I cite the example of the European development fund, the accounts of which have been signed off for several years. There was a qualified positive statement in 2006, but the qualifications were linked to the need to strengthen control in delegations. However, I assure the hon. Gentleman that the EDF is an example that I hope other elements of the European Union budget will follow.

Mr. Peter Bone (Wellingborough) (Con) *rose—*

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab) *rose—*

Mr. Alexander: I give way to my hon. Friend.

Mrs. Dunwoody: I am sure that we are all glad that any account can be signed off in the European institutions. However, other European Union trade policies specifically prohibit the sort of development that makes the difference between poverty and wealth in underdeveloped countries. Is my right hon. Friend happy for us to hand over so many international development powers to those whose interpretation of representation is frequently a large house in a small country?

Mr. Alexander: I know of my hon. Friend's long interest in European matters, but I fear that she labours under a misapprehension in suggesting that significant development policy powers are being handed over as a consequence of the Lisbon treaty. It has been established for many years that the European Union and, in the case that we are considering, the United Kingdom Government have a role to play in development assistance. Rather than perceiving EU development policies as a barrier to achieving the UK's objectives in development, we should view them as a mechanism whereby our objectives can be advanced.

Mr. Bone *rose—*

Mark Pritchard (The Wrekin) (Con) *rose—*

Bob Spink (Castle Point) (Con) *rose—*

Mr. Alexander: I am spoilt for choice. I am happy to give way to the Member for The Wrekin (Mark Pritchard).

Mark Pritchard: On the European development fund, does the Secretary of State agree that the delays between decision and distribution are unacceptable and have a front-line impact on the people who suffer most? Is not it time to bring more of the money from Europe back to the Department so that we can get funding to people on the ground far quicker?

Mr. Alexander: The first person whom the hon. Gentleman would need to convince of that policy is the leader of his own party, who has argued that global poverty is one of the three key challenges that the European Union should accept. Rather than disputing the Government's position on the Floor of the House, the hon. Gentleman might want to discuss the matter in the first instance in the corridors of the Conservative party.

Mr. Bone *rose—*

Bob Spink *rose—*

Mr. Alexander: I give way to the hon. Member for Castle Point (Bob Spink).

Bob Spink: I am sure that the right hon. Gentleman will agree about the importance of trade policy in international development. Does he therefore regret that the Lisbon treaty, rather than reforming trade policy, reinforces the fact that trade policy is set in the secret and entirely unaccountable article 133 committee?

Mr. Alexander: If I recollect, the 133 committee has existed since the treaty of Rome. It is not a decision-making body; it is a discussion body. As a

former Minister with responsibility for trade, I know that matters come to Trade Ministers or other Ministers in the Council of Ministers for decision. I would respectfully say to the hon. Gentleman that given the weight in international affairs of countries such as China—we had the UK-China summit in recent weeks—it is hard to advocate the case for our being more effective in securing our trade objectives as a country of 60 million if we withdrew from a European Union of 27 member states. If, for example, he is honestly suggesting that we would be more effective in advancing the case of the Doha development round, which I know many Conservative Members support, if we spoke as a single country of 60 million, rather than as part of a European Union of 27 member states, perhaps the best place to start would be with those on his own Front Bench.

Mr. Denis MacShane (Rotherham) (Lab) *rose—*

Mr. Bone *rose—*

Mr. Alexander: I give way to my right hon. Friend.

Mr. MacShane: I am grateful to the Secretary of State for being so generous in giving way. Last week we heard the case for isolationism; now we are hearing the case for protectionism. I hope that he will be robust in telling the Tories that we are no longer in the 18th century.

Mr. Alexander: I am not sure that my right hon. Friend is being fair—perhaps we should say the 19th century, because I am told that there are some modernisers on the Conservative Front Bench these days, although the case is as yet unproven.

However, my right hon. Friend's point is well taken, and it is this. One reason we are so keen, working with the European Commission, to support the Doha development round is that if it were true to the promises made back in 2001, its conclusion would not simply serve the interests of the developing world, but be one in the eye for the protectionists and the isolationists. There are too many isolationists, both in Europe and on the Front and Back Benches in other parts of the House. Many of us recognise that in a world of such interdependence, it is through the collective strength of the European Union that we can tackle many of the biggest changes. Ironically, that is what the Leader of the Opposition now asserts, when he says that the European Union should be allowed to take a lead on climate change or global poverty. However, as we have heard in only the first few minutes of this debate, he has got some convincing to do of his own Back Benchers.

Mr. David Heathcoat-Amory (Wells) (Con): The European Scrutiny Committee received a report on EU development last year, in which one of the Secretary of State's predecessors commented that

"one cannot easily determine what goals have been set and what progress has been made in achieving these".

Does the Secretary of State not think that it might have been better had the treaty concentrated on reforming the acknowledged deficiencies in the existing programme, rather than giving more powers and money to the European development programme?

Mr. Alexander: Whether it has been the work of Neil Kinnock or Chris Patten, there have been significant reforms in recent years. The treaty of course sets the legal framework, but there is a range of administrative structures that sit below the legal framework which are matters of ongoing consideration and deliberation. I began my remarks by reflecting back to 2005. Most of us who felt pride in seeing the G8 commit to its goals then, not least the significant uplift in aid to Africa, recognised that the European Union set the pace. If one considers that or the consensus on development—again, achieved during the British presidency—it is fair to say that real progress has been made.

Mr. Bone: Will the Secretary of State give way?

Mr. Alexander: I have been generous to the House and I should make a little progress.

Mr. Bone: Oh!

Mr. MacShane: He's walking out!

Mr. Alexander: I fear that I will not be able to convince those on my own side as effectively in the time remaining, but I have their best interests at heart.

Strengthening the development efforts of the European Union is a matter of direct concern to many of the world's poorest people. Collectively, Europe is the world's largest aid donor. In 2006, members of the European Union together provided £32 billion of aid, which accounted for more than half of total global development assistance. As the world's largest single market, Europe is the most significant trading partner for developing countries and provides leadership on issues of great importance to them, including climate change, on which Europe lobbied in support of developing countries at the Bali conference and on which it set unilateral targets for greenhouse gases and established the world's first international carbon trading system.

The Lisbon treaty provides the next step in the evolution of the European Union's efforts to reduce poverty. During the cold war, the European Commission, along with other donor countries, too often provided politically motivated aid. However, in the late 1990s and the early years of this decade, important reforms were made to both EC and UK aid. Here, this Government established the Department for International Development in 1997, untied aid in 2001, and introduced the International Development Act in 2002, establishing poverty eradication at the heart of the UK's aid efforts.

Tony Baldry (Banbury) (Con): The Secretary of State is pushing at an open door when it comes to convincing many of us that co-operating with the European Union on this matter is a sensible approach. Will he, however, address the points on which there was serious disagreement between the Government and the EU during the negotiations on the treaty? For example, many of us would see the establishment of DFID as one of the achievements of this Government but, with the treaty, international development will be subsumed under, and answerable to, the external action policy. In other words, foreign policy will come first, and

[Tony Baldry]

international development will come second. References to the most disadvantaged—that is, the pro-poor policy—will be removed by the treaty, and many of us are worried that this will result in a foreign policy that is much more geared towards middle-income countries, in contrast to the pro-poor policy that has been commendably pursued by DFID since the Doha round and the establishment of the millennium development goals.

Mr. Alexander: The hon. Gentleman makes a serious and constructive point. I am grateful to him for acknowledging the success of the Department for International Development in recent years. He is right to recognise that the principles of the Union's external action are set out in article 24 of the Lisbon treaty, which, for the sake of clarity, I will read to the House. It refers to

"democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law."

In the light of that definitive list of principles informing the external action of the Union, I would ask the hon. Gentleman, with the greatest of respect, to suggest which of them would contradict the best development policy as developed by the Department for International Development in recent years. Given the specificity of poverty reduction being identified for the first time, I would suggest that those principles provide a strong foundation for one of the key areas on which I hope there is common ground across the House.

Tony Baldry: I am grateful to the Secretary of State for giving me the opportunity to intervene again. One could have made exactly that point when the Overseas Development Administration was part of the Foreign Office. Those of us who were junior Ministers in the Foreign Office at the time will remember that the Secretary of State for Foreign Affairs controlled the international development budget. Those budget and policy arrangements were very different from the kind of creative tension that now exists in the Cabinet between the Secretary of State for International Development and the Secretary of State for Foreign Affairs. Under the Lisbon treaty, international development will be put under foreign affairs, and my concern—and that of many non-governmental organisations—is that that will skew the way in which international development is seen in the European Union, particularly in regard to supporting middle-income countries in northern Africa and elsewhere.

Mr. Alexander: With respect to the hon. Gentleman, I have to say that I am not convinced by his case. Again, let me read directly from the treaty, this time from article 161. It states:

"Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries."

I would argue that the explicit reference to the eradication of poverty—in the immediate term, the primary objective of the reduction of poverty, and in the longer term, its eradication—itself provides the reassurance that the hon. Gentleman is seeking, in terms of having confidence as to the basis on which aid is going to be spent.

James Duddridge (Rochford and Southend, East) (Con): Will the Secretary of State give way?

Mr. Alexander: I will make a little more progress, then I will happily give way.

As I have said, important reforms of the European Union were made in the late 1990s and the early years of this decade. Brussels, the Kinnock reforms of the European Commission, and Chris Patten's work on reforming the European Council's external assistance have helped to make aid better targeted and more effective than it was in the past. Indeed, the improvements in EC aid have been recognised by the Organisation for Economic Co-operation and Development's development assistance committee and by the House of Lords European Union Committee. In a 2004 report, the latter noted that the European Commission had made significant improvements in aid management and organisational effectiveness, and, as I have said, in 2005 the United Kingdom, as holder of the European Union presidency, was instrumental in designing the European consensus on development. The consensus defined a common European approach to development based on the pursuit of the millennium development goals, and clarified how the Commission works within that common approach.

Some Members may believe that the UK's contribution to aid through the EC would be better spent through our own bilateral channels—indeed, that has already been said today—but I believe that such a retreat from our European aid commitments would act against the best interests of the world's poorest people. By providing a proportion of our aid through the European Commission, we encourage other member states to raise the level of their commitment. The focus on development and Africa during the UK's presidency of the G8 in 2005 unquestionably galvanised European support for the breakthrough commitments by the 15 richest member states to spend 0.7 per cent. of national income on development by 2015. I simply do not believe that that commitment would have been achieved had this not been an issue on which we work together in Europe.

James Duddridge: One of the Department's successes has been in focusing on lower-income countries, on which 81 per cent. of its money is now being spent, while the comparable figure in Europe is 32 per cent. Does the Secretary of State fear that some of the Department's excellent focus will be diluted by the treaty?

Mr. Alexander: I do not recognise the percentage given by the hon. Gentleman. Certainly European support continues to be provided in the European neighbourhood, not least as a result of the changes that have taken place since the accession of the A10, but I understand that in the European development

fund, which has already been mentioned, the figure is closer to 90 per cent. I do not think that any embarrassment should be felt about the fact that the European Union, whether it is working in the Balkans or in north Africa, has a considerable interest in ensuring that there is greater stability and prosperity on the EU borders. That in itself has merit and is important work.

Hugh Bayley (City of York) (Lab): Given that the European Union is such a large donor, disbursing about $10 billion of aid in 2006, does it not make more sense to get the EU aid policies right by staying in there? Does the treaty not help us by focusing on poverty alleviation?

Mr. Alexander: I could not agree more. I think that to act otherwise would genuinely constitute a retreat, not just in terms of Britain's national interests—I see the European Union as a means by which we can effect change on a broader canvas and more globally—but in doing a disservice to the world's poor. They need not just a successful bilateral aid programme from the United Kingdom, but the delivery of effective aid over a number of years from major players in the European Union. That is the intention behind the work in which we engage regularly with other development Ministers.

Ms Sally Keeble (Northampton, North) (Lab): May I take up my right hon. Friend's point about aid effectiveness? He will be aware of today's coverage of the impact of higher food prices on the provision of humanitarian aid, especially food aid. How does he expect not just the UK but the EU, with its big responsibility for agricultural food production, to be able to deliver food aid to the neediest people?

Mr. Alexander: I sense that my hon. Friend is referring to Josette Sheeran, the director of the World Food Programme, who spoke on the radio this morning. I have had an opportunity to speak to her within the last month, when we discussed the issue of globally rising food prices. She said then, and repeated today, that she considers the World Food Programme's stocks to be cause for concern.

I think that we shall have opportunities to work with ECHO, the European Humanitarian Aid Office, but many of us in the development community are turning our minds to the issue. For a number of years there have been relatively low commodity prices, including relatively low food prices, but given that the global population was 2 billion back in 1927 and will be 8 billion by 2027, continuing to provide decent and affordable food will pose a challenge to the international community.

Mr. Graham Brady (Altrincham and Sale, West) (Con) *rose—*

Mr. Alexander: I will give way to my former shadow.

Mr. Brady: The Secretary of State has made a case for the division of aid between expenditure through the European Union and direct expenditure. Can he confirm that the proportion of British aid being spent through the EU is approximately 40 per cent., and, whatever the proportion, is it Government policy for it to be maintained in the future?

Mr. Alexander: I fear that I am not able to offer the hon. Gentleman a precise figure or recollection, but I will ask a ministerial colleague to confirm the figures. However, I do not believe the proportion to be anywhere near as high as 40 per cent. My recollection is that the United Kingdom contributes approximately £1 billion through a combination of European development fund and general European contribution, but for the sake of providing clarity to the House I will ensure that the specific figures are offered later.

On our policy moving forward, there are certain obligatory payments in terms of the European budget, but we have been strong supporters of the European development fund, which of course exists outside the mainstream European budget, because we have been convinced as a result of both its focus on low-income countries and the effective influence we have been able to wield over it, that it provides a useful tool in our armoury for influencing other European countries to deliver aid effectively.

Rob Marris (Wolverhampton, South-West) (Lab): On the subject of delivering aid effectively, does the Secretary of State welcome, as I do, article 210 of the treaty on the functioning of the European Union, which appears on page 135 of the consolidated text of the EU treaties? Paragraph 1 states:

> "In order to promote the complementarity and efficiency of their action, the Union and the Member States shall coordinate their policies on development cooperation and shall consult each other on their aid programmes, including in international organisations and during international conferences. They may undertake joint action. Member States shall contribute if necessary to the implementation of Union aid programmes."

That kind of co-ordination should, one hopes, do away with overlapping aid programmes, which we have sometimes seen in the past. In that sense, it is a great step forward.

Mr. Alexander: I agree with my hon. Friend. I was in Sierra Leone on Saturday, and when travelling through Freetown one sees literally dozens of signs representing different aid programmes that over time have worked in the country. As I said in a speech to a broad cross-section of Government Ministers and civil society, I hope that the next time I visit Sierra Leone I will see fewer signs and more co-ordination. It seems to me a basic aspect of best development practice that there is a great interest in all of us securing effective co-ordination between donors.

Beyond showing the level of Europe's dedication to addressing global poverty, providing aid through the European Commission is beneficial in a number of practical ways. The EC works in developing countries where the UK does not. Because the EU represents 27 member states, we are stronger when we speak with one voice—whether on trade policy or other matters. Also, the EU collectively takes a leading role in many aid areas, including humanitarian assistance.

Today, the European Union plays a major role in tackling poverty.

Mr. Jim McGovern (Dundee, West) (Lab): Does my right hon. Friend agree that EU aid not only benefits people in Africa and Asia, but has played a vital role in places such as Kosovo? Does he not also agree that the

[Mr. Jim McGovern]

NATO intervention in Kosovo has helped that country move towards a fairer, more democratic society, and that it is not an unpardonable folly, as it has been characterised by the right hon. Member for Banff and Buchan (Mr. Salmond)?

Mr. Alexander: I remember vociferously disagreeing with the right hon. Member for Banff and Buchan back in the happy days of May 1999, and I continue to disagree with him not only on the conduct of the Scottish National party's policy, but on the policy that he advocated in relation to Kosovo. When Minister for Europe, I had the opportunity to visit Kosovo on a couple of occasions, and it is clear to me that it makes the case for so-called "soft power" on behalf of the European Union. We have a direct national interest in ensuring a degree of stability and prosperity in the Balkans. I defy any Member of any party to explain how we could have been as effective in influencing the western Balkans without the prospect of stabilisation in the first place, and the eventual prospect of a European future for many of those countries.

Mr. Gary Streeter (South-West Devon) (Con): Will the right hon. Gentleman give way?

Mr. Alexander: I shall make a little progress before giving way.

I do not particularly mind whether the principal magnet for those countries moving towards democratic standards and norms was the prospect of joining the world's largest single market and thereby securing prosperity, or the fact that the EU is now a beacon of modernity, because the engagement of the EU in countries such as Bosnia and Kosovo will be benign in years to come, as it represents an effective deployment of soft power.

Mr. Streeter: I strongly agree with the right hon. Gentleman on that last point, as I hope to make clear later if I am called to speak. However, I wish to address now a point on which we did not agree a few weeks ago. I raised with the right hon. Gentleman the question of the linkage between aid policy and foreign policy and diplomacy. He ripped into me—*[Interruption.]* Yes, he did—and in a very unkind way, I thought. He reverted to discussing the "aid for trade" link that there used to be in this country, although that was not the issue I had raised. Surely he understands that the EU links aid with trade, as well as with foreign policy. He thinks that is the wrong thing for this country to do, so why should we put so much money into an EU aid policy that makes those linkages?

Mr. Alexander: It says something about the hon. Gentleman's standing that in response to his suggestion that I had ripped into him, I said that I hoped I had not done so—although the Under-Secretary of State for International Development, my hon. Friend the Member for Harrow, West (Mr. Thomas), said that he hoped that I had. I hope that the hon. Gentleman will forgive me if any discourtesy was extended to him in my earlier answer. His substantive point is important. He wants to know whether we can be sure that aid policies, be they the UK's or the EU's, have a firm foundation of poverty reduction. The insertion into the treaty of specific language on poverty reduction should give him, and hon. Members on both sides of the House, the assurance that they seek.

David Wright (Telford) (Lab): Surely it is incredibly important to have an EU perspective, so that we can influence the approach of other groups, agencies and partners. I am thinking in particular of other big aid donor countries, such as the United States. Surely a united European position helps us to influence what countries such as the United States do.

Mr. Alexander: The point is well taken, although I would draw the House's attention not to the example of the United States but to that of the new EU member states. When I was Minister for Europe, I had the opportunity to visit a number of the so-called A10 countries. Partly because of their lack of historical engagement in Africa, for example—I say this with the greatest respect to them—they would not have naturally alighted on development assistance as a measure of their commitment to modern global society, but for a collective and individual judgment that supporting international development was part of being a good European. Notwithstanding the cultural differences across the EU's 27 members, that is why we are all collectively strengthened by working together on an issue such as international development. We bring the collective strength not of one country but of 27 countries to tasks such as tackling global poverty, which are big enough for us all and demand the engagement of us all.

Ann McKechin (Glasgow, North) (Lab): Does my right hon. Friend agree that in areas of conflict, and particularly in fragile states, the division between defence, security and development becomes increasingly blurred and the need to interlink those policies becomes more pressing? The European Union has a specific advantage in that role, because it can co-ordinate the approach of 27 different member states, as opposed to states acting separately.

Mr. Alexander: I agree with my hon. Friend. In July, I had the opportunity to visit El Fasher in northern Darfur, where I saw the work being done by, among others, the European Commission. In Bangladesh, the Cyclone Sidr effects were mitigated by support provided by the European Union. Thus in fragile or conflict-affected states the European Union has a role to play. It can often complement the work being done by member states.

Pete Wishart (Perth and North Perthshire) (SNP): Does the Secretary of State agree that one of the most important and decisive things the European Union can do to assist the developing world and create that level playing field is to reform the common agricultural policy? In 2005 Tony Blair said that he wanted not only to reform the CAP but to abolish it. What progress has been made towards that laudable aim, and how does this treaty help?

Mr. Alexander: There will be a fundamental review of the European Union's budget, and I should also mention the so-called CAP health check. On the basis

of my experience as Minister for Europe, when I was party to the previous series of negotiations on the European Union budget, I respectfully suggest that if the hon. Gentleman is serious about having an impact on that budget, the last thing he would wish to do would be to rip Scotland out of the United Kingdom, in which we are one of the decisive and major players in the European Union, and render himself less relevant to the central discussions about the CAP or the EU budget.

As I suggested, European aid is helping to make a difference in the fight against poverty. In India, the Commission has helped to construct more than 77,000 school buildings and reduce the number of children out of school from 25 million to 14 million in just five years. Humanitarian principles will for the first time be enshrined in EU law, ensuring that humanitarian aid is allocated purely on the basis of need, without consideration of the recipient's origins or beliefs. This is aid that really matters, because the EU is the world's leading humanitarian aid donor, helping some 18 million people in more than 60 countries every year. Indeed, last July when I visited northern Darfur I saw the kind of support being provided for people by the European Commission.

Thirdly, the Lisbon treaty will improve coherence across all the EU's external actions—the source of some discussion already—ensuring that development objectives are taken into account in policies likely to affect developing countries. Such reform is as important as the changes to European aid, for although aid assistance will be necessary to tackle poverty in many developing countries, it will not be sufficient. Eliminating global poverty will require, beyond aid, the establishment of a global environment that allows developing countries to lift themselves out of poverty. The European Union can play an important role in creating such a global environment, through helping countries to manage the risks of conflict and climate change and to maximise the opportunities of international trade.

Economic growth is the surest path out of poverty, and trade is crucial to growth, as has been borne out by experience within the European Union.

Mr. William Cash (Stone) (Con): Will the Secretary of State give way?

Mr. Alexander: I have been generous with the House, so I shall make a little progress.

By 2006, the single market had boosted gross domestic product by an average of £360 for every person in the EU. Nearly 60 per cent. of the UK's trade is with other EU member states, and 3 million British jobs are linked to the export of UK goods and services to the EU. As well as being our most important market, the EU is of course the major trading partner for many developing countries and a major player in international trade negotiations.

Jo Swinson (East Dunbartonshire) (LD): I appreciate the right hon. Gentleman's generosity in giving way. Today is the start of Fairtrade fortnight. The right hon. Gentleman rightly says that trade is in many ways more important than aid for developing countries, so what steps are our Government taking to try to remove some of the protectionism within Europe, which prevents many developing countries from making fair trade agreements with the UK and our EU partners?

Mr. Alexander: One of the specific steps we are taking is to increase our support for Fairtrade Labelling Organisations International—an international confederation that works beyond the boundaries of the UK. As the hon. Lady knows, the Fairtrade Foundation supports the growth of fair trade and ethical products in the UK, but the labelling organisation has a wider international mandate. That support is important and reflective of our international approach. I am proud to say that the UK has the most developed fair trade and ethical market anywhere. Our challenge is both to broaden and deepen the range of fair trade products purchased in UK shops and to support international efforts to make sure that fair trade products are available not just in the UK but elsewhere.

As I was saying, the UK has been working to keep the EU's focus on fulfilling the promise of the Doha development round. As a result of the EU's economic partnership agreements, 35 African, Caribbean and Pacific countries have secured duty and quota-free access to EU markets. We now need a clear road map from the European Commission setting out how EPAs can be fully implemented to serve best the interests of the poor.

Mr. Cash: The Secretary of State knows that, in common with several of my colleagues on the Opposition Benches, I take a considerable interest in third-world matters. He has just referred to economic partnership agreements. Does he agree that there are severe criticisms from non-governmental organisations of how EPAs work in practice? There is strong concern about some aspects of climate change policy, as applied by the EU in relation to biodiesel. There is also the problem of corruption and related issues and the failure of the Court of Auditors, not to mention the question of the CAP. Is the right hon. Gentleman not giving us rather a rosy picture of what the EU can achieve?

Mr. Alexander: I think the hon. Gentleman must be making up for lost time, as a number of those points were dealt with before he was in the Chamber. However, I shall endeavour to deal with at least the first point that he set out. I pay due respect and deference to his interest in the concerns of developing countries, particularly in relation to water and sanitation. He has a long-standing commitment to and interest in those matters, and it is right that all of us on the Labour Benches should acknowledge his role and expertise in those areas.

However, I am not convinced by the characterisation that the hon. Gentleman offers of the practice of EPAs, not least because they have been agreed only in recent months and weeks, and they are not yet in force—but I fully accept that there are continuing concerns about some of the policies. Last Friday I was in Ghana, where I spoke with the President of Ghana, who expressed concerns. Ghana has signed an interim agreement, and the President is keen to ensure that the full development potential of the EPA is realised in the weeks and months ahead.

[Mr. Douglas Alexander]

Since we set out our policy in 2005, it is fair to say that, alongside the Germans, Swedes and Norwegians, we have been unyielding in our efforts in the Council of Ministers constantly to advocate that EPAs should recognise that reciprocity under World Trade Organisation rules need not mean symmetry—in the sense that there can be longer opening periods in developing countries.

Secondly, we have advocated effective aid for trade to support those countries' transition to a more open-market environment, and we will continue to argue the case for that at Commonwealth Heads of Government meetings. When I attended such a meeting with the Foreign Secretary and the Prime Minister in November, we met heads of Caribbean nations, who signed a full EPA before the end of last year. They look to the United Kingdom to argue their case in the corridors of the European Union, and I am glad to say that the Under-Secretary of State for International Development, my hon. Friend the Member for Harrow, West (Mr. Thomas), and I sought to fulfil that obligation by making clear the case not just for the disbursement of support for sugar and bananas but, more generally, for the kind of EPA that emerged. It is a matter that we care about and are concerned about, and we have continued to act to advance it on behalf of developing countries.

Mr. Mike Hancock (Portsmouth, South) (LD): Before the Secretary of State tells us that he has been to Bangladesh, I shall say that I was there last week. I pay tribute to Department for International Development staff there, particularly Chris Austin and his crowd, who were working down in the cyclone-hit areas. One thing that struck me was the amount of aid that we are giving to such a country. I should like a firm assurance that our commitment to countries such as Bangladesh will not be diluted by the new agreement with our colleagues in Europe. Such countries desperately need the resources that they are getting from us, and the help from DFID and NGOs. Is the Secretary of State absolutely convinced that those will not be diluted in any way?

Mr. Alexander: The short answer is yes. The longer answer is that although the hon. Gentleman beat me to Bangladesh—at least this year—I had the opportunity to visit in December, when I met Chris Austin and his team. The hon. Gentleman will be aware from his visit that in Dhaka, I was able to announce a significant uplift in the support that we offer to Bangladesh. In many ways, it is on the front line of one of the great challenges that is faced not just by DFID, but across the developed world: simultaneous human development and climate change. That is why we have worked so hard with Chris Austin and the team in Dhaka, who are doing an outstanding job on our behalf to frame policies that recognise not only the need for adaptation, but the pressing humanitarian difficulties that still afflict that country.

When I travelled down to the cyclone-affected areas in Bangladesh, as I know the hon. Gentleman did, I felt huge pride in the work being done not just on behalf of the people of the United Kingdom, but by a range of agencies, such as Save the Children, which was running a centre for many children who had been orphaned as a consequence of the cyclone. It is a huge credit to such organisations that, even in a country as far away as Bangladesh, British agencies working with partners from Bangladesh can make a real difference on the ground.

Rob Marris: While my right hon. Friend the Secretary of State is on his Cook's tour of the subcontinent, will he tell the House whether he thinks the European Union and the United Kingdom have the balance of international aid right, given that there are more poor people in India than in the whole of Africa?

Mr. Alexander: Of course my hon. Friend is right to recognise that there are vast numbers of poor people in India, which partly explains why the Department's largest bilateral programme is with India. He also makes the fair, broader point that given the appropriate focus in the Department on low-income countries, we need to be mindful of the fact that there continue to be large numbers of poor people in middle-income countries. Equally, it is important to recognise that it is reasonable to look to a country such as India, whose aid dependency is diminishing as foreign reserves rise, to have a growing capacity to take responsibility for the poor people within its borders. In that sense, we have an effective development relationship with India, which was a subject of discussion between our Prime Minister and Manmohan Singh, the Indian Prime Minister, at the recent UK-India summit, but we need to continue to watch the situation.

Mr. MacShane: Further to the point made by my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), if there are so many poor people in India, why is India running the biggest single overseas aid programme of any country in the region bar Japan? Surely Indian money should be kept at home, rather than used to meddle and extend India's political reach in other countries in the region.

Mr. Alexander: I get the sense that my right hon. Friend has a particular concern relating to India's foreign policy, and perhaps that of the Government, so I shall leave that matter alone. I observe, though, that countries such as China that have historically been recipients of international aid are increasingly taking their place as responsible global citizens and contributing, for example, to IDA 15, the World Bank's latest replenishment round. We all have an interest in supporting countries such as China in playing a bigger role in multilateral aid organisations such as the World Bank.

As well as helping to change the rules so that developing countries can play a part in international trade, we must help them to build their capacity to do so. The European Union has made a commitment to spend €2 billion on aid for trade by 2010 to help countries compete, and the UK has committed to spend £100 million a year on it by 2010. The European Commission is also forging a global reputation for the quality of its road infrastructure programmes. Roads are vital to increasing trade links within and between countries. In a region of south-west Tanzania criss-crossed by rivers and streams, the Commission has rehabilitated the road network, helping growers to reach marketplaces, farmers to access banks and teachers and students to travel to school.

However, the promise of increased trade cannot be realised in a country riven by conflict. Europe's history shows that there can be little development without security, and developing countries live that reality. On average, a civil war leads to economic costs of more than £25 billion, and the equivalent of 20 years of lost development. Resolving and preventing conflict beyond European borders must be a priority for both UK and European aid. The UK's new stabilisation fund of £600 million over three years is being established jointly by the Department for International Development, the Foreign and Commonwealth Office and the Ministry of Defence in order better to prevent and respond to conflict in developing countries.

The European Union's support for the elections in the Democratic Republic of Congo showed that the EU too can play an important stabilisation role. The tragic violence that followed the election result should not mask that country's achievement in holding its first democratic elections for 40 years. Some 2,000 EU troops supported the UN to maintain a peaceful environment and ensure high voter turnout, EU logistical support transported 1,000 tonnes of ballot papers throughout a country the size of western Europe with almost no infrastructure, and the first European police mission in Africa provided training and support to Kinshasa's police force.

As we have heard, climate change is one of the greatest threats facing development. Dealing with dangerous climate change is a clear priority for my Department, because developing countries, which are least able to cope with the effects of climate change, are most immediately vulnerable to suffering its consequences. We are therefore working across Government towards a global post-Kyoto framework, helping to build a global low-carbon economy and protecting the most vulnerable against the impact of climate change.

Earlier this month, I announced that my Department will spend more than £100 million over the next five years on researching the impact of climate change on the most vulnerable developing countries and helping those countries to put that information to good use. The UK will also play a role within the European Union to mitigate further climate change and help poor countries to adapt to the change that is now inevitable. The EU is recognised as a global leader on climate change. EU negotiators played a key role in securing agreement for a global adaptation fund for developing countries at the Bali conference, Europe's unilateral pledge to reduce greenhouse gases by 20 per cent. by 2020 shows the seriousness of our intentions, and our emissions trading scheme is the first of its kind in the world. We need to ensure next that the emissions trading scheme links with others to become part of a global carbon market, press ahead with negotiations for a post-Kyoto deal, and establish more funding to protect the most vulnerable.

As we debate the terms of the Lisbon treaty, we live in a world where more than 1 million people are killed by malaria every year, 72 million children are denied the chance to go to primary school and 980 million people continue to live on less than 50p a day. Britain can choose either to retreat from that challenge or to rise to it. This Government believe that we must tackle global poverty, which is why our aid budget will rise to over £9 billion by 2010, roughly three times what it was in 1997. We also recognise that we cannot tackle this global problem alone, which is why the Prime Minister, with Ban Ki-moon, has called for the creation this year of a global partnership for development. That partnership must include the European Union, the developing world's largest donor and biggest trading partner. Britain can choose either to retreat from Europe or to engage with it and help Europe to be a world leader in the fight against global poverty.

The Lisbon treaty will improve Europe's efforts to tackle hunger, disease and illiteracy around the world. Those who seek to attack the treaty by attacking its development provisions risk doing great harm to the interests of the world's poorest people. I commend the motion to the House.

4.19 pm

Mr. Andrew Mitchell (Sutton Coldfield) (Con): I beg to move, To leave out from 'House' to end and to insert instead thereof:

"disapproves of the Government's policy towards the Treaty of Lisbon in respect of international development beeause the Treaty does nothing to improve the efficiency of European Union aid, increases the influence of the EU's foreign policy over its humanitarian aid and development assistance, decreases the freedom of member states to react to international crises, diverts resources to a European Voluntary Humanitarian Aid Corps, downgrades the least developed countries, is ambiguous about competence on international development, and overall is a step backwards in the provision of aid to the developing world.".

Today's debate on international development provisions in the treaty is welcome, and I hope that the Secretary of State will join in the consensus—embraced by his predecessor, among others—that we should have more debates on international development in the House. It is a subject of huge interest to our constituents, and it is vital at this time. International development deserves a much higher profile in this place.

I welcome the Liberal spokesman, the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), to his new post. One of the most satisfying aspects of international development policy is that it is not a Labour, Conservative or Liberal subject, but a British policy and a British agenda. Perhaps, like me, the hon. Gentleman will see it as his role to try to keep the Secretary of State and his Ministers up to the mark in successfully pursuing our common objectives, which our generation has a real chance of achieving.

We welcome much of what the Secretary of State said today, particularly his comments towards the end of his speech about climate change. We Conservative Members have argued for some time that the issue for Europe is tackling the three great challenges of our age: global poverty, global warming and global competitiveness. Many of the European Union's policies—on trade, migration, sanctions and foreign policy—have profound impacts on international development.

Europe experiences at first hand the impact of poverty. Every year, thousands of young men and women—often bright, hard-working, motivated people, sometimes the cream of Africa—risk their lives seeking to make the perilous crossing from Senegal and Libya to the Canaries, Malta or Italy in search of a better life. They place themselves in the hands of the modern equivalent of the slave trade. Any attempt to deal with the migration challenge that the EU faces must have an international development aspect.

[Mr. Andrew Mitchell]

The EU is one of the world's biggest donors. It provides 57 per cent. of the world's official development assistance, which amounted to some €45.3 billion in 2005. About a sixth of that—€7.5 billion—was managed by the European Commission. That aid went to approximately 160 countries, territories or organisations. The Commission has about 3,500 aid and development staff. There is no doubt that the EU is a major player in international development; that is why it is so disappointing that the treaty bypasses many issues that are literally vital to billions of poor people around the world.

The treaty misses the opportunity to support open markets and to significantly rejuvenate the EU's aid programme, which, despite recent improvements, is still underperforming. One of the Secretary of State's distinguished predecessors, the right hon. Member for Birmingham, Ladywood (Clare Short), whose contribution is greatly underrated, but not by Conservative Members, branded the European Union's aid

"an outrage and a disgrace".

She said that EU aid is

"skewed quite dreadfully against the poorest countries",

and that

"You can't keep throwing money and people into an inefficient organisation".

There have been improvements since then, but we should face facts: British aid, on the whole, is much better than that spent through the EU. It is better managed, more focused on tackling poverty, and more decentralised.

Many things need to be done urgently to improve the quality of European Union aid. The treaty of Lisbon touches on some of them. We welcome the legally enshrined emphasis on poverty eradication, but the treaty ignores many issues, which I shall mention later. It is on those key issues that the Government need to focus.

Ms Patricia Hewitt (Leicester, West) (Lab): The hon. Gentleman referred to the improvements that have been made to the way in which the European Union disburses and manages its aid budget, but does he not realise that it is absurd for the Opposition to demand that EU aid, and trade policies towards developing countries, be made even more effective while they oppose a treaty that will make it easier for Britain to secure its objectives within the EU, and while they pursue policies that would leave Britain isolated and ineffective within the EU? We cannot have both a weak Britain and an effective Europe.

Mr. Mitchell: I reject entirely the right hon. Lady's supposition. One can have better aid effectiveness from Europe without the treaty. I shall make it absolutely clear how that could be done.

Tony Baldry: Before my hon. Friend does so, does he agree that it is curious that, listening to the Secretary of State, one would think that this was a treaty of perfection? Over the days in which we have debated the Lisbon treaty, the Government have sought to pray in aid the support of a number of non-governmental organisations. Has my hon. Friend seen early-day motions 990, 1011 and 1012, which express the concerns of Oxfam, Save the Children and ActionAid, and use the words, "concern", "caveats", "omission" and "reservations"? The Secretary of State did not make reference to any of that: it was as if NGOs' concerns simply did not exist.

Mr. Mitchell: My hon. Friend is on to something. However, in deference to Ministers I should say that the crimes of which he accuses the Government were committed by the Foreign Secretary, not the International Development Secretary.

Tony Baldry: They are a collective Government.

Mr. Mitchell: They are indeed a collective Government, and I shall come on to the very point that my hon. Friend made.

I was talking about the issues on which the Government must focus in the debate. They not only support a treaty that does the European aid effort too little good and too much harm but, with their usual dishonesty and lack of direction, they support the treaty without the consent of our constituents, whom the Government assured—indeed, promised—a referendum if the situation arose. We may be in no doubt, as previous debates have underlined, that the Government have once again gone back on their word, supporting bureaucracy over democracy, by denying the public a say.

In fact, the Government's approach to the debate on EU aid is typical of their disingenuousness, for the very reasons given by my hon. Friend the Member for Banbury (Tony Baldry). The Government misrepresented the views of some our leading NGOs by claiming that they supported the treaty. They are now pushing for the very reforms of EU aid that they previously opposed in negotiations. On 21 January, the Foreign Secretary said:

"One World Action, Action Aid and Oxfam have announced their support for the measures on development co-operation."—[*Official Report*, 21 January 2008; Vol. 470, c. 1241.]

The Foreign Secretary had clearly not read the excellent briefing note prepared by BOND—British Overseas NGOs for Development—on the treaty. In precise and measured terms, it sets out both the things that the NGO community supports in the treaty and those that it opposes. Such disingenuous manoeuvres by the Government do not reflect well on them. Indeed, a representative of a leading NGO called my office the day after the Foreign Secretary made his misleading claim to clarify the fact that that NGO did not have a position on whether the treaty as a whole should be ratified or whether there should be a referendum. Today, a group of NGOs, including Oxfam and Christian Aid, have written an open letter, as my hon. Friend the Member for Banbury said, distancing themselves from the Government's claims that the NGOs back the treaty.

Mr. Douglas Alexander: In the interests of clarity, and in the light of the observation by the hon. Member for Banbury (Tony Baldry) that we are, indeed, a collective Government, may I draw the attention of the House to the letter that was sent to my colleague, the Minister for Europe, on 18 November 2007, signed by Charlotte Imbert, the general secretary of BOND, which stated:

"The EU Reform Treaty, in our view, has the potential for the EU to deliver a stronger poverty focus, and greater coherence in its development and humanitarian work. We welcome the fact that in the Treaty the eradication of poverty is the primary focus of development co-operation, offering a legal basis and purpose to European development assistance. The Treaty also represents a significant positive shift whereby all EU policies that affect developing countries will need to reflect (and not undermine) development and humanitarian objectives"?

I am not sure whether that clarifies the views of the hon. Member for Sutton Coldfield (Mr. Mitchell).

Mr. Mitchell: It certainly does not. The right hon. Gentleman is quoting selectively from a document. If he looked at the early-day motions, and followed what I said carefully, he would know that the suggestion was that the Foreign Secretary misrepresented the views of BOND and others. That is absolutely clear from the early-day motions.

Hugh Bayley: The hon. Gentleman mentioned parts of a BOND paper with which he agreed. *[Interruption.]* The hon. Gentleman, who speaks for the Conservative party, mentioned the more sceptical parts with which he agreed. Does he agree with the parts of the paper that the Secretary of State has just quoted, or is he picking selectively from that BOND paper?

Mr. Mitchell: The hon. Gentleman has just undermined the Secretary of State's statement, by accepting that the BOND paper was a carefully nuanced examination of the treaty—both good and bad points. The point that I am making is that the Foreign Secretary said clearly—I quoted him directly—that BOND and the NGOs were in favour of the treaty. That is not the case, as is apparent if one reads the whole letter.

Hugh Bayley: Will the hon. Gentleman confirm that he agrees with everything that BOND states, or does he agree only with parts of the paper?

Mr. Mitchell: There is much in the letter that BOND issued, as I said, and much more with which I agree, but I will not give a careful dialectic for every word in the document.

The Foreign Secretary's misrepresentation of the NGOs' position is worrying for two reasons. First—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I get a little uneasy when words such as "misrepresentation" and "mislead" are brought into debate. I know that there is probably the inaudible qualification "inadvertent", "mistaken" and so on, but we are starting to get into difficult territory when those words are used. I urge caution on the hon. Gentleman.

Mr. Mitchell: Thank you for keeping me on the straight and narrow, Mr. Deputy Speaker.

First, the representations of the NGOs' position by the Foreign Secretary show that he has not examined closely the many concerns that they have raised about the treaty with regard to international development. I am sure that Ministers are aware of those concerns, and I hope that they will urgently meet the Foreign Secretary to raise them. Secondly, they show yet again that the Government are willing to indulge in deceitful arguments to promote the treaty. This comes as no surprise—

Mr. Deputy Speaker: Order. It is unacceptable to pursue that when I have given a ruling. There is no direct accusation against a person. That is one thing, but the very fact that such words are used creates a sense of unease. Our debate should be above that level.

Mr. Mitchell: The Government's approach comes as no surprise, given their determination to force through the treaty, which brings about major constitutional changes, without adequate scrutiny and without letting the British people have their say.

Richard Burden (Birmingham, Northfield) (Lab): I am grateful to the hon. Gentleman, my Birmingham colleague. I will not ask him to go as far as my hon. Friend the Member for City of York (Hugh Bayley) did when he asked whether the hon. Gentleman agreed with every word from BOND. However, does he agree with this aspect of what BOND said:

"The implementation of the EU Reform Treaty will be the only real opportunity between now and next Financial Perspectives in 2014 to ensure that there is greater coherence between development cooperation and other EU external action policies and to improve effectiveness and impact of EC development cooperation"?

Does he agree with BOND at least on that point?

Mr. Mitchell: The implementation of the treaty could be an opportunity, but it is not the only opportunity, as I shall explain.

The hon. Gentleman's intervention gives me the opportunity to say that I have been truly shocked by the menacing bullying tactics used by the Government Whips Office to cajole and intimidate their Back Benchers into the pro-Government Lobby. Some particularly appalling reports have been carried in the excellent newspaper, *The Birmingham Post*, which this week celebrates its 150th anniversary as Birmingham's leading newspaper.

Mr. Douglas Alexander: For clarity, will the hon. Gentleman confirm that he was a Whip in the Conservative Government during the passage of the Maastricht Bill?

Mr. Mitchell: I certainly give the Secretary of State that confirmation.

Mr. Cash: May I assure my hon. Friend—this is meant to be helpful—that nothing that he or any of the other Whips said made the slightest difference, unlike in the present case, to anything that we thought, said or did. It was done for the best of reasons, and as the speech that he is developing demonstrates, we did what we did, and others have subsequently found that that was the right thing to do.

Mr. Mitchell: There have been numerous reports of Labour Members returning from their constituencies after a weekend of having their backbone stiffened by constituents understandably trying to persuade them to honour their election manifesto promises, on which they were elected, to hold a referendum, only to have

[Mr. Andrew Mitchell]

those early sparks of integrity and independence snuffed out by the brute force of the Government Whips Office. Indeed, such is the terror induced by the Chief Whip, the right hon. Member for Ashfield (Mr. Hoon), that it is said that younger members of the Labour party fear to walk past the door to his office, in much the same way as Russian citizens during the Stalinist era would avoid walking past the doorway to the KGB prison and torture chamber on Lubyanka street in Moscow.

Mr. Alexander: Does the hon. Gentleman think it reasonable or appropriate to consider KGB torture chambers with the conduct of Members of this House? I respectfully ask him to consider his remarks carefully; hopefully, he will have the wisdom to withdraw them.

Mr. Mitchell: I will certainly not withdraw them.

It is therefore particularly embarrassing for the Government that many of the substantial points of the Lisbon treaty which we are discussing today were opposed by the British Government while they were being negotiated.

I turn to five of those points. The first involves the new articles that set up qualified majority voting on urgent macro-financial and humanitarian aid. Although that ostensibly seems a benign change and is cited by the Government as an uncontroversial example of a move to QMV, it could raise important questions. To take a real example from the recent past, it might have been used to decide whether the European Union should continue to fund the Palestinian Authority after the 2006 elections, which returned Hamas to power. The UK and some other member states disagreed about that; the UK was keen to fund only non-governmental organisations, not the Hamas-led Palestinian Authority. Far from being uncontroversial, the point was rightly opposed by the Government in negotiations. The right hon. Member for Neath (Mr. Hain) argued that

"Macro-financial assistance has been agreed urgently when required",

and that moving to QMV was therefore unnecessary. The Government are now fighting for a treaty that they themselves believe to contain elements that are damaging to the interests of some of the poorest people in the world. I hope that they will support the amendments that we have tabled to address the issue.

The second point is the treaty's provision for the creation of a European voluntary humanitarian aid corps. That is a deeply questionable idea. The Secretary of State will know that, in general, my party is enthusiastic about the role that volunteers from developed and developing countries can play in international development; they help make a valuable contribution in poor countries, and—equally importantly—learn about the issues and become advocates for change.

Many Members will be aware of the work done by Voluntary Service Overseas, an outstanding British charity with which my party worked closely last year in Rwanda. Volunteering can be a positive experience. However, when it comes to urgent humanitarian assistance, we must recognise that there is a limit to what volunteers, however enthusiastic and well intentioned, can do. The Government agree with me; in negotiations on the constitution on that point, the right hon. Member for Neath said:

"The idea of establishing a European Voluntary Humanitarian Aid Corps should have no place within the EU's humanitarian action".

His wise judgment has been backed up by NGOs and BOND, which say:

"We oppose the creation of a European Voluntary Humanitarian Aid Corps".

They go on to argue:

"Humanitarian response is for experienced, trained professionals, not for volunteers, especially in dangerous crises."

They warn that a voluntary aid corps might not be guided by the highly important principles and commitments of professional aid workers.

A few years ago, that sentiment was echoed by Poul Nielson, then European Commissioner for Development and Humanitarian Aid. On 7 November 2003, he said:

"Humanitarian aid should be the 'business' of experienced, trained professionals such as NGOs and international organisations. It should not be delegated to a voluntary humanitarian aid corps, no matter how enthusiastic."

He added that

"humanitarian aid is carried out in emergency contexts, wars, natural disasters, huge displacements of people, and in these contexts, know-how, experience and fool-proof reactions are essential as dangerous and traumatising situations are too often the rule."

The Secretary of State will note that we have tabled an amendment on that point. I hope that he will feel able to support it; we are merely reflecting the views of the Government during the negotiations.

Ms Keeble: As a former journalist on *The Birmingham Post*, may I say that even that august newspaper is prone to journalistic embroidery, like all other newspapers? I speak from experience.

The hon. Gentleman should not underestimate the importance of international volunteering; it was indeed what was behind his party's important initiative in going to Rwanda, and I know that that was transformative for many of his colleagues. That was an example of the role that international volunteering can play. The hon. Gentleman should not criticise the type of provision that he has mentioned.

Mr. Mitchell: I am grateful to the hon. Lady for her intervention. I understand her point, but I hope that I was making it absolutely clear that the business of humanitarian aid predominantly involves a greater degree of professionalism than can, inevitably, be provided by such a corps.

The third area that I want to discuss is poverty eradication. Conservative Members welcome the fact that the treaty will hard-wire the eradication of poverty as an objective of the European Union; that is surely good news. We applaud the EU's support for the UK's drive to scale up aid among member states, as did the Secretary of State when he cited the example of Gleneagles. However, judging by the disappointing record of many EU countries on delivering on their promises, there is still a long way to go. An influential

report last year by the think-tank, Data, rightly named and shamed certain member states for not living up to their promises. It found that France, Germany, Italy and a number of other European Union countries are failing to live up to the solemn pledges on increased aid that they made at Gleneagles in 2005. That is, after all, why the then Prime Minister arranged for those pledges to be signed in front of the cameras of the world's media.

Mr. Cash: I strongly endorse what my hon. Friend is saying. Many of us present are extremely keen to ensure that poverty is eradicated and have individually and collectively done as much as possible to try to make that case. However, the legal frameworks that are created for the common commercial policy, for example, and its connection to the External Action Service and all the rest that goes with it, create a dynamic that can positively prevent the very objectives that the Government have set themselves in relation to the millennium goals, because the European Union probably will not be able to achieve them.

Mr. Mitchell: My hon. Friend makes a good point, which I hope he will develop if he catches your eye, Mr. Deputy Speaker.

From 2004 to 2006, Germany increased its overseas development assistance by a mere 2 per cent. In order to live up to its promises it needs, by contrast, to increase its aid by $869 million per year each year from 2007 to 2010. Italy, whose overseas development assistance fell by 30 per cent. from 2004 to 2006, now needs to give an additional $1.2 billion each year until 2010 if it is to maintain its side of the deal. France needs an additional $1.5 billion for the same period. Those countries, and others, are showing little or no sign of fulfilling the promises that they made to the developing world.

David Wright: Could the hon. Gentleman tell us how, by withdrawing from the treaty, he would secure an increase in those budgets from those member states? What alternative proposal does he have to ensure that they increase their budgets, and when will he deliver it?

Mr. Mitchell: Those countries do not need a treaty in order to fulfil what they promised to poor countries in front of the world's media.

We are concerned that the Lisbon treaty removes the reference to "the most disadvantaged" developing countries as a focus of the EU development co-operation policy. It is right that the EU should, to some extent, play to its comparative advantage of assistance to near-Europe countries. They are, after all, the most proximate markets for the European Union, and we have a strong interest in their growth and development. However, we must ensure that the focus is on reducing poverty. The Under-Secretary, the hon. Member for Harrow, West (Mr. Thomas), will know that I am a keen student of his speeches. One of my personal favourites is his speech entitled "Multilateral aid and the European Union's contribution to meeting the Millennium Development Goals", which he will remember he delivered on 24 February 2005, and in which he said:

> "EC aid is still not sufficiently focused on meeting the millennium development goals...Europe spends nearly $100 in aid for every poor person living in the Mediterranean—and less than $1 for every poor person in Asia, which is, alongside Africa, the key 'battleground' for the achievement of the millennium development goals. Why is a child in Egypt worth 100 times more than a child in Bangladesh?"

That is a well-made point with which Conservative Members have much sympathy. The OECD is in agreement, saying that

> "the Commission should look for opportunities to increase assistance to low income countries."

I hope that the Minister will continue to fight to ensure that the European Union focuses its aid on the people who really need it. I know from his words that he will want to support our amendment, as it seeks to retain the reference to "the most disadvantaged" as a target for European aid.

A fourth key concern about the treaty is that development may be relegated to second-tier status within the EU's external action framework—a point made by my hon. Friend the Member for Banbury. I know that that is a concern echoed by many officials in DFID. DFID's multilateral development effectiveness summary of 2007 noted:

> "Community aid...sits in the middle of the Union's wider external policy aims, with sometimes competing agendas".

Furthermore, the respected OECD development assistance committee has found a risk that the ambitious multiple objectives of the consensus, including expanded political ones, could diffuse a focus on development and undermine longer-term strategic priorities. Members will note that we have tabled amendments on that point. It is surely inconceivable that Ministers will not support them, especially when the Government were, not so long ago, so very keen to ensure that the specific identity of development objectives was not undermined in the EU's external action. We want to ensure that development retains a strong profile within the EU's external action programme.

We are strongly supportive of an independent DFID. Why, then, do the Government support a treaty that seeks to move Europe the other way, subsuming development within the common external action programme? There is also an important point about leadership. Many observers are concerned that a reduction in the number of Commissioners could mean that there would be no Commissioner for development. BOND has made it clear that having a separate Commissioner for development is highly important, particularly in closing the gap between EU development policy and its implementation. BOND has said:

> "We must ensure that there is a strong and independent voice for development."

However, the principle of independence is missing from the treaty's section on humanitarian aid.

Fifthly, the Minister will note that we have tabled an amendment addressing the question of shared competency over matters of international development. We seek clarification from the Secretary of State on what that will mean. We hope that he will be able to reassure us that there is no danger of the EU's overruling Britain's decisions on aid policy.

[Mr. Andrew Mitchell]

More generally, the treaty fails to address the many things that must be done to reform and improve the delivery of European Union aid. Such aid has been criticised for involving heavy bureaucracy and slow disbursal. In its oral evidence to the July 2006 House of Lords report on EU-Africa relations, BOND castigated the EU's record of

"slow disbursement of funds, bureaucratic procedures and lack of capacity",

which all

"continue to hinder the effectiveness of European Community aid".

A report by DFID suggested that delays were due to

"the inner workings of a byzantine bureaucracy with a procedure-driven ethos."

Ironically, a study by the Commission found that 40 per cent. of delays to aid projects were the result of the administrative processes of the European Union, while only 25 per cent. were due to administrative problems in the developing countries receiving aid. A survey of aid recipient countries by Oxfam suggests that a fifth of EU aid arrives more than a year late, compared with just 3 per cent. of that from other aid donors.

The highly respected think-tank Open Europe has highlighted that one particularly wasteful administrative activity is the EU's funding of other multilateral institutions, particularly the World Bank's International Development Association. Over the past four years, the EU has passed on $2.1 billion of its budget to other multilateral organisations. That means a wasteful chain of transfers: national agencies administer a transfer to the EU, which then administers a transfer to another multilateral organisation, which then eventually administers aid to the recipient country, with administrative costs and delay at each stage. There are also serious concerns about fraud and waste in the European aid programme. Open Europe explains that just over 7 per cent. of the EU budget is spent on overseas aid, while aid programmes account for 21 per cent. of fraud investigations by OLAF, the European anti-fraud office. Fraud in this area is far higher than the Brussels average.

Despite attempts at reform, serious cases of fraud and waste are still coming to light. For example, in 2006, a report by the EU's Court of Auditors found that aid for Russia had been misspent. It noted that one project had involved inventing a region on paper to meet the criteria for receiving EU funds, and fitness equipment that was supposed to help children ended up being used by Russian soldiers. I have read with great interest the multilateral development effectiveness summaries that have been posted recently on the DFID website. There is a lack of clarity about exactly how DFID assesses which multilateral agencies do the best job of tackling poverty. What we really need is much stronger impact evaluation of global aid so that we can make informed decisions about which channels will spend our aid most effectively.

The treaty calls for coherence in EU policies that affect poor countries. At the moment, there is manifestly a lack of coherence. There is a clear need to take action on that. In particular, the treaty fails to underline the importance of development assistance in tackling physical and psychological barriers to trade in poor countries. That is one of the most important aspects of all development. If our aid money is not to be wasted, poor countries must ultimately be able to trade their way out of poverty. Aid is a means to an end and not an end in itself.

Rob Marris: Does the hon. Gentleman welcome, like me, article 209 on page 135 of the consolidated text, which states:

"The Union may conclude with third countries and competent international organisations any agreement helping to achieve the objectives referred to in Article 21",

and so on? Paragraph (e) of article 21 refers to encouraging

"the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade".

Taken as a whole, the provisions do link aid and trade and the development of countries. I welcome that; does the hon. Gentleman?

Mr. Mitchell: I hesitate to give the hon. Gentleman a straight answer, because he is a distinguished lawyer, but on the face of it there is much that we support in there. My right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) has tabled an amendment that might probe that very matter.

The treaty strengthens the EU power over trade policy, which, incidentally, the Government were concerned about during negotiations. Unfortunately, that means that protectionist lobbies in Brussels could well hinder prospects for developing countries' economies. As DFID says:

"The impact of EU on developing countries is a result of all its external policies. Not all of them are coherent with a poverty reduction agenda, most notable the CAP."

The treaty postulates no significant reform of the common agricultural policy. The Government failed to get real reform when this country held the presidency in 2005.

The treaty makes no mention of much needed reforms to the EU's "Everything but Arms" scheme. We certainly welcome preferential trade schemes that help the poorest countries, but "Everything but Arms" can and must do better. As the respected development economist Paul Collier writes on "Everything but Arms":

"The devil is in the details and the details are wrong, probably deliberately".

Over-complex, unclear and restrictive rules of origin are particularly stifling the scheme's effectiveness. A similar scheme, the US's African Growth and Opportunity Act 2000, which has included special waivers on complex rules of origin, has performed much better. AGOA has been able to effect a 50 per cent. increase in African apparel exports, whereas the "Everything but Arms" scheme has had little such success.

As we have heard, today marks the beginning of Fairtrade fortnight. We on the Conservative Benches strongly support allowing producers in poor countries the chance to set themselves free from the shackles of poverty by ensuring that they are paid a decent wage for their labours. We must also see Fairtrade fortnight

as an opportunity to highlight the injustices of EU trade policy. All over the UK, as well as in many other countries, non-governmental organisations, local authorities, trading associations, producers and vast numbers of the public will voice their support for ethical economics.

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): Will the hon. Gentleman at least acknowledge the work that we and a number of member states have been doing in the course of the negotiations to push for significant reform of the rules of origin, precisely because of the point that he makes? Indeed, one of the reasons why Lesotho welcomed the economic partnership agreement discussions is that it will benefit significantly from liberalised rules of origin.

Mr. Mitchell: I acknowledge that many have argued passionately for the reform of the rules of origin. My point is that nothing in the treaty gives us any courage or hope that that might take place.

Disappointingly, the EU's trade policies remain manifestly unfair. The "Everything but Arms" scheme is woefully far from fulfilling its potential and many have argued that it is even having negative effects. The EU's direct export subsidies entrench impoverishment in developing countries and drain European taxpayers' pockets. I hope that the Secretary of State will join me during Fairtrade fortnight in calling for the EU to listen to its citizens and make earnest reform of its trade policy.

Mr. Thomas: Reform of rules of origin does not require the EC treaty; it simply requires agreement with the Commission and across member states. The reformed rules of origin available to Lesotho have been in place since 1 January.

Mr. Mitchell: The Under-Secretary underlines the point that we do not need a treaty to make progress. That is at the heart of the arguments that Conservative Members have presented for some days. However, if we are to have a treaty, it might at least deal with the important aspect that I mentioned.

Our central concerns remain that the European Union should first get right what it is supposed to be doing before trying to accrue yet more powers from national Governments. The European Union could do much better. It could tackle the key issue for development: dismantling European Union protectionism. Instead, the treaty gives the European Union more power over trade, which may make further necessary reform of the common agricultural policy even harder.

For the Government's failure to honour their promise of a referendum, and for the reasons in our amendment, which clearly lists all those matters in which the Government failed to achieve their negotiating objectives, I urge the House to support our amendment and send a clear message about European Union complacency on a vital aspect of our national interest.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I remind hon. Members that Mr. Speaker has placed a 12-minute limit on Back Benchers' speeches, which operates from now.

4.56 pm

Hugh Bayley (City of York) (Lab): One of the Labour Government's great achievements has been to make poverty alleviation the primary goal of our international development policy. We have won widespread public support for that policy and now even the Conservative party endorses it. It was not always so.

In the dogdays of the Conservative Government, I introduced an overseas development and co-operation amendment Bill, which sought to make poverty alleviation the primary purpose of British aid. Perhaps unsurprisingly, under the Conservative Government, it never reached the statute book. It is worth remembering the state of British development policy at that time.

During the 1992-97 Parliament, aid contributions fell as a proportion of Britain's gross domestic product. Given that all parties now support focusing on poverty as the primary purpose of aid, it is significant that, during that time, the percentage of British aid to poor countries fell from 80 to 69 per cent. Aid to India fell by 23 per cent., whereas aid to Indonesia, which at that time had a per capita gross domestic product three times that of India, increased by 79 per cent. Singapore and Hong Kong then had a per capita gross domestic product higher than that of the United Kingdom; nevertheless they received more aid per person than Vietnam, one of the poorest countries in Asia.

I congratulate the Conservative party on catching up. Conservative Members, who now say that they support relieving poverty as a primary goal for British aid, tonight have the opportunity to show that they mean it. By supporting the Lisbon treaty, they will require the European Union to adopt a similar policy to the British Government's.

The treaty states:

"The Union's development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty."

If Conservative Members genuinely believe what they have been telling the House for the past year or two—that it is important for Britain and the European Union to make poverty alleviation the primary purpose of aid—they should support the treaty. We will watch tonight to see whether they do that.

Mr. Andrew Mitchell: There is a fundamental flaw at the heart of the hon. Gentleman's argument. We embrace his points about poverty alleviation and the fight against poverty, but we do not need a treaty for that.

Hugh Bayley: The hon. Gentleman says that no treaty is needed to fight poverty, but there was no treaty requirement to do that when his party was in power and it did not happen. There was no treaty requirement to do it over the past 10 years, when it has been British policy, and there has been only a slight movement in that direction—the proportion of EU aid going to least developed countries has increased in recent years from

[Hugh Bayley]

about 40 to 46 per cent. Not having a treaty does not lead to the implementation of a poverty reduction policy, but now we have the opportunity to provide, within the European Union, a treaty requirement for a poverty focus to aid. That can surely do nothing but help.

Tony Baldry: The hon. Gentleman and I are of one mind on this issue, but what I do not understand about that argument is why the treaty removes the phrase "the most disadvantaged". My concern about EU aid increasing is that money is being given to middle income states, such as Morocco and Tunisia, for perfectly understandable reasons—Spain, Italy and others want to use it to prevent migration—and that less money is going to very poor countries. Perhaps the hon. Gentleman could give some thought to why that is. Also, the Government opposed the removal of the phrase "the most disadvantaged" in negotiations, but the Secretary of State made practically no reference to that, and I do not understand why not.

Hugh Bayley: The current situation is as the hon. Gentleman outlined. Some of the biggest recipients of aid from Europe include the Maghreb countries, Egypt, Sudan and Morocco. It is because of the large amounts of aid that those countries receive that relatively less, as a proportion of European aid as a whole, goes to the poorest countries. The status quo permits a greater proportion of European Community development assistance to go to countries that are not the least developed. With the change in the treaty, we now have a lever to use in the European Union to ensure that that policy changes and that a greater proportion of aid goes to the least developed countries, which need it most.

Mr. Cash: The hon. Gentleman and I have worked together on a number of matters relating to the eradication of poverty in the third world. Does he not agree that provisions for the eradication of corruption would be worthy of inclusion in any arrangement? It is precisely because of the defensive nature of the European Union about questions of that kind that there is no such provision. Such a provision would really help to eradicate poverty, and I say that without prejudice to the fact that I do not believe that the treaty route is the right way to achieve the objectives that he and I share.

Hugh Bayley: I share with the hon. Gentleman a firm belief that reducing corruption in developing countries would greatly help them to develop economically. He and I have both introduced measures in the House to change the law to help achieve that aim. Nothing whatever in the treaty would undermine that kind of legislation on a national or Europe-wide basis, but the treaty does contain something that might help it happen, which is the provision requiring greater policy coherence. The treaty stipulates:

"The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries."

That is a signal to the Union that it ought to have coherent policy across the piece. I would like that to include Europe-wide action to criminalise transnational bribery and to ensure that cases of it are brought before the courts.

This is not just an academic debate about whether we like the European Union or not. EU aid is immensely important in the fight against global poverty. In 2006, the European Union's own aid budget was about US$10 billion—roughly one tenth of all global aid. A quarter of all the UK's aid—about £1.2 billion of the total for 2006 of £4.2 billion—is channelled through the European Union. I fundamentally disagree with the Conservative party's proposal that our EU aid should be repatriated to the United Kingdom. If we did that, it would send a signal to many other countries with far less a commitment to aid that they could withdraw their contributions to the European Union, with the result that less aid could end up going to developing countries. There is a measure of agreement in the House that EU aid needs further reform, but we would be less likely to achieve that reform if we were to take our bat and ball home and repatriate our resources.

The International Development Committee, under the chairmanship of the hon. Member for Banbury (Tony Baldry) in the last Parliament and since, has long taken the view that European Union aid should be guided by the same poverty alleviation principles as are required for UK aid under British law. In 2001-02, the Committee produced a report on European Union development assistance, in which it called for such a commitment to poverty alleviation. In 2006-07, the Committee produced a further report, which acknowledged that some progress had been made. However, it also stated:

"We strongly welcome DFID's advocacy of an increased focus by the Commission on poverty reduction in low-income countries. The European Council, however, now needs to make good on the commitments it made in the 2005 Consensus on Development to prioritise aid to the poorest countries, and to Africa in particular. We recommend that the Government look at all options available, including withholding funds, to encourage the European Union member states to agree parameters for Commission development activity that allow a dramatic increase in aid going to those who need it."

That policy is infinitely more likely to become a reality if we have a treaty requiring the European Union to make poverty alleviation one of the primary focuses of its aid policy. We shall see, when Members vote tonight, whether the Conservatives attach greater priority to poverty alleviation as treaty-required aid policy than to their own policy of scepticism and isolation, which would reduce the ability of the United Kingdom to steer European Union aid policy in the direction of poverty alleviation.

In its examination of development policy in the European Union, the International Development Committee also focuses on other policies, including trade, the common agricultural policy and—I see that the hon. Member for Stone (Mr. Cash) is leaving the Chamber—the policy on combating international bribery. The European Union is a big player, internationally, and it is extremely important to achieve policy coherence. I quoted earlier the treaty provision which requires that. I see that the hon. Gentleman left the Chamber only for an instant, and that he is now back in his place.

Some Conservative Members have expressed concern about areas in which there is no EU policy coherence; the hon. Member for Sutton Coldfield (Mr. Mitchell) did so earlier. Most notably, he mentioned the common agricultural policy, but I am sure that he would agree

that that applies to other areas as well. Is he really willing to give up a treaty requirement on the EU to improve policy coherence to defend the interests of developing countries? If he votes for his amendment tonight, he will give up the opportunity to achieve the sort of policy coherence for which he has just argued from the Dispatch Box. That would be weird, wonderful and bizarre, so I hope that he and other Conservative Members will reflect before they vote tonight. If they are genuine in what they say about supporting our Labour Government's priority on poverty alleviation and the priority that we have given to international development, voting for their amendment tonight would show that their commitment to those objectives is lukewarm and that their commitment to isolationism in Europe is what really fires them up. That is the conclusion that I draw and I believe many people in this country would draw it, too.

5.10 pm

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): It is a real pleasure and privilege to follow the hon. Member for City of York (Hugh Bayley). As he has reminded the House and demonstrated, he has a long and proud track record on this particular policy area and has rightly put the key principles of the treaty at the heart of this afternoon's debate.

I also thank the shadow Secretary of State for his generous welcome to me. I was particularly pleased with his suggestion of consensus and I am certainly happy to do my bit to continue it across the House. I have to say, however, that a large chunk of his speech reminded me of many other debates on European affairs over the years where, as with other aspects of our debate over this particular treaty, there is very little consensus. It was nice to hear the familiar tones of what the hon. Gentleman had to say, but I regret that, for reasons that I shall advance as my speech progresses, we will not be able to support his amendment this evening. In particular, we cannot accept the assertion that the treaty is a step backwards in the provision of aid to the developing world. I know, however, that there will be many other areas of agreement and I look forward to further debates.

In the context of globalisation, Europe faces many difficult, shared challenges, which I believe are fundamentally best responded to on a co-ordinated basis. In the face of the growing pace and sustained nature of those challenges, the Lisbon treaty has to reform Europe's institutions to make them more open, more efficient and effective. We have already debated key areas of consideration in the Bill where that is necessary, but that reform is also crucial to international development.

Providing development assistance to the millions of people less fortunate than we are is first and foremost a moral and ethical imperative. It is nearly eight years since the UN adopted the millennium development goals, and those ambitious targets have framed the international community's work on development since then. But more than halfway towards our 2015 target, the most recent UN assessment shows that we are a long way from meeting our goals.

Regardless of Europe's current institutional arrangements, we believe that there are important roles that Europe must play in the delivery of those goals.

Mr. John Redwood (Wokingham) (Con): Does the hon. Gentleman agree that democratic consent is needed for that to be effective? If I were to promise to vote for the referendum he wants on being in or out of Europe, would he promise to vote for the referendum I want on the constitution, which would honour his manifesto pledge?

Mr. Moore: The right hon. Gentleman is assiduous in attending these events and I am delighted that he joined us today just before I rose to speak. May I commend to the right hon. Gentleman the article in *The Guardian* newspaper by my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), my party's leader, which neatly sets out the reasons why we cannot, I am afraid, go along with the right hon. Gentleman's request?

Despite some movement on poverty—particularly in the Asia-Pacific region, fuelled by the growth of India and China—sub-Saharan Africa remains very far off its key poverty reduction target. The level of extreme poverty in the region has moved from 46 per cent. to about 40 per cent., but it is estimated that given current economic trends, by 2015 360 million people in sub-Saharan Africa will still be living on less than a dollar a day. The moral imperative to improve the way in which we assist the developing world is therefore clear. But development is also fundamentally in our own interests, not least to provide stability in the world and security on these shores, to tackle migration, and to improve trade.

Mr. Cash: The hon. Gentleman makes much of the moral and ethical dimension, on which I agree with him entirely in principle. Does he not agree, however—I made this point to the hon. Member for City of York (Hugh Bayley), and I should like to know what the Liberal Democrats think—that poverty cannot be eradicated without proper and efficient mechanisms to deal with corruption in the developing world? It is not possible to remove poverty without removing corruption.

Mr. Moore: For once, I am at a loss to find a reason to disagree with the hon. Gentleman. I think he is absolutely right. His right hon. Friend the Member for Wokingham (Mr. Redwood) mentioned corruption in the common agricultural policy. We must root out corruption: there should be no place for it in Europe, or in any other area where we are doing business or providing support.

Regardless of the current institutional arrangements in Europe, the Liberal Democrats believe in the principles of co-operation and multilateralism in international affairs, including international development. Beyond those principles, there are many practical aspects to recognise. As our development partners make clear, they also demand that donors place greater emphasis on cohesion, efficiency and effectiveness. That provides both an opportunity and a series of challenges for the European Union.

[Mr. Moore]

As the world's largest economy, comprising some of the world's richest nations, the EU has a number of obligations: not only to help the development of the extremely poor countries in Africa, Asia and elsewhere, many of which were once part of Europe's empires, but to establish international structures to tackle the causes of poverty, be they conflict, climate catastrophe or, as the hon. Member for Stone (Mr. Cash) suggested, corruption. To a large extent European countries, acting alone or together through the European Union, have accepted those obligations.

EU members collectively are now the world's largest international donors, accounting for more than half the world's total official development assistance. As is shown by figures from the Organisation for Economic Co-operation and Development, the Community's development assistance is larger than that of the World Bank, and several times larger than that of the United Nations Development Programme. The EU has played a leading role in the stepping up of the international community's contribution on development. The agreement reached at the General Affairs and External Relations Council in May 2005, when the EU pledged to reach the international target of a contribution of 0.7 per cent. of gross national income to development by 2015, was a milestone. It provided a real impetus ahead of the G8 summit at Gleneagles later in the year, which made impressive commitments to increase aid to Africa by $25 billion per year by 2010, to increase aid to all developing countries by $50 billion per year by 2010, and to cancel 100 per cent. of debts for eligible countries.

The EU's member states and institutions are central to the delivery of a large part of that agenda. The EU's unique position in bringing together 27 nations offers a unique chance to introduce co-ordination and coherence to development policy across Europe, although the process is not without difficulties. Strenuous efforts have been made in recent years, resulting in the adoption of the European consensus on development in 2005 and that of the European consensus on humanitarian aid, which set out the principles, aims and criteria on the basis of which the EU and all its member states will pursue international development.

The fact that priority has been given to tackling poverty in the least developed countries represents a breakthrough, and that has now been incorporated in the Lisbon treaty. In its 2007 review, the OECD highlighted the positive reforms of recent years. It has reported:

"The adoption of the European Consensus has been a major strategic success".

It has also argued that

"the community should continue to be a driving force for encouraging progress towards the agreed targets",

but the EU's current development structure is often complicated and confusing, and it is not short of critics. Indeed, the European institutions have a well-established reputation for bureaucratic complexity.

The OECD has highlighted the eternal tussle between control and oversight on the one hand and proper authority and appropriate decentralisation on the other. Its most recent report again expresses concern about attempts at micro-management and has recommended that

"the community should give more say to the delegations in prioritising and applying the thematic programmes in country."

There are clearly important challenges here.

Unlike the common foreign and security policy, the Lisbon treaty does not make substantial changes to the Union's development structures, but it does make a key change in refocusing the Union's development policy on the primary objective of the reduction and eradication of poverty. We join the Government and development non-governmental organisations in welcoming that change.

Mr. Streeter: I am listening carefully to the hon. Gentleman. He is experienced in foreign affairs, and he has seen, as have I, a number of examples of poor delivery of EU aid around the world over the years. Therefore, although the treaty's reforms might be laudable in terms of giving it a poverty alleviation focus, does he have any confidence at all that the institutions of delivery within the EU are actually capable of delivering more effective aid in the future than they have been in the past?

Mr. Moore: We are in a period of transition. I have not ducked away from the need for Europe to get its act together on development aid, as on so much else: it needs to reform, and it must not regard the treaty as the end of that process. There is always room for improvement in delivery, efficiency and effectiveness. The Liberal Democrats believe that the treaty will provide the European institutions with more tools to do that job, but we should not be slouches in terms of keeping our eye on what happens. Although the hon. Gentleman and I differ on the analysis, he is right to keep focused on delivery.

The network of NGOs that operate through BOND—British Overseas NGOs for Development—have asked about how development policy will be implemented in terms of the new common foreign and security policy arrangements. While we believe that development policy can be complementary to the Union's foreign policy objectives, foreign policies and development policies have different roles in international affairs, so it is important that the developing world's viewpoints are central to the development of the Union's external agenda. Having a focus on development in the reshaped Commission will be critical, and having a dedicated administrative structure for development will be essential.

Tony Baldry: Is the hon. Gentleman not concerned that under this treaty EU aid development policy will become subsumed into the Union's external action plan—in other words, that international development policy will become secondary to foreign policy?

Mr. Moore: I do not share the hon. Gentleman's concerns, but may I pay tribute to him on the expertise that he has shown in this subject over many years? It is clear that poverty alleviation is now central to the treaty, but we will need to keep an eye on how the institutional arrangements are developed. I am sure that a part of that will be to ensure that there is

adequate and proper focus on international development in the high representative's new arrangements. It might be more straightforward to convince me on that than the hon. Gentleman; I believe that that is a perfectly appropriate way for things to develop.

Beyond the treaty and the institutional arrangements, we must ensure that the EU pursues the right development policies. A number of people have raised the issue of the economic partnership agreements, and the case can be made that the EU has not excelled itself in their negotiation. Now that the interim trade agreements have been initialled, the EU must honestly negotiate the comprehensive deals and honour the promises made to revisit provisions of the interim agreements.

As the hon. Member for Sutton Coldfield (Mr. Mitchell) and my hon. Friend the Member for East Dunbartonshire (Jo Swinson) remarked, as we start Fairtrade fortnight it is right that we celebrate the huge progress made on this issue over many years, particularly in the past few. Significant announcements have been made by Tate and Lyle about the future of its UK sugar sales and significant increases have been made in the amount of fair trade produce available in British supermarkets and elsewhere.

On trade policy more broadly, seven years on, the Doha development round remains stubbornly unresolved. At this year's Davos summit, the World Trade Organisation's director general, Pascal Lamy, shared his optimism that an agreement can be reached this year, but we have heard such statements before. The Doha round seems to be in danger of becoming part of some interminable groundhog day. If it is to be anything but that, the EU must be willing to drive forward an agreement that is genuinely in the interests of the developing world, based on a radical reduction of subsidies and tariffs, and on improvements on market access.

In addition, we must keep the pressure on to ensure that environmental sustainability is a key millennium development goal. The agreement reached at Bali has the potential to address many of the developing world's particular concerns about climate change, and we must all move quickly on technology transfer and adaptation. The EU must also ensure that Bali is only the beginning of a more comprehensive process. As the main player in establishing the Kyoto protocol, the EU must remain at the forefront of securing a successor agreement. It must learn from the experience of Kyoto and use all the tools at its disposal to ensure that the US and others come on board.

The test of our development policies will be judged in places as diverse as Kosovo, Gaza, Darfur and Sierra Leone. Under a new framework, the EU must ensure the following: a sharp focus on humanitarian assistance; proper policy coherence for development; a continued emphasis on the effective distribution of higher volumes of aid; and better aid implementation and management. Under the Lisbon treaty, it can, and must, make real progress in all those areas.

5.28 pm

Judy Mallaber (Amber Valley) (Lab): I think I am the only Member of Parliament whose constituency borders those of two Chief Whips—my right hon. Friend the Member for Ashfield (Mr. Hoon) and the right hon. Member for West Derbyshire (Mr. McLoughlin)—so I take some exception to the way in which the character of my neighbours has been traduced. They are both quite cuddly teddy bears, and I have never felt the slightest bit intimidated by either of them. I would be surprised if people thought that hon. Members are not able to stand up for themselves. I take exception to the remarks, particularly because I have had the experience of seeing at close quarters the Chief Whips for both the main parties in this Chamber.

Mr. Andrew Mitchell: I assure the hon. Lady that nothing could so traduce the reputation of a Chief Whip as to be called a cuddly teddy bear.

Judy Mallaber: I had better move on to the substance of the debate.

I welcome the changes embodied in the treaty because they embed principles of concern to us that are starting to be set out, particularly on poverty eradication. It must be possible for us to work better collectively to ensure that our efforts on aid and all development issues are progressed. Such an approach would be better than countries' sometimes operating individually and not necessarily always co-ordinating. The more co-ordination to make our efforts count, the better. Various figures have been cited showing that the EU is responsible for between 55 and 77 per cent. of world development aid, and I am sure there is no disagreement in the Chamber about the fact that we must take measures to ensure that aid and assistance are given as effectively as possible.

As has been said, we have done well and the EU has made a major contribution to push forward the agenda. Reference has been made to the commitments that we achieved on the millennium development goals and at Gleneagles on extending aid to Africa. Those commitments are important and we need to build on them. The Opposition have made much of saying that the EU is ineffective and that its delivery does not work. Many examples have been given, but they are not an argument that we should not embed proper principles in the EU's work—the issue is how we make that work operate more effectively, not that we should not go ahead with the treaty, which embeds the principles that we want.

There has been evidence of improvement in EU policies and their promotion. Every four years, the OECD development assistance committee undertakes a peer review, and its conclusions were different from the rather gloomy picture that we have been given so far. The review commended both the role of the Commission in reshaping development co-operation and the progress made since the previous review four years ago.

Major independent development policy think-tanks such as the Overseas Development Institute are calling for more development aid to be channelled through Europe. There are clearly different interpretations of what happens, but it appears that progress has been made, so it is essential that we build on it. It is important that we continue to restate the principles that will be embedded in the treaty if it is carried: for example, that the primary objective of development policy is the reduction and, in the long term, the eradication of poverty; that humanitarian aid is

[Judy Mallaber]

recognised as a fully fledged Union policy; that the EU's development co-operation policy and the policies of individual member states reinforce each other; that we should be working towards that end; and that development policies should operate independent of political stance. It is vital that we maintain that independence and that we promote all those principles.

I have seen positive work carried out by the EU. Children from one of the poorer villages in my constituency have been to Burkina Faso, one of the most deprived countries in Africa, to help to dig a well. They have raised money for schools and projects in the country. It was exciting for them to be able to participate in even a minor part of that work. The EU has financed the construction of more than 900 classrooms and more than 300 primary schools and the establishment of canteens in the country's three poorest regions. That is extremely important work.

The International Development Secretary set out what has been done by the EU and our country to promote democracy and advance in a terribly troubled country—the Democratic Republic of the Congo. I saw that work at close hand when, with other members of the all-party group on the great lakes region and genocide prevention, I visited the country to monitor the elections last year. It was a humbling experience and I can testify at first hand how extraordinary it was to see the work being done by the EU and MONUC—the United Nations Mission in the Democratic Republic of the Congo. Soldiers were making sure that the elections were fair, and they transported thousands of tonnes of ballot papers. It was an extraordinary experience to see at close hand so many people taking part in a peaceful registration process and election in an area of such conflict. The EU, DFID and our officials in the country are greatly to be commended for their work.

Pride can be taken in that achievement; the country is still extremely troubled and progress is difficult, but there is no doubt that the situation is now different. The latest estimate is that in the period of civil war, more than 4.5 million people died as a result of starvation or poverty, or directly from conflict and violence. Interestingly, the last study that was done—I have met its authors, who produced it by analysing what people knew of deaths in different periods—showed some evidence that in the east, the most troubled area, the number of deaths had started to fall. That might have changed again recently, but the fall in the number of deaths presumably occurred because more effort and assistance had been put into that area since the worst of the conflict than into areas that were not so troubled. There is thus hope for the aid process, but there are clearly an amazing number of areas in which a huge amount of work remains to be done.

Taking the DRC as an example of a country in which the EU should and does play a major role, one of the key issues is the reform of the security sector. My hon. Friend the Member for Glasgow, North (Ann McKechin) pointed out that we want to maintain the independence of the policy aims of our development work, but that work necessarily correlates with work on security, military intervention and protection in conflict zones. Security sector reform is, and will continue to be, a critical issue in the DRC, and the European Union deserves praise for the creation of EUSEC—the EU security sector reform mission in the Democratic Republic of the Congo. I hope that Ministers will ensure, as far as they can, that we maintain the work of EUSEC and do not start withdrawing it in the coming period, when it will continue to be important to work on security sector reform and to maintain a presence in the DRC. Such action will be critical; without it, we might be prevented from ensuring that our development efforts have an impact on the dreadful problems that that country faces, which we need to deal with.

The EU has also played an important role directly in security in the DRC through the role of EUFOR and the troops that we have there, which helped the MONUC forces to secure the 2006 elections; the work of the EU's special envoy to the great lakes; and the significant role played in the recent Goma peace accords. The EU's role is important and must continue to be important. I want a treaty that embeds further the principles that we want to adopt and makes that work more effective, not one that states that we will withdraw our co-operation.

Structural reform is important, and points have been made about the possible shortcomings. Although there will be fewer Commissioners in the EU, I hope that we can keep one with direct responsibility for development. I hope that we will pursue that as a Government.

We had an interesting debate earlier about British Overseas NGOs for Development, and we can all cite different quotations from it. The secretary of our all-party group spoke to BOND earlier today to establish its position. As I understand it, it says that it is not its job to take a position on the treaty itself or on issues such as a referendum. It states that it

"strongly welcomes the proposed legal framework for development policy with poverty eradication at its heart, and the legally enshrined principle of the coherence of EU policies with development objectives."

My hon. Friend the Member for Birmingham, Northfield (Richard Burden) pointed out what it had said about now being the opportunity to improve the treaty and the development and legal framework. BOND goes on to say that its issue is not with anything in the treaty, but about how its principles will be translated into practice. Any failings in EU policy should mean not that we tear up the good proposals and changes in the treaty, but that we consider how to operate them in practice. Arguments that the EU does not always work properly are not arguments against the treaty as such.

Mr. Streeter: I am listening carefully to the hon. Lady's thoughtful speech. What is there in the treaty that will make the European institutions deliver aid more effectively? If nothing in the treaty would do so, how does she intend to see that that is brought about?

Judy Mallaber: It is important that the treaty should include at its heart the principle of eradicating poverty, as well as a legally binding statement on the rights of children. Such issues are important. A treaty of itself does not make practice and implementation work; it sets out the framework within which they happen. That should be our aim in the treaty before us.

At a meeting in January with the all-party parliamentary group, Louis Michel, the EU Commissioner for Development and Humanitarian Aid, admitted that

there had been problems with the time taken to implement EU programmes. We need to streamline the processes, but there are massive difficulties. There is corruption in countries such as the DRC, and it is not easy to implement policies in a country with only a few hundred miles of paved road. One can meet women there who say, "Our problem is that our children can't go to school until they're old enough to be able to walk the distance to get there."

There are huge problems, and it is hardly surprising that there are difficulties in implementing programmes. One cannot write into a treaty how to implement policies on such issues. That is not to say that those issues are not important, and it does not take away from what the treaty says, but changes clearly need to be made to the treaty to make it work for a Commission involving more countries. Streamlining is needed; there can be no doubt about that. There are also other issues that we need to take on board. In the DRC, the issue of illegal logging is critical, as are climate change and the sustainability of rain forests and local communities.

I take exception to one point in the BOND document. BOND is opposed to the creation of a European voluntary humanitarian aid corps, which is a huge shame. I do not understand why. The treaty refers to establishing

"a framework for joint contributions from young Europeans to...humanitarian aid operations"

and says that rules and procedures for the operation of the corps will be worked out. BOND has expressed concern about the potential dangers. Obviously, that issue needs to be dealt with, but I have seen so many young people fired with enthusiasm who have had fantastic experiences and learned so much in other countries that I am concerned that BOND has taken that viewpoint. I think that the creation of the corps is a positive item in the treaty, and I support it. For a number of reasons, I support the treaty. I hope that we can take it forward and deal with the issues raised.

5.42 pm

Mr. Gary Streeter (South-West Devon) (Con): I enjoyed the speech of the hon. Member for Amber Valley (Judy Mallaber). To begin precisely where she ended, the issue with the volunteer corps is that it will be linked with humanitarian situations. As many of us have experienced, the first thing a developing country suffering a crisis wants is for professionals to come in with expertise and specialist skills to try to assist; perhaps the last thing it wants is a group of young people with good intentions who may not have the skills and expertise to be able to help with the situation. Let the EU do things that member states and international non-governmental organisations cannot do—it has a role, of course, as a multilateral aid provider. Gathering together a lot of young people and sending them overseas to increase their experience is a tremendous thing, but it is already being done by many different countries and international NGOs. Why does the EU need to trample on that territory?

I shall start with a highly controversial statement: I think that the European Union has been incredibly effective in the past 40 or 50 years in providing international development. It has been perhaps the most successful organisation ever in delivering one kind of development. I see looks of horror from certain colleagues, so I shall explain my remarks. If we define development as helping a country to become strong and acquire the rule of law, a market-based economy, a strong civil society, freedom of speech and organisation and an emphasis on human rights—if we define it as raising living standards—it is true that in the past 30 or 40 years, the European Union has been an incredibly effective framework for development in countries such as Spain, Greece, Portugal and the Czech Republic, as well as the Baltic states. In years to come, the impact will be felt in countries such as Romania and Bulgaria, which are already members, and in countries that have yet to enter the European Union.

The best thing about the European Union is the fact that the most effective form of development is the journey to join it. Countries have to jump the hurdles that we rightly set before them to become members of the European Union. Living standards for individuals in those countries are transformed in five, 10 or 15 years in a way that I have not seen happen anywhere else in the world through any other form of development. I make that point because it is important that the European Union focuses on its core business, and on doing what it does very well. That is why I strongly support enlargement.

I recognise that from time to time, treaty amendments are needed to enable ever more countries to make decisions in a coherent way. It is a pity that the Lisbon treaty goes well beyond that. I have travelled in the former Yugoslavia, the Caucasus, and in countries on the east of Europe, and the only political vision that those countries have is to work their way towards membership of the European Union. That is the journey or underpinning that makes those countries strong. I wonder what Europe would be like today if we did not have the framework of the European Union. I wonder how all those small countries would end up, and whether they would have the momentum for political progression and change, and for improving living standards, if we did not have the framework of the European Union.

Mr. Cash: My hon. Friend might have suspected that I would intervene at this point. When he speaks about European union, does he have in mind the European Union, with all its accumulated functions, as set out in the treaty, which merges all the existing treaties, or does he have in mind—I do not want to tempt him too far down this road—more of an association of nation states, through which we can co-operate to achieve objectives, but without a strict legal framework, which could be counter-productive on international development issues?

Mr. Streeter: My hon. Friend asks an important question. I certainly have in mind a European Union of looser association. Wider, not deeper; that is my vision for the European Union. That is how we can make the biggest difference to the world.

Hugh Bayley: I agree with the hon. Gentleman that EU enlargement has been an important driver for development, but he will agree that there must be some

[Hugh Bayley]

geographic limits on enlargement. The EU has association agreements with countries that it would not accept into membership, including countries in north Africa and the middle east. Surely it is right that the European Union, which has been very good for development in central and eastern Europe, should apply that same expertise and those same strictures further afield, particularly in the poorest countries.

Mr. Streeter: The hon. Gentleman anticipates my second point, which is that of course enlargement has natural limitations. We can count the number of countries that we know could fit comfortably in the European Union. Of course, enlargement must happen at a pace that the whole enterprise can cope with, but it is membership and the journey towards membership that brings the benefits. My thesis is that when the EU starts to undertake a different kind of development—external development—it does not do it very well. That triggers a debate on whether it should do it at all, in the way that it is trying to do it, or whether external development is better left to member states or other agencies. If I have time, I hope to develop those thoughts.

Putting aside the great success of enlargement, my observation is that the performance of EU development over the past decade or two has been woeful. We have considered statistics on the performance of the EU. In the three years in which I shadowed the right hon. Member for Birmingham, Ladywood (Clare Short), then Secretary of State for International Development, there were a number of international humanitarian crises and disasters. On every single occasion, the aid that DFID was able to provide was immediate, proportionate, relevant and helpful, but the assistance that I saw ECHO try to provide was nearly always far too late, was bureaucratic, did not work or did not arrive. There was a huge gap between the assistance that the UK could provide in a humanitarian crisis, and what the EU was able to deliver.

I do not want to taunt Labour Members, but we used to say that they did not understand the difference between spending money and making an impact on the ground. I am sure that they would deny that that is the case now, if it ever was—Members might have their own observations to make on the subject—but there is a huge difference between the EU spending money on development, aid and assistance and making an impact on the ground. Having visited various parts of the world, I have not seen the impact that the combined dollar spend and the euro spend by the EU should have made. We have heard that the focus is on the wrong countries, and that can be demonstrated with a startling statistic: 81 per cent. of the UK aid budget goes to the lowest-income countries, as we heard earlier, but the proportion of the EU institutions' budget that does so is 32 per cent.

It is not just that the EU has spent money in the wrong places, but that, as I said, it has tended to spend money slowly and bureaucratically. A number of international NGOs are desperate for finance for projects, and often come to us to discuss those things. Someone may suggest, "Why not apply to the EU for some money?" and the reaction is nearly always: "It's just too complicated. It's too long-winded, we never get there, and it's just not worth it." Interestingly, DFID looked into what was going wrong with EU aid some years ago, and it found out that some of the delays were due to

"the inner workings of a Byzantine bureaucracy with a procedure-driven ethos."

A study by the European Commission itself found that 40 per cent. of delays to aid projects were due to

"the administrative processes of the EU".

Only 25 per cent. were due to administrative problems in the developing countries that received the aid.

Some 35 per cent. of aid from all other donors arrived on time, but for the EU, the figure was a miserable 14 per cent. On average, 3 per cent. of aid from all other donors arrived over a year late, but the EU has managed over the past 10 years to hit a staggering figure of 21 per cent. What is the point of DFID giving the EU £1 billion a year if it helps to fund such a bureaucratic, slow and unfocused performance? That is not the only problem. DFID has reported that it spends 5 per cent. of its total budget on administration. The EU has various development budgets and departments—we know that it is complicated—and it has a much larger budget, so the percentage spend on administration should be lower, but in fact, the administrative cost is 8.7 per cent., which is a huge amount of money.

EU aid is not effective in far too many cases, and it is right to conclude that EU development aid and the institutions that seek to deliver it are often not fit for purpose. That is not to say that everything they do is bad or wrong, but the disadvantages and disbenefits outweigh the benefits. What is the solution? I am not an isolationist—I do not want us to withdraw from active involvement in the European Union—but there is a case for one of two alternatives. It is disappointing that in the run-up to the Lisbon treaty those alternatives were not more actively pursued by the Government. First, there is a case for bringing more of the spend back to the member states so that we can spend it more effectively. We should not spend it on other things, but we can spend it more effectively on bilateral aid, where needed, around the world. The fact that some countries do not have much of a bilateral aid programme does not undermine the general thesis that the United Kingdom and many other countries, including Germany and France, have significant bilateral aid programmes, and the money would be better spent that way than by pushing it through the EU's coffers, where much of it is wasted and misplaced.

The first point that should have been more actively discussed in the run-up to the Lisbon treaty is that member states should have more control of the way in which that money is spent. Secondly, the Government should consider the fact that the US spends most of its aid money through USAID—the United States Agency for International Development—which is independent. If I am right that the EU institutions and aid departments are not fit for purpose, what is wrong with the prospect of setting up a new EU international aid agency? It should be semi-detached, not lost in the corridors of that astonishing bureaucracy in Brussels, and it should operate as something through which the

EU can channel its aid. It would be a multilateral effort, but it would be done in a more effective and focused way.

I know that the Minister is concerned about some of the EU's decisions on its development budget, so will he say in his winding-up speech how much longer the Government will wait for the EU to improve its performance before taking a more radical approach? The Prime Minister made an important speech in India just before Christmas—it may have been just after Christmas; I am not entirely sure—in which he discussed the importance in the globalising world of the 21st century of multilateral organisations. I agree with him. We are living in a time of interdependence and globalisation, and we need to tackle some of our problems in collaboration with other states and multilateral organisations. He mentioned in particular the UN, the World Trade Organisation and the World Bank. Interestingly, he did not mention the EU. The problem with the multilateral approach is that it works only if those organisations are properly organised and deliver what they intend to deliver. My theory is that the EU does not do so, so it is time for a rethink.

Finally, the aid agenda is changing rapidly, and rightly so. If one goes to almost any African country and asks people what is the biggest problem in their country, they hardly ever say that it is poverty—they say it is corruption, which at every level is endemic to those societies. There is corruption in government, and corruption throughout civil society. We need to focus more on the democratic capacity of institutions in those countries, and bring to them values and benefits that we enjoy in this country and take for granted. Our aid and development focus should underpin and promote such values in every country that is open to receiving that message. The UK can play an important role by working to develop democratic institutions, whether through the rule of law or by helping political parties to become stronger and make a more coherent case for running their country more appropriately. The work by the Westminster Foundation for Democracy and party-to-party work are incredibly important. I remember attending a conference on democracy in Istanbul about two years ago, and the NGOs and some of the bureaucrats seemed to assume that one could do democracy without politicians. We cannot: we need people who are prepared to put their head above the parapet.

The EU is not well placed to promote democratic values. It certainly cannot promote party politics and underpin the important role that parties and politicians play in the developing world. If I am right that we need a greater focus, not a lesser one, on governance and democratic issues, the EU is not the institution to provide such a focus. It should let the member states spend that money more wisely, or set up a new agency that can do so effectively.

5.58 pm

Colin Burgon (Elmet) (Lab): In his opening speech, the Secretary of State said that eliminating global poverty was one of the greatest challenges facing the world, and nobody could possibly argue with that. We should look not just at the principles to which people say they are committed, including the eradication of poverty, which no one in the House would oppose, but at how they are carried out in practice. That is the true test of any institution or organisation. In this country we view Europe either as a utopia which represents the most perfect mechanism ever constructed by man or woman, or as an empire of evil. Of course it is neither, but those are the themes that run through the debate. We should try to avoid such thinking.

We should look at how the philosophy and the principles of the European Union as they relate to aid and trade are implemented. At its root, Europe's approach to trade and aid is incoherent. The treaty states that it aims to improve the coherence of wider EU policies with development objectives and poverty eradication. Who can argue with that? However, in the articles on trade policy, the treaty's apparent favouring of a liberalisation approach over other objectives risks enshrining incoherence at the heart of the treaty. We must examine that.

My view of the current trend in the EU is probably not the majority view in the House, but we should encourage minority viewpoints at all times. I would argue that the EU Commission is perhaps—the Minister may wish to disagree—the most powerful neo-liberal force in the various world trade organisations which do much to shape the world and the lives of its people. In the most recent world trade talks, it adopted key demands made by corporate pressure groups such as the European Services Forum to force open services markets in poorer countries to multinational companies.

Despite massive opposition from developing countries, the EC and the ESF got almost everything they wanted into the services text of the Hong Kong World Trade Organisation ministerial decision, which increased pressure on poor countries to open up their markets for basic services such as water, health care and education. Previous episodes of liberalisation in these sectors restricted poor people's access to those essentials.

The world is dotted with examples of that. It was the EU Trade Commissioner Peter Mandelson, our former comrade, who said:

"We want to liberalise trade and grow markets in which to sell European goods and services. Multilateral negotiations"—

in the WTO—

"offer the biggest prize in achieving this."

So EU trade policy makers generally share with the massive number of corporate lobbyists who hang about in Brussels the belief that promoting business interests by opening up markets in developing countries will automatically generate economic growth and reduce poverty. Accordingly, Governments actively encourage the corporate sector to help formulate trade policies. As one senior Brussels-based business lobbyist says:

"There is a broad political consensus. We share a common interest."

The assumption that trade liberalisation will automatically lead to economic growth and cut poverty in developing countries has become the received wisdom. It was openly stated by our good friend, Trade Commissioner Mandelson, most recently in an article in *The Observer* on Sunday 2 February. That argument is advanced despite little convincing empirical evidence that trade liberalisation is associated with subsequent economic growth, and strong evidence that it can have extremely destructive impacts on poorer economies and the lives of poor people there.

[Colin Burgon]

A report from the Commission for Africa, which was set up by Tony Blair, concluded:

"Forcing poor countries to liberalise through trade agreements is the wrong approach to achieving growth and poverty reduction in Africa and elsewhere."

The economists Adam Smith and David Ricardo, the godfathers of free trade theory, were also against rapid trade liberalisation. After a quarter of a century of experimenting with trade liberalisation, poor countries remain locked in a poverty trap, and rich countries continue to push developing countries to liberalise trade through global institutions such as the WTO. The EU plays a key role in that process.

The Lisbon treaty makes international trade an exclusive competence of the EU and includes foreign direct trade in a common commercial policy. It reduces the power of the member states over trade. Article 188 of the new treaty retains a special committee of officials from EU member states which is currently known as the article 133 committee. The House will be pleased to hear that I shall not elaborate on that, as I covered it extensively in a previous debate.

Economic partnership agreements are the instruments through which the neo-liberal policy of Commissioner Mandelson is pursued. To his credit, the Under-Secretary of State for International Development, my hon. Friend the Member for Harrow, West (Mr. Thomas), has expressed reservations about the effect of economic policy agreements. A briefing from the Trade Justice Movement explains what those agreements mean, and it is worth putting that on the record. I shall highlight three elements.

First, EPAs require countries to liberalise tariffs on the vast majority of products, with exclusions only in exceptional cases. That would open up markets in African, Caribbean and Pacific countries to the EU's subsidised agricultural products and more competitive manufactured products, undermining the livelihoods of smallholder farmers and the promotion of value-added production. Secondly, EPAs introduce new regulations on services, competition and Government procurement that would make it extremely difficult for ACP countries to support local companies, create new jobs and grow their economies. Thirdly, EPAs introduce stricter rules on intellectual property that would make it more difficult to access and afford educational materials on the internet.

Mr. Cash: I find myself in agreement with much of the hon. Gentleman's argument. I agreed up to a point with the hon. Member for City of York (Hugh Bayley), but what the hon. Member for Elmet (Colin Burgon) is saying about economic partnership agreements is right and reflects the views of 19th century reformers who were anxious to achieve a balance between free trade and the proper care of the people who would be affected—hence, the corn laws. He may be interested to know that his constituency is the area where my family came from, and that Samuel Smiles and John Bright, both of whom would have strongly approved of what he said, were advocates of the policy that he promotes.

Colin Burgon: I shall probably have a midnight visit from the Whips, now that I have secured the hon. Gentleman's support. On a serious note, I welcome the many contributions that he makes. The subject of our debate is important and he makes some significant points.

What are the effects of EPAs? I shall give three examples. Studies for Kenya's Ministry of Trade, the International Monetary Fund and the EC indicate that under a proposed EPA, Kenya could lose up to 65 per cent. of its industry, 12 per cent. of its Government revenue and millions of rural livelihoods. As a further example from another country, Traidcraft reported that Jamaica's dairy market liberalisation decimated small farmers, left local milk production with barely one tenth of the market in Jamaica and led to the EU supplying two thirds of the island's milk powder.

Tony Baldry: What does the treaty of Lisbon have to do with EPAs?

Colin Burgon: The treaty effectively adopts a neo-liberal approach to its relationships with other countries; that is what it has to do with them.

I pray in aid Christian Aid, which has talked about the liberalisation of the tomato trade in Senegal, although that may be a subject of small importance to us. It showed that local prices halved while imports of EU paste increased twentyfold. We must be clear. As many fair trade organisations have pointed out, we must understand that the Lisbon treaty increases the powers of the unelected Trade Commissioner. I do not have a great deal of faith in that post as it is currently filled—nor, probably, will I have faith in it as it will be filled in future. Given the absence of any transparency or accountability in the EU's trade decisions, hopes that the European Parliament will be able to challenge that increased power are effectively a pipe dream.

To come back to my central point, a few other hon. Members and I believe that the whole way in which the neo-liberal agenda relates to poorer countries must be challenged, because it involves a pernicious and harmful set of policies that will harm not only working people in Europe, but those in poorer countries across the world. Commissioner Mandelson's global statements on Europe and on how he wishes to fashion it in future are bad news for us and certainly for the millions of our constituents who are so committed to fair trade policies, which EU policies—as currently designated and given where they are heading—will overturn.

6.11 pm

Tony Baldry (Banbury) (Con): There is no real debate or division in the House about the fact that 27 member states working together on international development will often be much more effective than 27 individual countries pursuing their own policies. Very often, however, the frustration with European development policy is that it has not delivered on its promises. That frustration was well summarised by the right hon. Member for Birmingham, Ladywood (Clare Short), when she was Secretary of State for International Development. She labelled the European Commission

"the worst development agency in the world",

and went on to say:

"If we could drive forward a really coherent committed development agenda throughout the Commission it could be a fantastically powerful force for good".

Today we are debating the treaty of Lisbon. The contribution by the hon. Member for Elmet (Colin Burgon) summarised why we have all been cheated in this debate. We have not had a public referendum or a proper public discussion. This is it: today is it as far as international development in respect of the treaty of Lisbon is concerned. He talked a lot about EPAs, although as far as I am aware they are not particularly mentioned in the treaty. As he acknowledged, he mentioned them because he opposes the whole thrust of EU trade policy. I am not sure whether he has caught on to Tony Blair's third way, but that is a matter for him and the Labour party—it is a problem for the Labour Chief Whip, not for us. We all have our crosses to bear.

The hon. Gentleman's position demonstrates that it would have been much better if we had had a proper national public debate on the treaty. Large numbers of people involved in development-related NGOs would like to have got involved in that. We have heard BOND prayed in aid so often because, I suspect, the Foreign Secretary sought to enlist all those development NGOs as supporters of the treaty and they, not unreasonably, resented that. They wrote and made that clear. ActionAid said that

"it would be premature to conclude that the Treaty is going to deliver the changes needed to improve European development policy".

It went on to say that it has

"reservations on the Treaty's discussion of trade, and particularly on the proposed extension of the Commission's competency to cover services, investment and intellectual property".

Save the Children expressed concerns about the

"omission of the principle of independence in the chapter on humanitarian aid, and the proposal to create a European Voluntary Humanitarian Aid Corps",

and Oxfam said that there were a number of caveats and concerns about the treaty that it and other development NGOs had raised.

Today, we have had no real opportunity to probe those concerns, a single sitting of a Select Committee provides more opportunity to probe people's concerns. This debate is a set-piece bit of theatre, in which many of the contributions, interesting though they have been, have not been about the treaty but about European co-operation and international development as a whole.

I should like to focus on four issues that the Government sought to lobby against and oppose during the negotiations. The first is that the treaty allows EU aid to become subsumed within the EU's external action policy. Significant and important development values could become diluted and taken over by the foreign policy agenda. I was fortunate enough to be a junior Foreign Office Minister when the Overseas Development Administration was part of the Foreign Office. I was Baroness Chalker's spokesman in this House, so I have lived through a time when international development was subsumed within foreign policy. I have to tell the Secretary of State that foreign policy prevailed; it will prevail even more, I suspect, as the European Union moves increasingly towards a common position on foreign policy.

Clearly, the Government were uncomfortable about that and they opposed it in the Lisbon negotiations. However, today we have heard little account of why and why Ministers were satisfied with the outcome. I bet a penny to a pound that in the next few years there will be times when UK Secretaries of State for International Development will be frustrated that international development policy is being subsumed by the external action plan—effectively, the foreign policy—of the European Union.

Kelvin Hopkins (Luton, North) (Lab): What the hon. Gentleman has mentioned will get even worse than it is now. Is it not the case that European international development policy is geared towards the better-off Francophone states on the fringes of the Mediterranean, rather than towards sub-Saharan African or other very poor countries? Will that situation not get worse?

Tony Baldry: The hon. Gentleman takes me neatly to the second of my four points. Everyone who has spoken has rightly said that the treaty refers to pro-poor policies; actually, it would be staggering if it did not. However, the treaty has an inherent contradiction, in that it removes reference to "the most disadvantaged". As it happens, a very substantial proportion of EU development aid goes to middle-income countries, many in what is euphemistically known as the Maghreb. That is not a development policy, but a policy through which countries such as Spain, Greece and others—understandably, within their own terms of reference—try to improve the situation in middle-income countries such as Egypt, Morocco and others in north Africa in the hope that that will prevent more migrants from coming from those countries to mainland Europe. That policy is not one of development. I suggest that the removal of the reference to "the most disadvantaged" will mean that more money will be given to middle-income countries. As my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) said, the Under-Secretary of State for International Development, the hon. Member for Harrow, West (Mr. Thomas), made exactly that point in an effective speech a couple of years ago—far too much money is being given to middle-income countries. So why were the Government content about that phrase being removed?

The treaty provides for the creation of a voluntary humanitarian aid corps. That, too, was opposed by the Government in negotiations. It is the sort of thing that sounds like a good idea, but when one gets down to the practicalities—how it is to be funded, how it is to be supervised, where it is to go, and in what circumstances it will operate—it is clear that it will be a distraction from the work of some already very professional NGOs or will give Governments who should be committing resources for humanitarian intervention an excuse to say, "Well, we will just fund the voluntary humanitarian aid corps." Whatever the position, we know that the Government opposed that during the negotiations, and no explanation has been given today as to why that was the case and why Ministers are now happy to sign up to a voluntary humanitarian aid corps.

The treaty provides for an extension of qualified majority voting to urgent macro financial and humanitarian aid, which removes the UK's veto on

[Tony Baldry]

these matters. Again, the Government opposed that in negotiations. There must have been some good reason why they opposed what is clearly a reasonably technical provision. People at UKRep, DFID and the Foreign Office must have felt that there had been occasions in the past when they would have been in difficulties if the provision had prevailed and they could foresee situations in future when they would be in similar difficulties. Why on earth was that not discussed or explained to the House?

We have had no explanation on any of the issues where the Government sought to oppose the treaty of Lisbon in the negotiations in which the right hon. Member for Neath (Mr. Hain) and others were involved. Ministers have not come to the Dispatch Box to say, for example, "We opposed the voluntary humanitarian aid corps in negotiations on the treaty but we got the following assurances, undertakings and promises, so we now feel that we can sign up." What we got from the Secretary of State today was a thoughtful, elegant "motherhood and apple pie" speech about why international development is good for us. We all know that international development is good for us—we are not here to debate that but to debate how the treaty of Lisbon affects our relationship with the European Union as regards international development. However, we have not had that debate.

Mr. Cash: I agree with much of what my hon. Friend says, but I invite him to consider another point. The debate is not only about our relationship with the European Union but our own domestic law. The object of the exercise is that the Lisbon treaty, by virtue of the Bill, will be implemented into UK law. In many respects, what we are discussing is now to be termed an exclusive competence, which means that we will be excluded from legislating in that field. I am sure that he understands that.

Tony Baldry: Yes, I do. However, all treaties, whether the Single European Act, Maastricht or Amsterdam, have had a similar effect on the provisions that they have dealt with, and that is why it is important to have a sensible debate about the exact provisions and how they apply.

The other thing that we have not had a proper debate about is what the treaty does to improve the efficiency of EU aid. The hon. Member for City of York (Hugh Bayley) mentioned two International Development Committee reports, one of which was done when I chaired the Committee and the other during this Parliament, which raised considerable questions about the efficiency of EU aid. The fact that EU aid is not always completely efficient is not a reason for not having it, but we need to know how the treaty will make its delivery more efficient. I do not think, in all fairness, that we have heard from the Treasury Bench a single instance of where it is believed that the provisions of the treaty of Lisbon will make the delivery of international development through the EU more effective and efficient or give better value for money.

This has been a total non-debate, and the whole process merely adds to the general democratic deficit. I say that as an ardent pro-European, as everyone in the House knows. I campaign for Britain in Europe, and I will continue to do so. However, the way in which we have conducted this whole process leads to huge numbers of people—our constituents—feeling that they have been cheated out of a proper public debate. We have not had a debate on the ramifications of the treaty of Lisbon as it relates to international development, and that is very sad. This has been a fraud of a debate, and for that reason I will join my hon. Friends in the Lobby in support of their amendment.

6.25 pm

Mr. David Heathcoat-Amory (Wells) (Con): We are debating what is supposed to be a reform treaty—that is what it was called before it became the treaty of Lisbon—and no area is more ripe for reform than the policies connected with international development and aid. The aid budget is part of the general EU budget, which is, as the House knows very well by now, a byword for inefficiency, mismanagement and waste. It has been subject to qualification by the auditors for 12 years in a row. No private sector organisation would have survived that. If the EU were a private company it would long ago have collapsed or been taken over, and the directors would have been sacked or in prison. If this really were a reform process, it would have tackled the lack of accountability and poor management at the heart of the European Union in its budget.

We know that the Government share those misgivings, particularly on the aid side. The European Scrutiny Committee receives reports on the EU programme, and on one occasion last year it was, in its measured and diplomatic way, very critical of EU procedures. I will quote, almost at random:

"in general, evaluations point to long delays in implementation and highlight the rigidity and slowness of Commission procedures".

Many hon. Members who have been more intimately connected with the Department know full well that there is something seriously wrong with the delivery of aid at EU level.

No reform was carried out, and instead the treaty centralises more powers. I strongly agree with my hon. Friend the Member for Banbury (Tony Baldry), who described the process of capture in relation to the Foreign Office provisions of the treaty. The Government need to explain why, when this country has moved its aid programme away from the Foreign Office, the treaty moves in exactly the opposite direction. That need not have been done; it is a result of last year's secretive negotiation process. The Government would have got support from the House in opposing this if we had known about it, but the critical decisions were made in secret by officials in the early part of last year. The treaty text was then presented to member states only two days before the European summit in June, at which it was all politically decided.

My hon. Friend the Member for Banbury is right about the politicisation of aid that will result from this, which is bound to undermine historical and traditional British priorities about aid and where it should go.

Mr. Gareth Thomas: Will the right hon. Gentleman at least acknowledge that the treaty represents a significant step forward in terms of development

co-operation, in that it enshrines the fact that the primary purpose of EC development spending should be fighting poverty?

Mr. Heathcoat-Amory: No, I am afraid I cannot agree to that. The existing Maastricht treaty text specifies

"more particularly the most disadvantaged among them"—

a reference to developing countries, and where aid should go. The explicit intention was to direct aid to the poorest countries in the world. That article was repealed by the Lisbon treaty, and it was not replaced by similar wording about the direction of the aid budget. I am afraid I do not agree with the Under-Secretary.

Indeed, the treaty reinforces the move towards expenditure on things such as the neighbourhood policy. There are obviously deserving countries on the borders of Europe, but they are by no means the poorest countries in the world. It is not clear to me why we should distort the British aid programme, in ways of which I know the Government disapprove, by swinging it away from the poorest countries to those politically important to the EU.

Running right the way through this treaty is a sort of "little European" attitude, which sees everything through the prism of continental Europe. That is completely out of cue with our historic and traditional concerns and responsibilities, which are global. Our horizons are much wider. It has been alleged in a puerile way that we in my party are somehow isolationist. Quite the reverse: we are the true internationalists. We believe that our responsibilities go much wider than Europe. Of course we are concerned with continental Europe. This country has often gone to war in the past to stop the continent falling under the domination of a single power. But we are also a maritime, global country with historic responsibilities that go much wider. That state of affairs will be undermined and distorted by this treaty.

The other aspect of international development is trade. Trade has an enormous ability to lift countries out of poverty, and many studies have shown that even quite modest increases in trade flow have a much more benign effect on the lifting of countries out of poverty than even the most generous aid programmes. Trade rewards efficiency, and it creates a self-sustaining mechanism for economic lift-off. Many countries, such as South Korea, Taiwan and Singapore, have followed that path. Aid, by contrast, reinforces dependency and invites corruption.

I am a trade liberaliser; liberalisation is very important, as was recognised in the millennium goals of eight years ago. Tragically, not enough has been done since then to liberalise trade. The Doha round has stalled. The additional tragedy is that we are trapped; there is nothing that this country can do. We are quite unable to do anything on our own, and we do not have a trade policy. Hon. Members might remember that we used to have a Board of Trade. It does not exist any more. There is no expertise in this country; very few officials and practically no Ministers engage in trade policy at all, because we have handed over trade policy to our ex-colleague Peter Mandelson. He twice left the British Cabinet in disagreeable circumstances, and is now in an unelected body that meets in secret, which has a monopoly on trade policy. It is he who decides, not us.

The reason for that is the fact that we are stuck in an old-fashioned customs union. The rest of the world has gone in the completely different direction of creating free trade agreements. That is the modern way; that is what more prosperous parts of the world have done. They have not created customs unions where everything is concentrated in an over-regulatory centralised system. They have created free trade areas that enable individual members to do bilateral deals and make agreements with other countries, including poor countries. We are unable to do that. Instead, we have the prospect of the European Commission bullying poor countries by trying to impose agreements on them that they often feel they do not want.

I believe in free trade, but it is not an ideology. It must be entered into only on terms acceptable to the countries concerned. If we had more freedom, as the fifth largest economy in the world, to help those poor countries and the poor people in them, we could do something to help them before the Doha round is brought into effect. But we cannot do that, because of the complete inability of the European Union to think in any other way than centralisation or the reinforcement of the customs union, which is practically unique in the world. It is not a model that has been followed elsewhere.

That argument was never examined during the so-called reform process that started in 2001. There was a fanatical resistance to any diminution in the powers of the central organisations.

Mr. Cash: I agree with every word my right hon. Friend is saying. Does he recollect that one of the problems was when President Sarkozy put his foot down and took the words "undistorted competition" out of the treaty? That wording could conceivably—although I doubt it in practice—have provided the sort of free trade that my right hon. Friend and I agree about. In fact, it is more likely, particularly given French influence in Africa, that there will be more protectionism, working exactly against the interests of the people whom we want to protect and want to see prosper.

Mr. Heathcoat-Amory: I agree with my hon. Friend. Those dangers are real, and he is also right to say that we gave way far too readily to the French preoccupation with protectionism and the lack of competition. All the way through the Convention on the Future of Europe, we sustained defeat after defeat. For instance, at present we have a residual ability to sign international agreements bilaterally, particularly in the area of intellectual property and services. That ability is removed by the treaty. Indeed, the whole common commercial policy, which will include those areas, becomes an area of exclusive competence for the first time. That means that member states are literally forbidden to legislate in that area or to conclude any agreements with outside countries. Also included, and again the Government did not want this, is foreign direct investment—a huge area that will be transferred from national control to the EU. Again, the

[Mr. Heathcoat-Amory]

Government tabled amendments and argued against that notion all the way through the Convention, and again they lost.

My other point on trade is that at the very least we should know what is going on, but we do not. I have tried many times to find out what is really happening in the EU Commission and Council with regard to the negotiations in question. In a parliamentary question a year or two ago, I asked for the details of the EC anti-dumping and anti-subsidy advisory committee. It was an important question, because the committee was imposing emergency tariffs on shoes to the detriment of companies in my constituency. I was told in the reply:

"The minutes of the Advisory Committee are not available to the public."—[*Official Report*, 3 July 2006; Vol. 448, c. 857W.]

The article 133 committee decides the details of trade matters. Again, I asked to see the minutes, and I was told that it meets weekly, that there are no formal minutes, but that it does publish outcomes. I got a copy of the outcomes, and for greater accuracy, I have brought a copy with me this evening. It is not helpful because everything has been deleted. The document details the outcome of a meeting of 17 February 2006, and everything of any interest has been deleted: there are 16 deletions. I want to know what is going on in those negotiations. There is a reference to aluminium being discussed, but that has been deleted, too. I do not know what they were saying about aluminium, but it might have been interesting. It says at the end:

"Over lunch the Committee discussed the following items...the Aid for Trade Task Force...and information by Denmark on the issue of cartoons."

No other information is given. The committee obviously had a good lunch, but it does not tell us what was discussed, who said what, who decided what, who voted, or even whether there were any votes.

Not only is that whole area of policy secretive and in conflict with British aims, but we know that the Government did not want it at the time. The House should not accept it now.

6.40 pm

Mr. William Cash (Stone) (Con): I endorse what my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) has said. It is absolutely extraordinary that we are here and the House is virtually empty. The right hon. Member for Rotherham (Mr. MacShane) pops in every now and again like a little gadfly, and he occasionally speaks up. I wish that he would contribute to this debate, because I am sure that he has a great interest in such matters. He told us on the radio the other day that while I was droning on, as he put it, he had taken an approach of Lenten abstinence in these debates. Considering the fact that he has intervened on a number of occasions, I would be grateful if he would take the opportunity to do so today.

Mr. MacShane: *rose—*

Mr. Cash: I am glad that I have managed to get a rise out of the right hon. Gentleman.

Mr. MacShane: I would rather not intervene.

Mr. Cash: I agree, as a matter of fact.

The problem is that this is an issue of enormous importance. I do not want to give the impression, any more than my right hon. Friend the Member for Wells does, that the Conservatives are not genuinely interested in the developing world and third-world problems. The Under-Secretary of State for International Development, the hon. Member for Harrow, West (Mr. Thomas), who is now in the Chamber, knows that I, and other Conservative Back-Bench Members, dedicate a great deal of our time to trying to deal with these questions.

The Secretary of State was kind enough to refer to my work on the all-party group on water and sanitation in the third world, of which I have the honour to be chairman. An early-day motion on that subject was signed by 250 Members of Parliament, while 310 supported my early-day motion on the reduction of third-world debt. Why? There is all-party recognition that the subject is incredibly important. It is utterly unacceptable that people should die needlessly in developing countries. It is appalling and disgraceful that a child dies every 15 seconds for lack of proper water. That is unacceptable, and it is essential that the Opposition, as well as the Government and the Liberal Democrats, should fight to ensure that we have policies that work.

Against that background, I am deeply worried about the manner in which the EU functions on aid. Irrespective of our belief that help and the eradication of poverty should remain at the heart of our policy making, the EU is not the mechanism for achieving that. All the evidence points in the other direction. We heard my right hon. Friend the Member for Wells eloquently express the fact that the documents that he elicited were left blank. We know that the European Court of Auditors has issued a number of reports over an extended period to demonstrate that the way in which EU aid is delivered is not good enough.

We know that the right hon. Member for Birmingham, Ladywood (Clare Short), when she was Secretary of State for International Development, was deeply critical of the way in which the EU functioned in relation to her responsibilities. I do not believe that what she said at that time had anything to do with the Iraq war. It was just an objective assessment of how she saw the operation being conducted under the aegis of the EU.

Why would I be concerned about the specific obligations imposed under the treaty? For example, as I said in an earlier intervention, and as my right hon. Friend the Member for Wells mentioned, the fact that the treaty arrangements provide for exclusive competence in this field is a retrograde step. Exclusive competence, for those who have the faintest idea about the EU—not for those who pretend that they do not know, allow these processes to continue and then pretend that our Parliament and our Government have some residual ability to legislate—means that states cannot legislate in that field. It means that the ability of this House and its better means of delivering the objectives that we all seem to share—with the proviso that we, for our part, would like to exclude exclusive competence, as the Government intended—are contracted out.

I wish that some Members of this House would be honest enough to realise that they are effectively conning the British people when they pretend that they are improving the lot of people in the third world, when this exclusive competence will mean that we will no longer be able to make provision to help the people whom we all agree need help.

Mr. James Clappison (Hertsmere) (Con): My hon. Friend is making a powerful point. Does it not follow from what he is saying that if the EU gains exclusive competence in this area, because it has a long-standing history of being very bad at spending aid, particularly on the less developed countries, and because the treaty does nothing to improve that, there is a danger that less aid will go to the very poor countries in future?

Mr. Cash: I agree. It is pretty extraordinary to hear the Government advocating a policy—we certainly are not advocating it—of more EU competence in this field. That is because—it is necessary to be blunt and direct about such matters, even if at times that is controversial and unpopular—some of the countries that are part of the EU have the most appalling record of behaviour in African countries. I would like to know, for example, whether the involvement of Belgium in Congo would be regarded as one of the great aspects of humanitarian aid and help to the people of Africa during the 19th century.

I do not think that we are without blemish but I will say emphatically that we created and helped a lot of those countries through education, infrastructure and development over an extended period, including in the old colonial territories. That work far exceeds anything that President Mugabe has done for his country. He has brought the whole edifice of Zimbabwe to its knees. I believe that the EU will not be able to provide the opportunities and facilities that will genuinely help the countries that need it most.

Africa is approaching a crisis. There are serious difficulties in South Africa and serious problems with AIDS. As I said when I intervened on the hon. Member for City of York (Hugh Bayley), with whom I have worked closely over an extended period, the difficulties of eradicating poverty are made 1,000 times worse by the inability to deal with the problems of corruption. They cannot be separated.

The Court of Auditors has often rejected the way in which the European accounts have been operating. Nothing in its reports suggests that it should have an exclusive competence over handling international aid in Africa. It is not best placed to secure proper anti-corruption policies such as those advocated in the Bill that I proposed last year, or many of the Department's recommendations, which, on the whole, pointed in the right direction. I do not agree with everything that the Department has done and I do not believe that it has gone nearly far enough, but we have an absolute responsibility to bring forth the problems of transparency and accountability in our debates. I am not convinced that the European Union will do anything to improve the position.

The treaty does not refer to corruption. As my hon. Friend the Member for Banbury (Tony Baldry) said, it contains much motherhood and apple pie, but there is no evidence that it will deal with the seriously ingrained problem of corruption, which is endemic in much of the third world. We have a responsibility to our taxpayers because the aid money paid to the European Union through tax mechanisms, and thereby from the European Union to the developing world, is our taxpayers' money. We must ensure that it is used properly.

My hon. Friends and I are determined to improve the lot of people who live in appalling conditions. The way in which some people in the third world live is a form of modern slavery. It is inconceivable to us, sitting in the House of Commons, that people should live on such limited resources. That is mostly unnecessary and happens because there is no proper control. I strongly condemn the idea of transferring more and more functions to the European Union when we have a track record and our Government have tried, albeit not entirely successfully, to tackle those matters. I had a great deal of time for the right hon. Member for Leeds, Central (Hilary Benn), the Secretary of State's predecessor, who is now the Secretary of State for Environment, Food and Rural Affairs. He worked incredibly hard and was truly dedicated. I say the same of the Under-Secretary, because I know that he wants to make things better. I simply do not believe that the European Union is the right way to go.

Leaving aside questions of aid and development, the infrastructure in developing countries can be improved only if they have the finances and resources to achieve that, as well as the expertise that goes alongside. The way in which the whole operation is currently conducted, including the enormous debts that those countries have been encouraged to incur and the amount of interest that they have had to repay, simply has not left them with enough money to invest in infrastructure. There is a new 1980s and 1990s generation of people in Africa and the rest of the third world who understand the problems that their countries face. They want genuine improvements, and I believe that the answer lies in proper free trading arrangements. I am appalled by the failure of the Doha round. The customs union and the way in which protectionism operates in Europe are detrimental to the third world, and I strongly believe that the powers should be repatriated.

6.54 pm

Mr. Mike Hancock (Portsmouth, South) (LD): I have more than a little sympathy for the hon. Member for Banbury (Tony Baldry), who tried to deal with the chapters in the treaty that we hoped to discuss this afternoon. Chapter 3 on humanitarian aid and the previous two pages spell out many of the issues that have been mentioned. He was right to say that no one who has participated in the debate has any doubts about the House's commitment to development, to helping eradicate poverty, to developing, when possible, initiatives that relate to aid and to ensuring that we get better value for money.

However, there are some serious questions about the chapter on humanitarian aid. I intervened earlier to mention a recent visit that the Under-Secretary made to Bangladesh, followed by a visit by my hon. Friend the Member for Rochdale (Paul Rowen) and me a few days later. We visited what are undoubtedly some of the poorest parts of the world. I pay tribute to the Department's work there and I cannot give it more

[Mr. Mike Hancock]

praise than to say that it is a credit to our nation. The European Union could do worse than take some lessons from the Department about the way in which it operates.

The Secretary of State spoke in his opening remarks about his visit to Sierra Leone and his journey through Freetown, where he saw many signs, which showed who was working there. He said that he wanted to see fewer—I pay tribute to the proper English of my hon. Friend the Member for East Dunbartonshire (Jo Swinson), who put us all right earlier—signs but greater co-ordination. Many hon. Members who have spoken are experts and know that, when travelling around, one witnesses the failure of co-ordination in many countries. I am at a loss to find anything in chapter 3 to suggest that things will be better co-ordinated.

I am with hon. Members who are worried about corruption and the amount of it that affects European aid. I have witnessed European work on numerous occasions in many parts of the world, including Kosova. Anyone who believes that European aid in Kosova has not been corrupted has not seen the real Kosova. Tens of millions of pounds have been misappropriated in Kosova over the years and it is a travesty to suggest that that has not happened.

I want the Government to assure the House that the treaty will not seriously impede the legitimate aims of the House and our country of following the same pattern of humanitarian aid that we have followed in the past 40 years. I want the Government to assure us that we remain committed to supporting those countries that have traditionally been the UK's allies and looked to us for a lead. I want to be sure that that commitment will not be diluted and I want the Secretary of State and the Under-Secretaries to give us a full-blooded commitment that the treaty and the suggested amendments to it will not do the opposite of what everyone who has spoken wishes. I wanted the way in which the treaty can be of greater benefit to the humanitarian needs of the world to be spelled out line by line.

Mr. Cash: Does not the hon. Gentleman agree that the Government have a serious problem? We all want things to happen to improve the lot of people in the third world, but is not it extraordinary that the Government, for reasons of state, continue to promote a treaty, in which they clearly did not believe in respect of international aid in their negotiations?

Mr. Hancock: That is a good point. There has been ample opportunity to explain that this afternoon. The Secretary of State was generous in giving way and sought to clarify the point, but it is so serious that I hope that we get further clarification in the Under-Secretary's winding-up speech. I hope that the Minister will not be reluctant to expose the House to his thoughts on that issue. As others have said, the hon. Gentleman is right, yet again, to push it.

I also have some difficulty with what the Opposition spokesman said. The right hon. Member for Richmond, Yorks (Mr. Hague) smiles, but I was not being critical; I was trying to offer some assistance, because the Conservatives were so critical of the idea of a volunteer corps. I have had the privilege of writing a report for the Council of Europe on the work of the International Committee of the Red Cross and the Red Crescent. We saw at first hand in Bangladesh how the volunteer corps, whose members had been properly trained by the Red Crescent, proved invaluable in being available on the spot. The International Committee of the Red Cross has said time and again that if every country bothered to train a volunteer corps that could be co-ordinated properly, a lot of the problems that are encountered initially could be sorted out far quicker, without having to wait for aid to come from elsewhere. Setting up a volunteer corps, based on the sound principles of training and proper co-ordination, should therefore not be so easily dismissed.

Rob Marris: The hon. Gentleman referred to chapter 3, on humanitarian aid. He will therefore be aware that article 214.5, on page 137 of the consolidated texts, says:

> "The European Parliament and the Council, acting by means of regulations in accordance with the ordinary legislative procedure, shall determine the rules and procedures for the operation of the Corps."

That framework of rules and procedures could do the very thing that he wants, which is to ensure that ill-informed and unprofessional volunteers do not participate. Indeed, quite the reverse: the treaty could professionalise the work and lead to further help across the world.

Mr. Hancock: That is exactly the point that I was trying to make. The hon. Gentleman has made it far more eloquently than me and I am grateful for his intervention. The disappointment from our side arose from what the Opposition spokesman said on the matter. I want to see that co-ordination and I want to see a volunteer corps established, properly trained, properly funded and properly dealt with.

As the hon. Member for City of York (Hugh Bayley) said, it was all too apparent that people had used the BOND letter to suit their own purposes. It was unfortunate to say the least that expressions of support from some world-renowned organisations, such as Oxfam, Christian Aid and others, were written into statements by the Foreign Secretary in such a way as to imply their absolute support with no reservations, when the letter clearly established that they had more than a few reservations about what was happening. It is only fair that we should give organisations an opportunity to have the record put straight. I welcome the comments of hon. Members who have attempted to do that, but I accept the fair point that the hon. Gentleman made, which is that other people had been very selective. That was a fair point, but we have to take the letter in its totality. We have to accept that there was good and bad in it, and we cannot see it in any other way.

I know that the hon. Member for Glasgow, North (Ann McKechin) wants to get in, so I end by thanking the Oxfam project team in Bangladesh, particularly Jahan Rume for the tremendous work that she does on behalf of Oxfam, ably supported and properly co-ordinated as she is, as well as our team, led by Chris Austin and others from DFID, which has worked

wondrously hard to pool all the efforts. It is a great credit to us that the people of Bangladesh are so grateful for the way that we have responded to their needs. However, it beggars belief that DFID should have to pay the Ministry of Defence out of its own funds for second-hand, out-of-service boats from the Royal Navy, so that it can provide inshore craft.

My final message to the Secretary of State is this: the people in the cyclone areas of Bangladesh that we visited said that they did not want more food, more money or more handouts. What they wanted was good technical help, so that they can get back to work. Their work is fishing. What they need is new nets and new boats—not a boat each, but boats that co-operatives can run, and £700 for a boat and a net that can harness the resources for 10 families is not a big price to pay. DFID and others, including the Prime Minister, should look into what they can do to give more of that aid to the people in that country.

7.5 pm

Ann McKechin (Glasgow, North) (Lab): I thank the hon. Member for Portsmouth, South (Mr. Hancock) for his courtesy. I also apologise to the House for my unavoidable absence for part of the debate.

It is fair to say that this debate has been characterised by an argument about bilateralism versus multilateralism. I would like to argue the case for a multilateral approach. The European Union has a unique strength, given its ability to look at the full range of issues that impinge on development, not only in its direct humanitarian work, but in promoting European values, such as human rights, equality, democracy and freedom. The European Union has the ability to look not only at aid, but at trade, foreign affairs and security, all of which, most of us would agree, have a major impact on development. That is why I particularly welcome the formal recognition in the new treaty that the primary objective of EU development policy should be the reduction and eradication of poverty in the context of the millennium development goals.

In many parts of the world, the formal distinctions between security, foreign and development policy are increasingly no longer relevant. When we interact with fragile states, the ability to offer a comprehensive range of interlinked policies becomes even more crucial. In the periods immediately after conflict, which we are witnessing in countries such as Afghanistan and the Democratic Republic of the Congo, it is all the more important that we should act together. A good example of that is the European Union's security sector reform programme, which is operating in the DRC and Burundi. Indeed, the EU is the only meaningful body promoting such co-ordination and is the source of one of the very few effective security sector reforms in the entire region, which includes a mechanism to ensure soldiers' pay.

Questions have been raised recently about Belgium's agreement of a military aid package with the DRC Government, but purely on a bilateral basis. That should be a cause for concern. I hope that my right hon. Friend the Secretary of State agrees that it is of the utmost importance that all EU members should work within the EU security reform processes to ensure that the difficult issues of conflict and corruption in the DRC can be tackled in the most effective way.

Although there have undoubtedly been problems with European programmes in the past, the biggest structural problem that faces the global aid community today is that the aid structure is running out of control. In the 1960s, most poor nations had an average of about 12 bilateral or multilateral donors. Now the average is 33. In just one year Tanzania, for example, had to receive more than 540 separate aid donor missions. Uganda has more than 40 donors and 684 different aid instruments, while St. Vincent, with a population of 117,000, was asked to monitor 191 indicators on HIV/AIDS alone. The list goes on, but only a quarter of global aid currently comes through multilateral bodies such as the EU. Despite the ever increasing number of donors, however, programmable aid has largely stagnated since 2002. We simply cannot go on in this manner, with such huge levels of bureaucracy holding least developed countries down, in their attempt to achieve the millennium development goals.

If we agree that aid budgets throughout Europe should increase to the target of 0.07 per cent. of gross domestic product, we need to do more to achieve effective harmonisation and alignment of aid policies. We simply cannot ignore the European Union's role, and we cannot even more ridiculously call for it to do less or for all the money to be transferred into our bilateral programme. The EU is the world's largest donor—more than 55 per cent. of world aid comes from Europe—and its influence will grow as new accession states start to form their own development capacities. We therefore have a global presence that we can work with, and the only logical approach is to work for appropriate reform and to achieve a high level of policy alignment.

I welcome the fact that the treaty accepts that, for the first time, humanitarian aid is to be allocated only on the basis of need, without consideration of the recipients' origins or beliefs. It also states that non-aid policies should do no harm and, wherever possible, should support progress towards development goals. Particularly importantly in relation to trade—given that the treaty states that the principles of the commercial policy of the EU are based firmly on trade liberalisation, and makes no specific mention of the need for that to be linked to a pro-development focus—I would argue that we should treat the no-harm principle for non-aid policies as a minimum, and not as the limit of our ambitions for European development.

Our experience in the European Union with the World Trade Organisation negotiations and the economic partnership agreements shows that it is vital to preserve and strengthen a development focus in our trade work. I would contrast the position here in the UK—where the Department for Business, Enterprise and Regulatory Reform shares my hon. Friend the Member for Harrow, West (Mr. Thomas) with the Department for International Development as a development Minister, and where we have a long-standing policy on the adverse effect of failing to sequence trade liberalisation reforms to allow domestic capacity to grow—with that of the European Union, which has often fallen back on protectionist arguments. That is why I would argue that the UK should be

[Ann McKechin]

pressing heavily, as part of the Lisbon treaty, for a separate Development Commissioner who has equal status to that of the Trade Commissioner and that of the new high representative on foreign affairs.

If we were to take a no-harm approach—and nothing more—in trade policy, we might limit the possibilities of further meaningful reform. The present round of economic partnership agreements, for example, has failed to reduce or eliminate export subsidies. I also agree with other hon. Members that we need to lift access not only to the least developed countries but to all African countries. Whether we are talking about Kenya or Zambia, agricultural access to the European Union is vital to their economies, and we should now start to give that access without exception.

Another example is that the European Union does not currently control the import of timber known to have been illegally logged, despite the fact that the WWF estimates that the EU is responsible for around €3 billion-worth of illegal timber trading a year. Such exports fuel conflict in areas such as the Democratic Republic of the Congo, and also have a devastating impact on global carbon emissions. That is a perfect example of the need for the European Union to act to co-ordinate policy in member states. A pro-development agenda in all parts of the policy making machine in Europe should recognise the value of such changes.

I also hope that the new administrative structure will ensure that we can act together in important spheres, particularly in regard to taking forward the Paris declaration on aid co-ordination and alignment within Europe. With 27 states, the risk of a growing topsy-turvy jumble of aid programmes is all too high, which is why political priority and momentum must be put into pressing the case for greater, not less, collaboration. If possible, we should clearly separate the neighbourhood countries programmes from those funding streams with a stronger poverty-reduction focus, including the work of EuropeAid.

The present artificial split of nations between the Development Commissioner and the External Relations Director needs to end. African, Caribbean and Pacific countries, as well as Asia and Latin America, should be brought together under a new, strengthened Development Commission portfolio. The message of today in the Lisbon treaty is that acting together, in co-operation, should mean better aid, and a better chance of reaching the millennium development goals.

7.13 pm

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is a pleasure to wind up this excellent debate, which started in characteristic style with the Secretary of State treating us—albeit with great charm—to the normal campaign of explanation that the treaty is a wonderful, innocuous document and that any Member who could not appreciate its merits was simply suffering from the usual Conservative paranoid delusions about its contents. He was quick to outline benefits such as the enshrined emphasis on poverty eradication, which we also applaud, but I had hoped that he would have been just as quick to acknowledge some of the shortcomings.

All too often in debates of this nature, it is easy to get caught up in the detail and to miss the bigger picture. So let us be clear about what we are debating today. The treaty does little to improve the efficiency of EU aid; in fact, it does the reverse. It has the potential to decrease the freedom of action of member states to react to international crises, and it actively politicises the delivery of aid—something that the Government previously claimed to oppose.

Hugh Bayley: Will the hon. Gentleman give way?

Mr. Lancaster: I am not going to give way, because we are very short of time, and it would be unfair on the Minister if he had no time to speak.

Crucially, with the removal of the reference to the most disadvantaged, the revised treaty will shift the EU's priorities away from the least developed countries. In our view, that marks a step backwards in the provision of aid and support for the developing world.

I shall start, however, with the positives. Compared with other aspects of the treaty, it is fortunate that there is at least some consensus across the House on the subject of humanitarian development, as has been demonstrated by the contributions today. The hon. Member for City of York (Hugh Bayley) made a passionate speech about poverty alleviation, the principles of which are, I am sure, shared across the House. The hon. Gentleman will forgive me, however, for saying that the only flaw in his argument was his assertion that we needed a treaty to deliver that aim, or indeed any other of the aims highlighted by hon. Members—a point underlined, perhaps inadvertently, in the earlier intervention of the Under-Secretary of State for International Development, the hon. Member for Harrow, West (Mr. Thomas).

The hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) made an informed first contribution in his new role on the Front Bench and, having said that he felt unable to support our amendment, he proceeded to support many of our concerns on the nature of the treaty. He might not thank me for reminding him that he even managed to find a degree of consensus with my hon. Friend the Member for Stone (Mr. Cash).

The hon. Member for Amber Valley (Judy Mallaber) made a thoughtful speech, arguing for the need for better co-ordination and greater efficiency in the delivery of aid. I agree with those points wholeheartedly, but she failed to outline which elements of the treaty would help to deliver those goals.

My hon. Friend the Member for South-West Devon (Mr. Streeter) made an excellent speech, based on a long-standing interest in aid and development—an interest underlined by the fact that it is now nearly 10 years since I first met him in Pristina, when I was Captain Lancaster and he was the shadow Secretary of State for International Development. He also rightly highlighted the concerns about the effectiveness of the delivery of EU aid, a point to which I will return shortly.

The hon. Member for Elmet (Colin Burgon) made an interesting speech, in which he focused on trade liberalisation. I confess, however, that I was slightly surprised at his attack on his own former Minister, now

the EU Trade Commissioner, Mr. Mandelson. I feel that it would be tactful to allow the Under-Secretary of State for International Development to adjudicate on this particular internal Labour dispute.

As we have come to expect, my hon. Friend the Member for Banbury (Tony Baldry) made an incisive speech that went to the heart of the issues that we are debating, namely, the fact that the Government are being forced to defend some of the very issues that they opposed during the negotiations. I shall return to that point in a moment. My right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) highlighted the shortcomings of the EU in delivering aid, and outlined his concerns about the politicisation of aid. My hon. Friend the Member for Stone has a long-standing interest in these matters, and it shone through tonight in a passionate contribution that highlighted many of the shortcomings of the treaty.

The hon. Member for Portsmouth, South (Mr. Hancock) spoke with considerable experience, and echoed earlier speakers' concerns that there was little in the treaty that would improve efficiency in the delivery of aid. The hon. Member for Glasgow, North (Ann McKechin) spoke with passion about the role of multilaterals in development. I hope that she will forgive me, however, if I do not quite share her confidence in the EU as a means to deliver those goals.

There are, as hon. Members have highlighted in their speeches, many areas of concern with the treaty. Indeed, in his opening speech, my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) highlighted no fewer than five areas in which the Government sought amendments during the negotiations. Those concerns were expressed to my hon. Friend during his meetings with the Presidents of Sierra Leone and Ghana last week. I am sure that my hon. Friend is flattered that the Secretary of State seems to be following in his footsteps around the world at the moment.

In the brief time that I have remaining, I want to focus on just two of those concerns. The first is the impact of the provisions for shared competency on the effectiveness of the delivery of aid; the second is the politicisation of aid. As has been said, the EU is one of the major players in the development world, directly attributable for 57 per cent. of the world's official development assistance, and literally making the difference between life and death for hundreds of thousands, if not millions, of people. The fact remains, however, that the European Union and many of its member states are not good at delivering aid and development.

Reference has been made to the description by the right hon. Member for Birmingham, Ladywood (Clare Short) of EC aid as an "outrage and a disgrace" during her time as Secretary of State for International Development. Positive steps have been taken since then, and the present Secretary of State rightly alluded to them in his speech, but those steps have been too little and too slow, and the EU still has a long way to go before it can truly be considered as an effective deliverer of aid. To be fair, this is something that the Commission itself recognised when it accepted that 40 per cent. of delays to aid projects were the result of the administrative processes of the EU. NGOs agree.

A survey by Oxfam found that about a fifth of EU aid arrives more than a year late—something I experienced first hand and, I must say, with great frustration, during my own time delivering development in Afghanistan—but apart from the poor distribution of aid, the EU also suffers from fraud within its aid programme, which accounts for 21 per cent. of all fraud investigations conducted by the European anti-fraud office.

While there is always room for improvement, the Department for International Development by contrast is generally well regarded as a deliverer of aid—perhaps the Secretary of State should sit up with pride at this moment. A report from the Canadian Government said of DFID:

"Today it is generally considered to be the best in the World."

The Economist said that DFID was

"a model for other rich countries".

It is a source of pride for this House that DFID is clearly seen by many as a world leader, while EU aid is widely viewed as inefficient, fraudulent, directionless and governed by an over-bureaucratic mechanism.

Conservative Members are therefore concerned that the Government seem determined to support a treaty that may, through the proposed entrenching of shared competence, undermine DFID's role and make it more impotent in the international development arena by effectively limiting what it can and cannot do. Let me be specific. Article 118(d) of the treaty states that EU and national policy in this area shall

"complement and reinforce each other".

More worrying is Article 214(6), which says:

"The Commission may take any useful initiative to promote coordination between actions of the Union and of the Member States."

What exactly does that mean—that DFID aid and development programmes must reinforce those of the EU and that the EU can overrule Britain's decisions on aid policy? Perhaps when the Minister winds up the debate, he will explain exactly how, given the relative efficiency of the UK compared to the EU in delivering aid, such a course of action would be in the interests of Britain, and perhaps even more importantly, in the interests of the developing world.

Another principal concern of Conservative Members is the treaty's politicisation of aid and the Minister will be aware that we have tabled amendments on this issue—as, indeed, did the right hon. Member for Neath (Mr. Hain), who seemed rightly to share our concerns, during the treaty negotiations. Presumably he, like us, believed that for true development to occur in some of the harshest environments in the world, long-term development plans need to be effectively implemented and regularly scrutinised. Our concern is that that will not be allowed to happen while aid is used as a diplomatic tool by the EU and its high representative.

To be clear, article 214 says:

"The Union's operations in the field of humanitarian aid shall be conducted within the framework of the principles and objectives of the external action of the Union".

Other articles are similar, but all highlight that humanitarian aid and development shall be subsumed under the principles of the EU External Action Service—a point made eloquently by my hon. Friend the Member for Banbury and by my right hon. Friend the Member for Wells. But what are those principles? The Secretary of State outlined some of the principles

[Mr. Lancaster]

covered by article 224 in his opening remarks, but the role of the European External Action Service is outlined in article 13 and at no point is humanitarian aid mentioned. Why not?

Let me be clear that in the view of many, including NGOs, that amounts to a clear politicisation of aid, which flies in the face of everything that previous Labour Governments have stood for. On four separate occasions in 1947,1964, 1974 and 1997, the Labour Party moved the role of overseas development away from the Foreign Office—on each occasion to resist the politicisation of aid—so why the sudden change of heart? Why, after 50 years of doing the opposite and having opposed it in the treaty negotiations, are the Government now suddenly supporting the move to subsume the EU's humanitarian aid into the EEAS?

The proposals do nothing to improve the efficiency of EU aid; what they do is represent a retrograde move towards the politicisation of aid, marking a further nail in the coffin for the freedom of action for member states. We want the EU to work in partnership with DFID, not to dictate to it. These treaty provisions are a move in the wrong direction—for Britain, for the EU and for developing nations. Crucially, as previous debates have highlighted, the Government are once again going back on their word, supporting bureaucracy over democracy by denying the people the referendum they deserve.

7.23 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): This has been an interesting debate, and it is a genuine pleasure to follow the hon. Member for North-East Milton Keynes (Mr. Lancaster). I join the hon. Member for Sutton Coldfield (Mr. Mitchell) in welcoming the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), who now leads for the Liberal Democrats on international development. I also echo the hon. Gentleman's point that one of the most powerful examples of EU and EC at its best was the commitment to achieving the 0.7 per cent. UN target, agreed and endorsed at the EU General Affairs and External Relations Council in May 2005—a very strong example of Europe's convening power.

I thought that the speech of the hon. Member for Sutton Coldfield included one powerful point—the section where he quoted at length the full force and wisdom of a speech made by the Under-Secretary of State for International Development, the hon. Member for Harrow, West (Mr. Thomas). However, I say gently to the hon. Gentleman, given the intemperate language that he used throughout much of his speech, that he might usefully reflect on the article written by Caroline Jackson, a Conservative MEP, in the *Financial Times* last week. She said:

"The time warp of the party's European attitudes"—

she was talking about the Conservative party—

"has...damaging effects...it means that the right-wing 'nasty' and dogmatic aspects of the party—so off-putting to voters from 1997 to 2005—are still alive."

Earlier in the article, she noted that

"the Conservative leadership is now even prepared to see its MEPs sit among the 'non-attached members' at the back of the parliament—a public admission of isolation and a poor position from which to operate in a parliament with increased powers."

I must correct one particularly intemperate charge that the hon. Member for Sutton Coldfield made—that the Foreign Secretary and other Foreign Office colleagues had effectively misrepresented the position of NGOs on this issue. Perhaps just one quote from my right hon. Friend's speech on Second Reading should clarify matters, as he said:

"One World Action, Action Aid and Oxfam have announced their support for the measures on development co-operation".—[*Official Report*, 21 January 2008; Vol. 470, c. 1241.]

He specifically mentioned development co-operation; nothing more than that.

I acknowledge that there are some genuine reasons to be worried about the performance of EC aid, and the hon. Member for Stone (Mr. Cash) and the right hon. Member for Wells (Mr. Heathcoat-Amory) raised some of those concerns. I pay tribute to the leadership of each successive Secretary of State for International Development over the last 10 years in championing reform and seeking to sort out what was a fragmented, outdated and incoherent organisational set-up, which, needless to say, resulted in long delays. However, I say gently to Conservative Members that we should perhaps not be surprised at just how poor EC performance on aid was, given just how bad the UK's own record on development was before 1997.

Let me provide three examples which stand out. In 1985, India bought helicopters from the UK after Margaret Thatcher bullied Rajiv Gandhi into ignoring the advice of his aviation experts who were against the sale. That money came out of Britain's aid budget and it was given to India on condition that it bought those helicopters. In 1991, we saw £234 million of British aid being used to finance the Pergau dam project in the hope of securing future arms deals from Malaysia—completely and utterly illegal and hugely damaging to Britain's reputation in development. Then, what about the huge decline in British aid that took place under the Conservatives? Given such a dismal record when the Conservatives were in government in comparison to our own development spending, is it at all surprising that they should have completely ignored the need to reform EC aid?

Yet a series of such reforms have been championed and supported by every Secretary of State, seeking not just to improve the general functioning of the EC but to reform the way in which the EC delivers its aid. Those reforms include the clear strategic priorities for EC development aid, so we now have a clear EU development policy, the European consensus on development—drafted, in large part, in Britain and taken through during our presidency with the primary and overarching objective of poverty eradication and the achievement of the millennium development goals.

We have seen radical improvements in management performance and the establishment of a new EU implementation agency. The hon. Member for South-West Devon (Mr. Streeter) spoke about the need for such an agency, but there is one already in place—EuropeAid. We also have an effective multi-year planning system that sets out clear strategies, clear budgets and the expected results. In addition, financial

administrative control mechanisms have been simplified, helping to speed up still further the delivery of aid on the ground where it matters. There has also been substantial decentralisation, helping to get EC aid decisions down to the local level, thereby seeking to improve the quality of aid and speeding up the disbursement of money.

Opposition Members who have backed evaluation and monitoring, and the independence of evaluators, will surely welcome the independent evaluation of EC aid. Those reforms, championed by Labour Secretaries of State, have been delivered over the last 10 years. Such has been the progress that the OECD, in its review of EC development co-operation— *[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. Conversations are breaking out throughout the Chamber. The House must listen to the Minister.

Mr. Thomas: The OECD noted that EC aid had improved substantially. It commended both the role of the Commission in reshaping its development co-operation and the progress made since its 2002 review. The House of Lords European Union Committee charted significant improvements in aid management and organisational effectiveness, and commended the Commission on its efforts. It went on to note that more needed to be done if the EU's aid was to match the best. This was, it said, mainly a matter of intensifying and carrying to completion the reforms that were currently in train. That was the purpose of the speech of mine to which the hon. Member for Sutton Coldfield referred.

I believe that the EC is the force for good that the hon. Member for Banbury (Tony Baldry) wants it to be. A powerful example of that is the difference that the Commission is making in India, along with our aid and what is being done by the Indian Government and the various states of India. The Commission is helping to develop an education system capable of offering eight years of quality elementary schooling to all children. As a result, between 2001 and 2006 the number of children between six and 14 who are not at school has fallen from some 25 million to about 14 million.

My hon. Friend the Member for Elmet (Colin Burgon), among others, mentioned trade. I am a huge fan of my hon. Friend in many ways, but I beg to differ with him on this one occasion. I believe that open, well-regulated markets are a force for good in developing countries, just as they are in the European Union more generally. An example is the difference made by generic drugs in reducing the prices of antiretroviral drugs. I recognise that there are concerns about the issue, however, and I look forward to having other opportunities to discuss my hon. Friend's concerns with him.

Other Members on both sides of the House raised specific issues relating to actions by the EC. Time does not allow me to focus on them, but I will consider whether I need to write to the Members involved.

In a series of interventions, which were taken up by the hon. Member for North-East Milton Keynes, the hon. Member for Banbury asked whether foreign policy would now dominate development aid. Let me say gently to him that I do not think it will do so at all. For the first time, we have provision in the treaty for joint objectives for the EU's external actions, but—as I said in my intervention on the right hon. Member for Wells (Mr. Heathcoat-Amory)—for the first time a treaty encapsulates the principle that poverty should be the driving focus of all EC aid.

The treaty will deliver a series of sensible reforms in the way in which Europe operates, specifically in regard to development. It makes clear that the primary objective of development spending is the reduction and, in the long term, the eradication of poverty. It can only be helpful to the cause that we have discussed today. It also reinforces the need to ensure that development objectives are taken into account in all EC policies that affect developing countries, and provides a separate legal basis for humanitarian aid, enshrining the principles of good humanitarian assistance. Those are positive, helpful reforms, and I commend them—and the treaty more generally—to the House.

Question put, That the amendment be made:—

The House divided: Ayes 153, Noes 341.

Division No. 95] **[7.34 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew

Maclean, rh David
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. Richard Benyon and
Mr. John Baron

NOES

Ainger, Nick
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Butler, Ms Dawn
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann

McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Mr. Michael Foster and Mr. Dave Watts

Question accordingly negatived.

It being more than four hours after the commencement of proceedings on the motion, MR. DEPUTY SPEAKER *put forthwith the Main Question, pursuant to Orders [28 January and this day]:—*

The House divided: Ayes 342, Noes 154.

Division No. 096] **[7.49 pm**

AYES

Ainger, Nick
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Butler, Ms Dawn
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David

Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Michael Foster and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen

Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Mr. Richard Benyon and Mr. John Baron

Question accordingly agreed to.

Resolved,

That this House approves the Government's policy towards the Treaty of Lisbon in respect of provisions concerning international development.

Orders of the Day

European Union (Amendment) Bill

[6TH ALLOTTED DAY]

(Any selected amendments to clause 2 relating to international development)

Further considered in Committee.

[SIR ALAN HASELHURST *in the Chair*]

Clause 2

ADDITION TO LIST OF TREATIES

8.2 pm

Mr. Mark Francois (Rayleigh) (Con): I beg to move amendment No. 245, page 1, line 12, after 'excluding', insert—

'(i) any provision that increases the influence of the Common Foreign and Security Policy on international aid; and

(ii) '.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this it will be convenient to discuss the following amendments: No. 246, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 12, inserted Article 2C TEC (TFEU), paragraph 4 relating to competence on development cooperation and humanitarian aid; and

(ii) '.

No. 268, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 158, inserted Article 188C TEU paragraph 3, providing for a special committee, in so far as it relates to international development; and

(ii) '.

No. 247, page 1, line 12, after 'excluding', insert—

'(i) in Article 2, paragraph 161(a), amendments to inserted Article 188D TEC (TFEU), the words "Union policy in the field of development cooperation shall be conducted within the framework of the principles and objectives of the Union's external action";

(ii) in Article 2, paragraph 166(a), amendment to inserted Article 188H TEC (TFEU), the words "Such measures shall be consistent with the development policy of the Union and shall be carried out within the framework of the principles and objectives of its external action";

(iii) in Article 2, paragraph 168, inserted Article 188J TEC (TFEU), paragraph 1, the words "The Union's operations in the field of humanitarian aid shall be conducted within the framework of the principles and objectives of the external action of the Union"; and

(iv) '.

No. 272, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 161(a), replacement paragraphs 1 and 2 of Article 188D TEC (TFEU), on the objectives of European Union development co-operation policy; and

(ii) '.

No. 273, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 166(a), replacement paragraph 1 or Article 188H, TEC (TFEU), the words "other than developing countries", in relation to economic, financial and technical co-operation with third countries; and

(ii) '.

Mr. Francois: In essence, the amendment seeks to strike out the provisions of the Lisbon treaty that increase the influence of the EU's common foreign and security policy over international aid. In doing so, it would allow the EU's development aid resources to be concentrated solely on the delivery of efficient development aid projects, often to the least developed countries, free from the risk that they could become entwined in the EU's political and non-development-related foreign policy objectives.

How does the Lisbon treaty risk politicising the EU's development aid and entwining it with the EU's wider foreign policy? First, it includes provisions such as those set out in our amendment No. 247 relating to article 188D of the treaty on the European Community—to be renamed the treaty on the functioning of the European Union—which states:

"Union policy in the field of development cooperation shall be conducted within the framework of the principles and objectives of the Union's external action."

Secondly, the treaty will create a Foreign Minister, albeit under another name, who could have ultimate—I stress the word "ultimate"—responsibility for the EU's aid budget. The Foreign Minister will be supported by the External Action Service, or diplomatic service, which it is proposed will incorporate all the EU's external actions, including—importantly in this context—development. The role of the Foreign Minister creates the risk that the substantial resources of the aid budget will be used to carry out EU foreign policy objectives above those of the provision of aid to the least developed countries, which may be less of a priority to the EU if seen solely from a foreign policy point of view.

Thirdly, the institutional changes proposed in the treaty would decrease the number of Commissioners and could thus leave development aid without its own Commissioner on an equal footing to the EU Foreign Minister. That is an important question on which I shall ask the Minister for reassurance later, so I am giving him notice in case he needs to seek inspiration on the matter.

The Minister for Europe (Mr. Jim Murphy): I am already inspired.

Mr. Francois: None the less, I see that further inspiration is being provided from elsewhere, so presumably when the Minister replies he will be doubly inspired. If he looks behind him he will understand what I mean.

The potentially harmful effects of the creation of the post of EU Foreign Minister have not gone unnoticed by organisations and charities that specialise in development aid. BOND—British Overseas NGOs for Development—is an umbrella group for UK voluntary organisations working in international development, including Oxfam, the African Relief Fund, Christian Aid, Save the Children and UNICEF UK, and was one of the first to raise concerns. BOND stated:

"Attempts to consolidate the EU's profile on foreign and security policy risk sidelining commitments on development. The proposal to merge the jobs of High Representative and External Relations Commissioner into a High Representative for Foreign Affairs and Security Policy may be an opportunity to strengthen the EU external action and strategic vision, but it must not lead to sidelining commitments to development...The proposal that the High Representative, responsible for the implementation of the Common Foreign and security policy, also has at his or her disposal a significant aid budget and staff within an external action service suggests a potential danger of increased politicisation of development cooperation or instrumentalisation of development funds for implementing foreign policy objectives."

In an earlier debate, we have already touched on the role of the EU Foreign Minister in strengthening the EU's role in foreign policy; you will be pleased to hear, Sir Alan, that I do not propose to reprise all those points. However, in relation to this evening's debate, BOND is concerned that the Foreign Minister will have an inherent conflict of interest with development aid, and that needs to be addressed.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Does my hon. Friend agree that if there was conflict of interest over limited resources, in the absence of a specific champion for development funds, the Foreign Minister would be under enormous pressure from those competing interests, whereas a specific champion for development aid would have his own brief and would fight much harder?

Mr. Francois: My hon. Friend, as is his wont, makes an apposite point. In the British Cabinet, there is a Secretary of State for International Development and a Foreign Secretary, but in a slimmed-down Commission it looks as though there will be a Foreign Minister—by another name—but probably not a Commissioner for development. However, perhaps when the Minister replies he can reassure us that there will still be two posts. We certainly want to hear the Government's view and their answer to the question that my hon. Friend was entirely right to raise.

BOND also pointed out that as well as the possibility that the EU's development budget could be put under that of the Foreign Minister, there is the possibility that development aid could be left without its own Commissioner. As we know, the Lisbon treaty will reduce the number of Commissioners from 27 to 18, but like much of the treaty the details of which portfolios will be in the charge of the remaining Commissioners will be known only after the treaty is ratified—a point raised earlier by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), the shadow Secretary of State. A leaked document from the EU Slovenian presidency also made that point clear, so I shall press the Minister on whether he can guarantee that EU development aid will have its own Commissioner, in the Commission, after Lisbon is ratified. A yes or no will do.

In the absence of such reassurance on that point, BOND has said:

"What is at stake is the future political space for development within a new institutional structure...This would not only blur the division of powers between the institutions but it would also allow development policy to be at the disposal of the High Representative."

The Lisbon treaty could therefore have a damaging effect on international aid. In practice, it could lead to the further concentration of EU aid on the EU's near neighbours and political priorities. Already, three of the top five recipients of the Commission's aid are middle-income countries—Serbia-Montenegro, Turkey and Morocco—that lie within the EU's immediate neighbourhood. Countries with the lowest incomes are notable by their absence, with only the Congo and Afghanistan making the top five. The Committee will realise that there are special reasons in the case of Afghanistan. With the Lisbon treaty, we can expect the EU's political aims to be further prioritised over those of the least developed countries. That may have led to the words "developing countries" specifically being omitted from the treaty's objectives for financial and technical co-operation, a deficit that we would remedy with amendment No. 273.

A lot of competing quotations from BOND were cited during the previous debate. The Government prayed it in aid, and Conservative Members rightly pointed out some of its concerns. Let me put on record something that BOND said on the treaty as a whole:

"BOND and its member organisations do not have a position on whether or not the EU reform treaty is adopted, or whether or not there should be a referendum."

On Second Reading, the Foreign Secretary was keen to give the House the impression—I choose my words carefully—that there was considerable support for the treaty among the NGO community in this field. Bearing in mind that BOND represents a collection of important NGOs, I think that the Foreign Secretary over-egged his case, to put it mildly. That is why it was important that I had the opportunity, which I have been pleased to take, to read that point into the record.

I shall conclude my remarks so that other hon. Members may speak. Amendment No. 245 is designed to remedy one of the treaty's major defects on international aid. It would make the EU's aid budget independent from its foreign policy and allow it to be used to the best advantage of the least developed countries in particular. Specifically, it would take responsibility for EU development aid away from the EU Foreign Minister and remove the risk of the EU's aid budget being diverted to the furtherance of the EU's foreign policy. Amendment No. 273 would allow financial and technical co-operation to be targeted to developing countries.

Given the dangers that I have outlined, I ask the Minister to give the Committee two specific assurances. First, if Lisbon is ratified, will the EU have its own development commissioner, independent of the Foreign Minister—yes or no? Secondly, if Lisbon is ratified, will development officials working in the External Action Service be responsible to that development Commissioner, if we have one? If we do not, will they report directly to the EU Foreign Minister? I hope that the Minister will attempt to answer those two clear questions, not least because we must consider whether to press the amendment to a Division.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): It will not be a surprise to the hon. Member for Rayleigh (Mr. Francois) that there will never be common ground between us on the high representative and the development of the common foreign and security policy. I am sure that the authors of the BOND paper will be delighted by the slightly higgledy-piggledy manner in which every bit of it seems to have been quoted this afternoon. In the previous debate, I used one of the quotations that the hon. Gentleman cited, so I do not think that it is a killer quotation in favour of his broader point.

8.15 pm

I say to the hon. Gentleman that one big thing that we press for all the time is greater co-ordination—within the United Kingdom, in the European Union and in other multilateral institutions. We want better co-ordination among political foreign policy objectives, development issues and, where relevant, defence matters. As the hon. Member for Glasgow, North (Ann McKechin) said, the lines between some of those matters are necessarily blurred on occasion. I wonder whether we should be a bit more pragmatic in our approach to the high representative and the other aspects of the new CFSP arrangements, notwithstanding my having asked in the previous debate for some reassurances on the high representative having administrative staff dedicated to this area. We have the prospect of a proper focus on poverty alleviation at the heart of the treaty, which is a pretty good guarantee that it will remain the major focus of development assistance and a vast improvement on what we had before.

Finally, will the hon. Gentleman consider the example of Kosovo, because I am not sure where he would put that on the great spectrum of development, foreign policy and defence-type issues? Although it is clear that a proportion of its population has to endure extreme poverty, Kosovo would not usually meet the benchmarks for most recognised assessments of extreme poverty. However, in the context of the past couple of weeks, surely we have an ongoing responsibility to Kosovo. The new set of arrangements will allow us to meet that, but a much more clear-cut separation regarding development would not.

Mr. James Clappison (Hertsmere) (Con): I support amendment No. 245, which strikes at the heart of a long-standing problem in the EU: funds being diverted away from aid, especially aid for the least developed and poorest countries, towards achieving foreign policy objectives involving countries that might be poor by our standards, but not compared with the poorest countries in the world.

Mr. Peter Bone (Wellingborough) (Con): Is not my hon. Friend's argument that aid is given to certain causes for political aims? The hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), too, raised that point. Such causes might be very good, but that process can take aid away from the least developed countries.

Mr. Clappison: That is exactly the problem that amendment No. 245 confronts. Are we talking about aid given purely on the basis of development criteria—how poor a country is, its position with regard to human development and various measures of relative poverty—or aid given as part of a wider objective

[Mr. Clappison]

relating to political and strategic considerations? The amendment is very apt in that context. Having heard the fears of my hon. Friend the Member for Rayleigh (Mr. Francois) about the impact of the new high representative, the European External Action Service and the reinforced European common foreign and security policy, I think that they might come together to make the existing situation worse.

In saying that, I do not draw a veil over the existing problems of EU aid policy, which are long-standing and widely recognised. European Union development co-operation and aid have stretched back as far as the EU itself, certainly throughout the 25-year history of the Lomé convention. The EU has provided a significant proportion of world aid throughout its history. However, has the money that has been spent by European Union institutions—as opposed to money from individual states—been well used? There is often a sense that the European Union's relatively wealthy nations are trying to compensate developing nations for the effects that EU policies have had on them.

An academic study by Karin Arts and Anna Dickson concluded that over the long term, the European Union's policy on development has fallen short, saying that

"the sum effect is the creation of an ineffective, and perhaps symbolic, development policy. That is to say, ineffective in the realm of producing, encouraging or facilitating development, although effective in creating the image of an actor engaged with the world's poor."

That is absolutely relevant to my hon. Friend's amendment. Are we going to have an EU policy in which the EU is an actor going through the motions with other objectives in mind, or an EU aid policy that delivers aid to the poorest people?

Various views were attributed to the right hon. Member for Birmingham, Ladywood (Clare Short) during our earlier debate. She put it succinctly when she said that the European Commission was

"the worst development agency in the world".

Her successor, the right hon. Member for Leeds, Central (Hilary Benn), to whom hon. Members have rightly paid tribute for his sincere convictions on this subject, put it in his own way. On the subject of European development aid, he told the Select Committee on Science and Technology:

"as I think everybody knows, it has not been terribly effective in the past."

Coming from the right hon. Gentleman, and knowing the terms that he tends to use, that is even more damning than the conclusion of the right hon. Member for Birmingham, Ladywood.

Time and again, reform has been promised. We were promised it in the treaty, and we have to see that reform against the criterion in my hon. Friend's amendment. We have heard time and again—I think that I heard shades of it in the speech made by the Under-Secretary of State for International Development, the hon. Member for Harrow, West (Mr. Thomas), when he summed up on behalf of the Government—the classic bureaucrat's defence: "Things have not been as they should, but we are putting them right."

The Select Committee on International Development put its finger on some of the long-standing problems in European Union policy when it reviewed the effectiveness of the promised reforms in 2002. It said:

"We remain concerned by the lack of transparency as to which funds are intended for poverty reduction, the continuing division of responsibilities between DG Development and DG External Relations, and the questionable ability of the Commission to staff its Delegations adequately and appropriately."

To be fair to those involved in the European Union's aid effort, lack of transparency and ineffective bureaucracy are hardly unique characteristics of the European Union, but they are important when we debate whether more and more policy making in aid will fall within the remit of central European institutions rather than that of individual member states.

In 2003, the International Development Committee said that it was waiting to see whether European Union reforms would result in a greater focus on poverty reduction, but it has been and remains the case that too little of the EU's international development effort is devoted to the poorest countries in the world. For the purposes of the amendment, we need to ask whether so much EU aid will continue to go to countries in eastern and central Europe and the Mediterranean region—countries that may be less developed than we and other western European nations are, but hardly count among the poorest in the world.

Far too little EU aid goes to the least developed countries, particularly those in sub-Saharan Africa. That is the situation that we confront now, and we must see the amendments in that context. If my hon. Friend the hon. Member for Rayleigh is right in his analysis of the impact of the high representative, the EU's new foreign policy-making institutions and its new drift towards integrated EU supranational control over foreign policy, the situation could get even worse—but my goodness me, we have grounds enough for concern already.

Less than half the European Union's aid goes to the least developed countries and low-income countries. Less than 40 per cent. of aid goes to sub-Saharan Africa. I heard the comments of the Under-Secretary of State for International Development about how matters had improved since 2002, but since 2003, the proportion of EU aid going to sub-Saharan Africa has fallen. I quote figures very helpfully supplied to me by the House of Commons Library, which tells me that the amount of EU aid going to sub-Saharan Africa as a proportion of the EU's overall budget has fallen from 38.9 per cent. in 2003 to 35.6 per cent. today. This debate is taking place against the background of a falling proportion of EU aid to sub-Saharan Africa.

When one considers the amount of aid being given to individual countries, the situation is even starker. In support of his amendments, my hon. Friend the Member for Rayleigh rightly highlighted the case of Mediterranean and eastern European countries; I think that he mentioned Turkey, Morocco and Serbia in his list of the top 10 recipients of EU aid. In fact, according to the note helpfully supplied to me by the Library, those countries are the top three. Turkey receives the most aid, Morocco the next most and Serbia the third most.

In terms of aid received per capita, the situation is starker still. According to the Library's calculations, Serbia receives about 60 times more aid per capita than

Bangladesh, and a total of three times more in overall aid budget. I may be wrong, but I imagine that when those figures on the distribution of EU aid were produced, Kosovo was counted as part of Serbia. We can therefore read them in the context of European Union policy towards Kosovo and Serbia. That might be worthy on its own account. It might be intended to achieve just results, self-determination and a peaceful solution to the long-standing problems in the Balkans; there might be other issues as well. It is a complicated part of the world, and I do not propose to go into detail during this debate about all the merits of those issues, but the point of the amendment is undoubtedly that aid is a focal point for EU foreign and security policy. It appears from the statistics that the aid disbursed by the European Union is driven by the EU's common foreign and security policy objectives. It certainly cannot be driven by the relative poverty of Serbia or Kosovo, for instance, when compared with the very poorest countries, including Bangladesh.

Hugh Bayley (City of York) (Lab): The International Development Committee has conducted a number of inquiries into European Union aid. It appears to me that the hon. Gentleman is talking about the European Commission aid programme, which is highly skewed towards the near abroad—the Mediterranean countries, Turkey, Morocco, Egypt and so on—because that is its purpose. Aid to sub-Saharan Africa comes largely from the European development fund, and 90 per cent. of that fund's aid goes to the least developed countries. He is talking accurately about EC aid, but that is only part of the European Union's total aid package.

Mr. Clappison: The hon. Gentleman is absolutely right. He makes a further point in support of my own, as the European Union's skewed aid policy is disguised within the subdivision of budgets. It is nevertheless money being spent, and it is counted as European Union aid. It may be divided up into different budgets, but as far as taxpayers and people interested in aid in this country are concerned, a very large sum of EU aid is being spent in countries that are relatively less poor, and a much greater amount is being spent in countries such as Serbia, Morocco and Lebanon. The European Union has political and security concerns about those countries, but they are not among the poorest nations in the world. The Department for International Development has set a target for 90 per cent. of its bilateral aid to go to the poorest countries—but the same imperative does not seem to govern European Union aid. Will the Minister for Europe give his estimate of how much of what the Government regard to be aid from EU institutions goes to low-income countries?

8.30 pm

The expert analysis given by my hon. Friend the Member for Banbury (Tony Baldry) in the earlier debate on the motion about the Lisbon treaty was hardly comforting for the Government on that point. My hon. Friend spoke from his own particular perspective, but he said that he did not regard the treaty as a great step forward. He said that we were talking about a total non-debate that added to the democratic deficit. We have often heard it said that the European Union has comparative advantages because of its size and other factors, but the evidence of the lack of poverty focus, ineffective bureaucracy, lack of transparency, slow delivery and possible fraud seems to suggest that it does not perform as well as others in the field, such as nation states. To all those problems may now be added that caused by the role played by the European Union's reinforced common foreign and security policy. The issues that my hon. Friend raised were important.

The situation is dominated by long-standing problems that have riddled the European Union's whole aid history. We need to be extremely careful that we do not make an unsatisfactory situation worse by handing over more influence and authority to the centralised European Union foreign policy institutions that the treaty introduces; my hon. Friend the Member for Rayleigh was right to mention those issues. I do not draw the reassurance that I would like from the Government's position on the issue, although I heard what the Under-Secretary of State for International Development, the hon. Member for Harrow, West, said.

Mr. Bone: I am following carefully my hon. Friend's powerful speech. Is it not one of the problems with the new high representative—or Foreign Secretary—that if the European Union decides collectively on a particular foreign policy objective, its implementation is down to the high representative? He could mess around with the aid budget at will to achieve that objective.

Mr. Clappison: My hon. Friend makes a germane point, which is relevant to the amendment. It does not matter what we call the high representative; everybody else in the world is calling him a Foreign Minister, but he was originally described as the European Union's foreign policy Minister. That has been changed to high representative. The fact remains that the post is a new institution, and the holder has been charged with the implementation and delivery of European Union policy, according to strategy and guidelines issued by the European Council. How he implements that strategy is a matter for him and for Foreign Ministers in the Council of the European Union. He has the right to bring initiatives before the Council. The Council then decides on the initiatives, often through qualified majority voting.

The point is that we are dealing with an individual who has been charged by the European Union with getting results in the field of foreign policy, and the levers of power have been put in his hands. The high representative is not only a member of the Commission, but chairs the Council of Ministers. He has all the levers of power for implementing European Union policy in his hands. There is therefore a risk that he will get his hands on the lever of European Union aid policy, as my hon. Friend the Member for Rayleigh said, and that it will become part of the European Union's overall foreign policy, as opposed to being compartmentalised as development policy, under which development money would be spent according to strict development aid criteria such as relative poverty. I have heard the Government's defence on that point, which relates to the insertion of the poverty criteria in the treaty, but their defence does not seem to be much more qualified than that. It does not strike me that that is something that the Government have been keen to trumpet in the past.

[Mr. Clappison]

Shortly after an initial meeting in June to set out the framework for the intergovernmental conference mandate at the European Council meeting, the Government issued a document called "The Reform Treaty: The British Approach to the European Intergovernmental Conference, July 2007". It set out the Government's position after the European Council, and the decisions taken there by the previous Prime Minister. The document was to set the scene for the intergovernmental conference that came later in the year in Lisbon. It goes into detail about the Government's position. It gives a detailed analysis of what the Government regard as being the principal changes made to the treaty—the innovations and the Government's policy towards them. There is barely any mention in the document of development aid policy. When the Minister for Europe winds up, I challenge him to tell me what important announcements are made in the document about European Union development aid policy and our Government's policy towards it.

What the Government said about the change in the treaty is very thin indeed. There is mention of poverty, but not poverty in any particular country or the most disadvantaged countries. No refinement or clearer targeting is given. The fear in my mind is that the substantial EU aid funding, which comes in part from taxpayers in this country, will be spent according to wider objectives and not strictly according to development aid criteria. That is a fear for all of us who are concerned about development and aid.

Our wish is for aid to go to the poorest countries in the world, without being diverted because of other issues and priorities. It should go to the very poorest people in the world to give them the chance of a better future—to countries such as Bangladesh, to sub-Saharan African countries, to countries that are ravaged by AIDS and have terrible problems. Those are places where it can really contribute to development and to lifting people out of the direst poverty. We do not want it to go towards alleviating poverty in countries that might be poor by our standards but that are in a much better position than the poorest countries in the world. My hon. Friend's amendment hits the nail on the head: there is some risk of desperately needed aid funds being diverted away from the people who need them most.

Rob Marris (Wolverhampton, South-West) (Lab): I shall refer to the consolidated texts of the EU treaties as amended by the treaty of Lisbon, because I always think that it is useful to know what the wording would be if the European Union reform treaty—the Lisbon treaty—were agreed by the 27 member states, unamended. I start with article 3 of the treaty on the function of the European Union, which is on page 38 of the consolidated texts. Article 3, paragraph 1 is about common fisheries policy, the customs union and so on, but I would like to make a point about competence, which is mentioned in paragraph 2, although I stand to be corrected by the hon. Member for Rayleigh (Mr. Francois). Paragraph 2 says:

> "The Union shall also have exclusive competence for the conclusion of an international agreement when its conclusion is provided for in a legislative act of the Union or is necessary to enable the Union to exercise its internal competence, or insofar as its conclusion may affect common rules or alter their scope."

My reading of the provision—the hon. Member for Rayleigh, who moved the amendment, may read it differently and, if so, I would very much like him to point it out to me—is that taken in totality, article 3, particularly paragraph 2, does not lead to exclusive competence for the EU in international development matters. That is my starting point. If I have misunderstood the provision, I am sure that the hon. Gentleman, in his usual helpful way, will correct me. If I am right, however, that somewhat detracts from his arguments about competence.

Amendment No. 268, which deals with the special committee, refers to article 207 on page 133 of the treaty on the functioning of the European Union. I do not wish to read out the whole article, so I shall simplify it for the Committee. It provides for a special committee to be set up that, in consultation with the Commission—the special committee having been appointed by the Council to assist the Commission—can start negotiations and so on. The free-standing special committee cannot go off on a frolic of its own, as it is set up by the Commission and is responsible to it. Understandable concerns have been expressed about whether the high representative of the Union for foreign affairs and security policy would hijack the international aid agenda, but that matter is dealt with in paragraph 3 of article 218, which appears on page 139 of the consolidated text. I will not read out the whole thing—just what I think is relevant. If Members think that I am quoting selectively, doubtless they will let me know.

Mr. Francois: The hon. Gentleman and I are both minor veterans of Finance Bill Committees. I think that we have served on three.

Rob Marris: I have served on six.

Mr. Francois: I have served on three such Committees. Perish the thought that anyone in the House should accuse the hon. Gentleman of selective quoting.

Rob Marris: That exemplifies the hon. Gentleman's generosity, because I was accused of selective quoting in the last EU debate—I cannot remember whether it was in the debate on the amendments or in the thematic debate—and, in a sense, that accusation was correct, because I did not read out a sub-clause that concluded the sentence. When I did so, it threw up a series of questions, which have been raised by the hon. Member for Hertsmere (Mr. Clappison), about the commonalty of foreign policy and so on.

Mr. Francois: For the avoidance of doubt, the Government have been guilty of selective quoting throughout the entire process. I do not want anyone to think that I have let them off the hook, but I am simply saying that when we debated the Finance Bill, by and large, the hon. Gentleman played a straight bat.

Rob Marris: I repeat my appreciation of the hon. Gentleman's generosity. I certainly do not answer directly for the Government, as the hon. Gentleman and the House know.

Meanwhile, back at the ranch, I turn to article 218 on page 139.

Mr. Bone: I do not know whether this is the problem with the European Union, or whether it is just a slip-up, but article 218 appears on page 141 of my copy of the consolidated text, although it appears on page 139 of the hon. Gentleman's copy. Is it not typical of the EU that it cannot even get the page numbers right?

Rob Marris: I am using the Stationery Office publication, which I obtained from the Vote Office. The hon. Gentleman may have obtained a different copy from the Vote Office, but the copy I am using is the same as the one that has been placed on the Table in the Chamber.

Mr. Bone: I do not know whether this is an unusual procedure, because I have just taken my copy from the Table, so do the Government have a different version from us?

Rob Marris: I do not wish to prolong this exchange. As I said, I am not answerable for the Government. It is clear which version I am using. I would like to think that when I refer to article 218 of the treaty on the functioning of the EU, hon. Members can find it, whatever version they use. To put paragraph 3 of article 218 into context, it deals with the question of whether the high representative would hijack foreign aid, as hon. Members may recall. Now that we are focused on the issue, I shall, at last, quote the paragraph:

"The Commission, or the High Representative of the Union for Foreign Affairs and Security Policy where the agreement envisaged relates exclusively or principally to the common foreign and security policy, shall submit recommendations to the Council"

and so on. That clearly suggests that the hijacking or giving of exclusive power or authority to the high representative of the Union for foreign affairs and security policy does not include the concept that the high representative would abrogate the power to determine the EU's policy for its aid budgets, let alone member states' aid budgets. It refers to circumstances

"where the agreement envisaged relates exclusively or principally to the common foreign and security policy".

That suggests that the Commission would, in instances in which the agreement envisaged does not relate exclusively or principally to the common foreign and security policy, submit its own recommendations to the Council. So there is a division there. Most hon. Members would not expect foreign aid to come under common foreign and security policy, although I understand that there is a fear about it being so subsumed.

I turn next to article 21 of the treaty on the European Union, which in my version of the consolidated texts from the Vote Office is on page 18. The final paragraph, which is the second part of paragraph 3, states:

"The Union shall ensure consistency between the different areas of its external action and between these and its other policies. The Council and the Commission, assisted by the High Representative of the Union for Foreign Affairs and Security Policy, shall ensure that consistency and shall cooperate to that effect."

The word on which I would place emphasis for the purpose of the debate on the amendments is "consistency", which is the fifth word of that paragraph and occurs again towards the end of the paragraph.

I know that there can be problems of translation of European Union documents, depending on which language they were originally written in. Sometimes they are stitched together from different delegations and different sherpas, as I believe they are called. However, the word in that paragraph is "consistency", not "coterminosity". The amendments, as I read and understand them, imply that in that part of the consolidated texts where the word "consistency" is used, "coterminosity" is meant. I do not read the texts in that way.

Bob Spink (Castle Point) (Con): In applying the argument that the EU seeks consistency between its various policies, is not the hon. Gentleman exposing the problem with this part of the Lisbon treaty? The EU has a policy of illiberal protectionism, road-blocking the Doha round of trade talks, not reforming the CAP and pursuing biofuels that will starve the poorest parts of the world. Consistency with those policies is just what is damaging international development and holding back the developing world.

8.45 pm

Rob Marris: Taken in totality, without rehearsing the debates that we have had in the House, the European Union reform treaty takes the European Union a step further away from the protectionism that the hon. Gentleman fears may exist. I have those fears, but I think the treaty is a step in the right direction away from such protectionism. As I have said previously in our debates, the treaty as a whole is a two-way street. There are things that we can learn from the other member states, and there are certainly things that they can learn from us.

In respect of international aid and in many other fields, the treaty is a step forward in terms of leverage because, in certain areas where we agree with the other member states, it has a multiplier effect on the influence of the United Kingdom as a small country with a proud history and one that is still a permanent member of the United Nations Security Council. The treaty magnifies our influence, which has certainly declined from the 1900s, for good reasons, with the disappearance of the empire. Whether on international aid or other matters, within the European Union we have quite a measure of independence. The debates today on international development show that.

International development is not the exclusive competence of the EU and should not be. Where we can work with the other 26 member states to produce a greater effect in the world than we could by acting bilaterally, that is a positive for the countries that we are trying to assist and for the influence that the United Kingdom wishes to wield and continues to wield in the world.

Mr. Bone: I am grateful to be following the speech of the hon. Member for Wolverhampton, South-West (Rob Marris), whose legal mind made powerful points—although the copies of the text do not always seem to be the same.

[Mr. Bone]

I was excited at this, day No. 6 of the Committee of the Whole House on the European Union (Amendment) Bill. I thought that, for the first time, there would be something to encourage me to support the treaty. The Government have led on the criticism of the failure of the European Union to deliver aid to the least developed countries in the world. They have been highly critical of the failure in the Doha round.

In my view, the greatest failure of the European Union has been the damage that it has done to developing countries—it has been criminal how it has blocked access to markets that would relieve poverty across the world. It seems strange that the Lisbon treaty will not improve the development aid situation, but make it worse. It seems incredible that instead of strengthening the role of development aid within the EU, we are going to make it a subsection of foreign policy. The high representative will run around trying to build empires and influence people, and will undoubtedly use the aid budget to implement foreign policy.

Amendment No. 245 seems a mild one that would improve the treaty; I do not think anyone on the Government side could argue against it. All it basically says is that the aid budget should remain unaffected by the high commissioner or high representative—given what many people think of the post, we could call him the effective Foreign Secretary.

Bob Spink: My hon. Friend just mentioned the Government side. Is he aware that in a recent review on the effectiveness of the EU, the Department for International Development itself said:

"The UK would like to see a greater focus on low income countries for spending from the EC Budget."

My hon. Friend may not be aware that I was a member of the Labour-chaired Science and Technology Committee, whose 13th report of Session 2003-04, on the use of science in UK international development policy, states in conclusion 11:

"It is not acceptable that 25 per cent. of DFID's funds have been potentially allocated to development programmes that are widely perceived to have been of dubious effectiveness...DFID's past failure to monitor its multilateral"—

The Chairman: Order. The intervention is far too long. By including a great chunk of quotation, the hon. Gentleman has taken an intervention beyond its procedural purpose in the House.

Mr. Bone: My hon. Friend's intervention explains our dilemma. I do not blame the Government or Ministers, because I know that they are absolutely furious about how the European Union behaves on aid. The Government clearly do not have any influence in Europe; if they really were at the heart of Europe and if the European Union really did improve aid, the least developed countries would not complain. It seems to me that a protectionist ring is built around the European Union, which does not care much about people who live a long way from European borders. We spend £10 billion a year of taxpayers' money on the European Union. I am sure that if we directly gave away a small proportion of that, it would be more useful and effective and create a better living for people.

I turn back to amendment No. 245. I have not heard any Government Member say that it is a horrible wrecking device designed to destroy the Lisbon treaty, as they normally do. They have been very quiet. The amendment is so mild that I assume that, when the time comes, the Government will see the wisdom of their ways and accept it. Notes have been whizzing back and forwards and Members have obviously touched on things of which the Government were not aware.

This is an opportunity for the Government to accept a very mild amendment—the sort of thing that would be seen to improve the Bill if we were having a proper Committee debate that was going straight through, with none of this four-hour nonsense beforehand. I think it was the Lord Chancellor who said that he has never seen a Bill that has gone through Committee and has not come out much improved. The Government seem to be saying, "We are against any reasonable amendment because you're trying to wreck the Bill." There is something seriously wrong with our Government if they do not want to take on board reasoned arguments on how to improve things to help the less developed countries. If all they are concerned about is getting this through so that they win Brownie points with our European Union colleagues, that is an absolute disgrace.

I had the pleasure, until I was thrown off, of serving on the Trade and Industry Committee—

Mr. Jim Murphy: You probably walked out.

Mr. Bone: I am sorry; I did walk out earlier on. I was very cross. I have lain down in a darkened room, and I am back here feeling a lot better, thank you.

The Committee was looking into relations with India and talking about the Doha round and the complete blocking by the European Union, which would not allow market access in order to protect French farmers. As a result, people in Bangladesh and other parts of the world were losing out. I said to a very senior business man from India, "What is the best thing that could be done to improve trade and relieve poverty in the sub-continent?" He said straight away, with no hesitation or prompting, "The best thing would be to pull out of the European Union." That is the problem. Most people outside the EU think that the development aid budget has been a complete failure and believe that the Government's influence at the heart of Europe is absolutely zilch. I do not see how this Bill will improve the situation; in fact, it will make it worse.

Rob Marris: Let me gently point out two things to the hon. Gentleman. First, I was on that Select Committee with him, and the obstacle was certainly not the European Union alone, if at all—it was also to do with a two-way street and restricted market access to India. Secondly, it might help if he read the Lisbon treaty, if he has not already done so, because the consolidated treaties document to which he referred earlier is dated November 2006 and was published 13 months before the EU reform treaty was signed.

Mr. Bone: I was aware of the hon. Gentleman's second point.

The serious issue that we should confront as politicians is that there is real poverty in the world. The European Union was supposed to help to end that by getting together and moving forward, but we have not done so. I know that the Government are upset about that, but I cannot see anything in the Bill that improves it. We have a very poor situation that will be made worse by potentially moving control of the budget to a high representative. The hon. Gentleman said that there are all these legal reasons why it should not happen, but the trouble is that in reality, slice by slice, the European Union has always built empires.

Mr. Clappison: Given that, beyond peradventure, the common foreign and security provisions are creating a situation whereby more and more people will look to Europe for foreign policy and more foreign policy will come from Europe, does my hon. Friend fear that development policy will follow in train of that?

Mr. Bone: I am grateful for that intervention.

This is not happening by design or because Government Members do not believe that what they are saying is correct, but history shows that whenever one gives more to the European Union it takes more, slice by slice, and develops empires, and the high representative will want to develop his or her role. By moving the aid budget towards foreign policy aims, it seems to me that that is exactly what will happen. I urge the Government to accept this very mild Opposition amendment to improve the Bill.

9 pm

Hugh Bayley: It is a special irony to hear so many Conservative Members getting to their feet to express the view that development policy might be somehow hijacked if it came under the control of the foreign affairs wing of the European Union. I recall the time more than 10 years ago when their party were in government and the hon. Member for Hertsmere (Mr. Clappison) was a Minister. At that time, the Overseas Development Administration, the British development wing, was part of the Foreign Office and it required a Labour Government to separate it in order to give development policy the independence that Conservative Members are now so staunchly defending.

In anticipation that the hon. Member for Rayleigh (Mr. Francois) will get to his feet again when he has heard the Minister's response to his questions on behalf of BOND and other lobbyists, may I ask him whether his party, if it were ever to form a Government again, would commit to the retention of an international development Department separate from the Foreign Office? He has argued that it is a failing of the treaty that the European Union will subsume development policy within its common foreign and security policy. Will he give a commitment that his party would not do the same in the UK, were it to form a Government?

It is also a great irony to hear Conservative Members complain that one of the EU's policy failures is that it spends relatively little aid in the least developed countries. In the debate earlier this evening, I cited figures that showed that during the last Parliament when a Conservative Government were in power, not only did the proportion of our national wealth given in aid contributions fall, but the proportion of British aid given to the least developed countries fell sharply. The Conservatives have changed their policy, and I warmly welcome that. We should be particularly pleased that after 10 years of a Labour Government, the Conservative party has seen that it made mistakes in the past, and is arguing that such mistakes should not be repeated by the EU. I hope that it will apply the same strictures to the Government.

I hope that the hon. Member for Rayleigh will respond to a second point. His amendment is grouped with amendment No. 272, proposed by Mr. Heathcoat-Amory, who I believe could still—

The Chairman: Order. The hon. Gentleman has been here long enough to get the nomenclature right. We do not refer to colleagues by their name.

Hugh Bayley: Proposed by the hon. Member—[Hon. Members: "Right honourable"]—the right hon. Member for Wells (Mr. Heathcoat-Amory). I do apologise, Mr. Haselhurst.

Rob Marris: Sir Alan.

Hugh Bayley: I am really getting in trouble now. Sir Alan, I thank you—

The Chairman: Order. Does the hon. Gentleman want to take time out to think about this?

Hugh Bayley: Sir Alan, I do not. I want to make progress on this point, and to do so quickly.

The lead amendment is grouped with amendment No. 272. I suppose it is possible that the right hon. Member for Wells could formally propose the amendment. As I understand it, that amendment would exclude article 161 (a) from the treaty, which specifies:

> "Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries."

That part of the treaty requires European Union development policy to have poverty focus as its primary objective. Members of all parties have said that that provision is extremely important, and have welcomed it. That is also the part of the treaty that requires the EU to co-ordinate policies run by other parts of the Union, such as its trade policy or agriculture policy, and to make them coherent with the development policy. Again, I have heard Conservative Members, as well as Members from other parties, support that provision warmly tonight.

If amendment No. 272 is moved tonight, will the hon. Member for Rayleigh and Members of his party support the deletion from the treaty of the poverty alleviation commitment and the policy coherence commitment? Having heard the speeches this evening, I should have thought that that was at least the one part of the treaty on which there was good cross-party consensus: policy coherence ought to happen, and the EU ought to pursue such policies. The EU would certainly be more likely to pursue those policies if they were in the treaty.

Mr. Vara: I support the amendments tabled by my hon. Friend the Member for Rayleigh (Mr. Francois). I am particularly concerned about the prospect of the development budget being under the control of the European high commissioner, rather than under the control of a separate commissioner who deals with development. That proposal relegates the importance of development. Without a separate individual with authority at the EU negotiating table who speaks up on development, poverty and aid, the importance of that area of responsibility will be diminished.

Development is, as we all acknowledge, vital. We also all understand that we are dealing with limited resources. It is all very well to have comforting words from the Minister, and I do not doubt their sincerity, but I doubt the implementation of the mechanism to deliver the good deeds from the good words that have been articulated about achieving the alleviation of poverty throughout the world.

I was particularly struck by the memorable speech made by my hon. Friend the Member for Hertsmere (Mr. Clappison). He eloquently pointed out the fact that the most deserving countries are receiving less funding from the European Union. It was particularly noteworthy that he and my hon. Friend the Member for Wellingborough (Mr. Bone) commented on the fact that if the high commissioner were in charge of development aid as well as foreign policy and security, there is a strong possibility that decisions to do with aid would follow the principles governing foreign and security decisions.

By way of illustration, let me give a contemporary example. We have the declaration of independence in Kosovo, and 22 European countries have accepted that independence. Five have not. Incidentally, such a divergence of opinion is what I presume the Lisbon treaty will call "common foreign policy", although I fail to see what is common about having a dispute of that nature. The point is that our so-called foreign policy is uncertain.

If there is uncertainty about foreign policy, that will clearly lead to uncertainty about the consequent aid policy. We are talking about poverty, about people starving and about getting money to those people as soon as possible. When people do not know where their next meal is coming from, they do not have time to wait for the resolution of a common foreign policy on which the aid policy depends.

Mr. Bone: My hon. Friend is making a powerful point. He gave an example of a significant split of 22 to five in the European Union over Kosovo. Circumstances could arise in which development was required in an area, but a split on foreign policy might lead to that aid being stopped.

Mr. Vara: I am grateful to my hon. Friend. Not only is there a danger that assistance and aid is delayed, but it could stop. When people rely on aid for their next meal, we run out of time for those lives.

Bob Spink: My hon. Friend is making a passionate and compelling speech about aid, but does he agree that trade could be as important—if not more important—than aid? Does he know that statistics show that, in 2002, the EU policy on trade meant that we gave trade tariffs of 1.6 per cent. to the richest countries, with GDP per capita of more than £15,000, and tariffs of an average of 5 per cent. to poor countries, with GDP per capita of less than £5,000? Does he worry about that?

Mr. Vara: I am most grateful to my hon. Friend for making that powerful point, which endorses my point that it is vital to have a separate Commissioner.

The Chairman: Order. The point that the hon. Member for Castle Point (Bob Spink) made did not strike me as going to the heart of the amendment, so I hope that we will not go too far down that path.

Mr. Vara: No, Sir Alan. I simply commented that I believed that my hon. Friend was making a valid point, which underlines that it is vital to have a separate spokesman for aid at the negotiating table, rather than someone who has to follow other trends—trade, which my hon. Friend mentioned, or foreign and security policy in the case of the high commissioner.

Rob Marris: May I gently point out two matters? First, the common foreign policy of the European Union is decided not by qualified majority voting but by unanimity. Secondly, article 214 makes it clear that member states can have their own humanitarian foreign aid programmes, even in the absence of agreement on a European Union humanitarian aid programme. The UK could act in a case in which the European Union chose not to do so.

Mr. Vara: I note the hon. Gentleman's point. On unanimity, I fully appreciate what is written in a treaty, but what happens on the ground is not reflected in the treaty. We have a so-called common foreign policy but there is nothing common in division, with 22 countries voting one way and five countries voting the other. On the hon. Gentleman's point about Britain's ability to give aid, we are not discussing Britain's aid, but what the European Union will do with its funds. I do not therefore understand the relevance of the hon. Gentleman's point.

Mr. Clappison: We have had the argument previously and I do not want to go too far down that road, but if my hon. Friend examines the treaty, he will note incremental movements throughout it, including the extension of qualified majority voting beyond that which exists today, in favour of a common European foreign and security policy. Does he share my wish for the Minister to set out some concrete objectives, which would perhaps put our minds at rest at least a little in the context of the amendment?

Mr. Vara: I agree with my hon. Friend and I hope that the Minister took those points on board.

Let me revert to the possibility that the European high commissioner would have charge of the aid budget. Several of my hon. Friends have mentioned the ever-increasing centralisation of decision making, with a few people at the top having ever-larger empires, for want of a better word, over which they would have exclusive control. We have noted that for several years the European budget has not been signed off, yet greater centralisation of funds will lead to the inevitable prospect

of those funds, ever approaching the pinnacle, not being subject to as much accountability as we would like—in other words, the money will not go specifically to the people for whom it is intended It is therefore important that there should be a specific European Commissioner in charge who can be held responsible for the money and can try to follow where it goes—to which countries, to which projects and to which people.

9.15 pm

We are discussing this important issue in the comfort of the Palace of Westminster. Many in the Chamber have had their evening meal and others know full well that they will soon be able to have theirs. However, I am reminded of the occasion on which, as the recipient of a fellowship from the Norfolk charitable trust, an organisation run by Tom Harrison and his daughter Deborah Harrison, I visited Ethiopia to see the starving for myself. I will never forget the occasion when—*[Interruption.]* Labour Members may well jest about the poverty and the dying in Ethiopia, but I assure them that their criticisms of our compassion are highlighted by the humour that they find in my comments about the dying and the starving in Ethiopia. I will never forget the occasion on which I went to a feeding centre, where hundreds of people were squatting, waiting for a bag of grain, a pot of oil and a little bit of salt, which was to last them for the next month.

This debate is about those people. It is about their next meal. We must recognise that this is not just another issue. We as politicians have a responsibility, in a global world, to our global brethren. It is therefore vital that where there is aid money, it is properly targeted and properly dealt with, and that there is proper accountability. By accepting the amendment that my hon. Friend the Member for Rayleigh has moved, we will ensure that our duty towards the starving of the world will be that much better fulfilled. If we do not accept the amendment, I am afraid that we as politicians do an injustice to all our rhetoric and an injustice to all the people who look to us for their next meal.

To conclude, when my hon. Friend the Member for Wellingborough said that the Government had not yet said that our amendments were wrecking amendments, the Minister said that he had not had an opportunity to do so. The Minister is an honourable Minister and I have an enormous amount of respect for what he says and what he does. I therefore very much hope that his comments were made in jest, and that he will not stand at the Dispatch Box and try to rubbish the well-meaning amendments that we have tabled. I urge the House to put aside party politics and accept our amendments, which are for the greater good of mankind.

Mr. Douglas Carswell (Harwich) (Con): I wish to make a few succinct points in favour of the amendment. We need to keep separate the common foreign and security policy, and international aid, for a number of reasons. Let me preface my comments by saying that international aid is vital, and for Parliament and the Government, it should be right up there with education and the health service. It is vital because there is an enormous disparity of wealth in the world that is ultimately unsustainable. The western world needs to do much more to alleviate poverty. That fact alone means that this subject deserves its own focus and deserves someone to take responsibility for it, separately from any considerations on foreign and security policy.

Hugh Bayley: The hon. Gentleman argues that we need to do more to ensure the eradication of poverty. The treaty states:

"Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty."

Why is he supporting a group of amendments that include the deletion of that proposed policy from the treaty?

Mr. Carswell: I was speaking specifically to the amendment, which seeks to establish a separation between the common foreign and security policy and international aid. I am not debating the more general point that the hon. Gentleman has raised.

Linking international aid with the foreign and security policy would diminish the effectiveness of such aid. In any discussion on foreign relations, there are two schools of thought: one deals with realpolitik, the other with idealism. In the making of foreign policy, there is usually a healthy tension between the consideration of the two different strands. I suspect, however, that the individuals and institutions responsible for foreign and security policy will be less prone to idealism and to moral concerns about improving international development than if the two areas were kept separate. At European level, we need to keep separate those responsible for foreign and security policy and those responsible for international aid.

Rob Marris: I imagine that the hon. Gentleman is speaking to amendment No. 245, which proposes to delete

"any provision that increases the influence of the Common Foreign and Security Policy on international aid".

Will he give the House three examples of provisions in the treaty of Lisbon that increase that influence?

Mr. Carswell: I thank the hon. Gentleman for his helpful intervention. If we were to Europeanise international aid, and to tie it around a foreign and security policy, we would diminish our efforts to alleviate poverty.

Mr. Clappison: I am grateful to my hon. Friend for giving way. I shall give the House three quick examples: putting a vice-president of the Commission in the Chair of the Council of Ministers; requiring the convergence of actions in foreign and security policy; and putting a duty—not a responsibility—on individual member states to consult other members of the Union and the Council of Ministers before undertaking any independent foreign policy of their own. Those are three examples; I could give the House a much longer list.

Mr. Carswell: I am always willing to take interventions from either side of the Chamber.

Mr. William Cash (Stone) (Con): I could give the House about 40 examples, and the hon. Member for Wolverhampton, South-West (Rob Marris) knows it.

Mr. Carswell: Any other interventions? I am more than happy to take them.

Mr. Bone: Is this not one of the problems involved in looking at the reality of the situation from a legalistic point of view? History has shown us that, wherever there has been a slight chance of a European Union representative taking more, they have done so. That is the reality of the situation, whatever the treaty says.

Mr. Carswell: Again, I agree, and I shall be happy to take any further interventions.

If we look at the efforts that have been made in the field of international aid in recent decades, we can see a growing awareness in this country of our responsibilities. That is to be welcomed, and in fairness, it has happened under Governments of both parties. It is striking, however, that the great innovations in international aid have often come from the bottom up. Charities have been formed in discussions around people's kitchen tables, and spontaneous efforts have been made by the Churches or by other philanthropic organisations. These efforts have come from the bottom up, and they have put pressure on western Governments to take action and to put international development firmly on the agenda. If we were to Europeanise our development efforts and make them a tool of a foreign and security policy, we would squeeze out the potential for pluralism.

I think that that would impoverish our efforts to alleviate global poverty. We need to keep questions of foreign and security policy quite separate from those of international aid. I do not think that our international aid policy should be subject to considerations of realpolitik. I believe that the amendment keeps the two issues separate, so we should support it.

Mr. Jim Murphy: I am delighted to have the opportunity once again to respond to a debate that has been interesting for the whole afternoon and evening. We have all had the opportunity at the start of Fairtrade fortnight to reflect on some of the big issues facing our country on a group of policies that so many of our constituents rightly feel so passionately about.

We heard from the hon. Member for Hertsmere (Mr. Clappison), as we often do, quite fairly. We also heard from my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), who spoke in a style that is increasingly his trademark. He displayed his ability to find his way through a treaty and its text in a way that no European bureaucrat anywhere on the continent could do with such ease. I offer that as a compliment. We heard from my hon. Friend the Member for City of York (Hugh Bayley), who has demonstrated such personal and political commitment to this issue over a number of years that he is rightly, fairly and genuinely admired on both sides of the Committee for his careful attention.

We also heard, belatedly, from the hon. Member for Harwich (Mr. Carswell). I was as surprised to hear him as I am sure he was surprised to be making the speech. I congratulate the hon. Member for Rayleigh (Mr. Francois) on his speech. We formerly served as Whips together and his old Whip's tendencies, in helping us to get us to this hour, are still very much in evidence. The hon. Gentleman made, I think at relatively short notice, a well-informed speech about the amendments before us.

I think that we started this afternoon's debate with a contribution from the Secretary of State for International Development, who made a point relevant to the amendments. We heard about my right hon. Friend's world tour across many of the regions and countries that we have spoken about. He is, of course, a former Minister for Europe, and I am sure that he is as disappointed as I am that he is not standing here at the Dispatch Box this evening as we reach the halfway point in our Committee deliberations on the Bill. *[Interruption.]* Yes, I have to tell my hon. Friend the Member for Wolverhampton, South-West that we are only halfway through our Committee process. *[Interruption.]* The hon. Member for Wellingborough (Mr. Bone) says that the best is yet to come, so I thank him in anticipation of what I am about to say. By his own admission, the hon. Gentleman was a bit frustrated or angry earlier today, and he led a one-man walk-out—he was the walk-out. On his own admission, he lay down in a dark room. By all accounts, however, despite our disagreements, he retains a bright sense of humour and a sharp attention to much of the detail of the treaty. We look at the same evidence, the same arguments and the same history and come to diametrically opposed conclusions. Nevertheless, he does so with great consideration and honour. We simply disagree over the conclusions and will continue to do so.

As to the Opposition Front Benchers, let me deal first with the hon. Member for Rayleigh. As regular attenders in the Chamber will be aware, even when we disagree over amendments, the hon. Gentleman customarily argues for them in a coherent way. I will go on to explain why we disagree with amendment No. 245 in particular, but there are even greater arguments about some of the other amendments in the group.

In a relatively short speech, the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), who made his debut in today's debates as the Liberal Democrats' international development spokesman, got to the point immediately, identifying the weakness in the Conservative amendments. They seek to undermine the greater co-operation for which both my party and his party share a great enthusiasm.

9.30 pm

Amendments Nos. 245, 247 and 272 aim to exclude provisions that could increase the influence of the common foreign and security policy on international aid. The principles of the Union's external action are set out in article 2(24) of the Lisbon treaty, which refers to

"democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law."

My right hon. Friend the Secretary of State for International Development mentioned that in the earlier debate.

It is vital for there to be coherence throughout the EU's external action. We would not want the EC development assistance plans in countries such as Zimbabwe or Fiji not to take account of the position on human rights and democracy. The provisions in the treaty do not mean that development will be secondary to foreign policy, as I shall seek to explain. They do not represent a return to the days of aid as an instrument of foreign policy. In fact, increased coherence as set out in the treaty will ensure that development and humanitarian aid form a key part of a coherent and effective external policy.

It is vital for the Union's external action to be coherent and consistent. That is why the provisions that I have mentioned were included in the treaty. Other provisions have the same objective. For instance, article 2(161) states that the Union must

"take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries."

That requirement has existed since the Maastricht treaty.

Let me deal with some of the wider points that have been made about EU efforts on international development and aid. Owing to either a misreading of the evidence or a deliberate misunderstanding of it, we have witnessed a parody of the EU's efforts in recent years. I have not and never will argue at the Dispatch Box that everything Europe does is anywhere near perfect—there is no organisation in the world that could not continue to improve—but to argue, as some have, that the EU has, in principle and in practice, let down the world's poorest people is, in my view, a parody of the reality.

Let us look at some specific examples. In Sudan, €100 million of humanitarian aid has put the country firmly at the top of the Commission's humanitarian agenda. In northern Uganda, 2 million internally displaced people were living in poorly managed camps without minimum basic services or adequate protection, and with recurrent cholera outbreaks. The Commission provided €19 million to improve conditions in the camps and help people to return home. In the Democratic Republic of the Congo, the Commission's humanitarian activities focused on the most vulnerable, especially women and children. In Liberia, 14 years of civil war had a devastating effect on civilians. Half the population was undernourished in 2006, but there has been significant European investment. In Niger, more than 680,000 children were treated for acute malnutrition. As for Angola, there has been considerable investment in that war-torn country.

I do not claim that everything that Europe has done and continues to do has resolved all the great challenges that face the world's poor. Let me say this in response to the hon. Member for North-East Cambridgeshire—

Mr. Vara: North-West Cambridgeshire.

Mr. Murphy: I apologise. Following a tour of the world's nations, I should have been able to distinguish between North-East and North-West Cambridgeshire. Nevertheless, I entirely agree with the hon. Gentleman's sentiment. We could debate the recent history of the party he supports, such as its dramatic—by choice—political failure of the world's poorest when it cut the aid budget, but I am willing to accept that he did not support that agenda at the time, and certainly that he does not support it this evening. There is no disagreement that the EU has to do more, and indeed, the United Kingdom bilaterally can continue to do more, but the fact is that 90 per cent. of the European development fund does go to the poorest nations. In 2006, £32 billion of aid went to help some 18 million people in more than 160 countries. It has to be acknowledged that not all the money has gone to the poorest nations, but a strong case can be made that while there is rightly a focus on the poorest nations in the world it is also right to concentrate on the poorest communities in some of the middle-income nations, and that they are also entitled to the support of the EU and the UK.

More widely, it is right that candidate countries of the EU benefit from EU support, such as aid support and aid investment. That is why the European neighbourhood policy is important. Earlier this afternoon, I had to pop out of the debate to meet the Deputy Prime Minister of Ukraine, a country that received £160 million in 2006 in total EC aid; it also received almost £6 million in UK bilateral aid, which is administered through the Department for International Development. It is important that we continue to invest in—to use the dreadful diplomatic-speak—Europe's "near-abroad", which are those countries to the east and south of Europe's borders. We must continue to invest in those countries, rather than only in the poorest countries in the world. We wish to see stability and continuing democratic process.

Mr. Clappison: The hon. Gentleman is making a forceful and thoughtful speech, but is he really saying that there is no disproportionality in the aid devoted by the EU when, for example, seven times as much aid per head is given to Turkey than to Bangladesh? Is there any proportionality in that?

Mr. Murphy: We must continue to try to find ways to get money to individuals in the poorest nations and to the poorest communities in some of the middle-income nations. I am not seeking to argue that everything Europe has done, is doing or will do is precise and perfect. That is why there must be continued reform. However, I am arguing that it is in our national and international interests that there continues to be investment in, for example, Serbia, to encourage democracy and the rule of law there, and that we encourage economic progress, open markets and human rights in, for example, Kosovo.

Let me turn to the text of the treaty and the concern of the hon. Member for Rayleigh about the effect the potential loss of an EU Development Commissioner could have on EU efforts in international development. Although I have yet to hear it said specifically thus far in any of our days of deliberations on the treaty, I think that it is common ground that a reduction in the number of Commissioners is a good thing. Thus far, in six days of debate both in Committee and on Second Reading, we have not heard from those on the Conservative Benches of one thing that they welcome in the treaty. I know that Conservative Members' worry is that if they welcome a millimetre of it, they will be

[Mr. Jim Murphy]

slammed by the UK Independence party and other Europhobes. *[Interruption.]* Instead of chortling, I shall give the hon. Member for Rayleigh the opportunity to welcome some parts of the treaty.

Mr. Francois: I say to the Minister that we are opposed to this treaty because it transfers great powers from Britain to the EU, and I remind him that his Government promised the British people a referendum on that basis. That, and not what UKIP might or might not say, is our primary concern.

Mr. Murphy: Again, the hon. Gentleman welcomes nothing in this treaty, be it on international development or foreign policy. I remind the House that the Conservatives are alone, because they are the only Opposition party in Europe and the only conservative party in Europe to oppose the treaty's every sentence. He opposes every aspect of the treaty.

The number of Commissioners will be reduced from 27, because there are not 27 full-time jobs to do in the European Commission and thus there is no justification for having 27 separate bureaucracies. In addition, as we welcome Turkey and others into the European Union in future, the number of Commissioners would continue to be a difficulty if it was not addressed. More importantly, the treaty does not make provisions on which Commissioners and portfolios will remain—there is no specific alignment as to which Commissioner portfolios would continue on a full-time basis. Nothing has been decided on the portfolios or roles carried out by individual Commissioners or by the collection of Commissioners.

Commissioners come and go, and much is dependent on the power and personality of Commissioners, but the treaty text is what is important and unavoidable, and, for the first time, it legally enshrines humanitarian aid. That aid should be offered and provided in line with three principles—impartiality, neutrality and non-discrimination—which have been established by the Red Cross.

Let us consider some different aspects of the treaty text. Article 21(d) on page 18 states that the Union should try to

"foster the sustainable economic, social and environmental development of developing countries".

Article 21(e) states that it should try to encourage the integration of all countries into the world economy

", including through the progressive abolition of restrictions on international trade".

Paragraph 5 of article 3 on page 5 states clearly, for the first time:

"In its relations with the wider world, the Union shall uphold and promote its values and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty".

The specific roles of individual Commissioners will continue to evolve. There is no ideological disagreement about that between the left, right and centre across the European Union. As we move from 27 to 18 Commissioners, there will of course be a need for some changes in portfolios. What is beyond doubt is the fact that the treaty text for the first time carries within it an absolute guarantee about the primacy and importance of the eradication of poverty.

I think that I am being encouraged to allow the hon. Member for Rayleigh the opportunity for a couple of moments' response. However, I should say that amendment No. 246 would exclude the Lisbon treaty provision that states that the Union and the member states share competence in the areas of development co-operation and humanitarian aid, but that any Union action in those fields does not result in the member states being unable to act—it is very clear as to the extension of the shared competence, Member states are still entitled to act. Let me remind the House that European Community action in the field of development co-operation was formalised in the Maastricht treaty. Along with humanitarian aid, it has, in practice, been an important part of the Community's external action since its foundation.

The proliferation of donors and the exponential growth of projects are real problems for many developing countries, and in particular their Governments. Those Governments have limited financial and administrative resources, yet they are asked to work with more and more donors, each of which has its own systems of reporting and auditing. Governments are asked to participate in reviews of dozens, if not hundreds, of projects, in each sector—for example, the OECD counted no fewer than 560 social infrastructure projects in Mozambique alone in 2002. The treaty seeks to rationalise that process so that instead of countries such as Mozambique struggling under the weight of well-intentioned initiatives coming from myriad nation states across the globe, there is greater coherence, at least within the European Union's 27 member states. No one could sensibly argue that Mozambique and her Government should expect to be supported in a way that puts such an enormous burden on the country and her people. That is the purpose behind the initiatives in the treaty. All of this argues for closer co-operation between donors and a shared competence in development co-operation, as the Liberal Democrats have also said this evening.

I want to give the hon. Member for Rayleigh the opportunity to respond, so I turn finally to the question asked by the hon. Member for North-West Cambridgeshire (Mr. Vara). The dry, legalistic answer to his entirely fair question is that for the UK to remove the specific articles of the treaty as required by the amendment would put us in a position whereby we could not fully ratify the treaty. That is the dry, legalistic and factual position, and I hope he is reassured on that point. More widely, there is determination to ensure that the European Union is more effective in the future—to harness the political determination of all 27 Governments to deliver the things we all believe in.

9.45 pm

Mr. Francois: I am grateful to the Minister for his generous remarks about the style in which I introduced the amendments. It is fair to say that this debate is somewhat less heated in nature than our debate about common foreign and security policy and the debate on

defence we never really had time for. I have some specific comments about the Minister's remarks, but first I want to refer to some of the other contributors.

The Liberal Democrat spokesman spoke briefly, presumably because he wanted to give others an opportunity to contribute. He made a plea to us about greater co-ordination on policy—I think I quote him correctly. He gave as an example greater co-ordination on defence, which he said the Liberal Democrats would welcome.

Mr. Moore: If necessary.

Mr. Francois: I am not sure that the hon. Gentleman made that caveat at the time.

Last Wednesday, the House would have had the opportunity to debate in detail whether we wanted greater co-ordination on defence if we had been able to deal with any of the defence amendments, but the invidious nature of the Government's business motion meant that we never even reached that point. I say gently to the hon. Gentleman that we have argued—as we did strongly at business questions last Thursday—for an extra day of debate on the Lisbon treaty so that we could discuss the defence implications in detail. I hope the Liberal Democrats support that intention. Shall I give way briefly to the hon. Gentleman so that he can say yes?

Mr. Moore *indicated dissent.*

Mr. Francois: I am rather disappointed by that response, especially as the hon. Gentleman raised the matter. It is a shame that the Liberal Democrats do not want defence debated.

The hon. Gentleman talked about the need for greater co-ordination, but when we debated the motion earlier, the Under-Secretary of State for International Development (Mr. Thomas) spilled the beans. During the peroration by my hon. Friend the shadow Secretary of State for International Development, the hon. Gentleman leapt up rather excitedly to intervene on points of origin, if I am quoting him correctly. We were debating how policy on points of origin might be changed—

Mr. Thomas: Rules of origin.

Mr. Francois: I am grateful to the Minister. During debate about rules of origin, the hon. Gentleman leapt to his feet saying, "You don't need a treaty to change the arrangements on rules of origin." That was the spirit of what he said. In a sense, that is our entire argument today: we do not need a new treaty to improve co-operation in the delivery of EU aid. *[Interruption.]* The Minister laughs to hide his embarrassment, but he blew the gaffe on the Government's position during the peroration by my hon. Friend the shadow Secretary of State—I know he did because I saw his boss wince the instant he said those words.

Rob Marris: Will the hon. Gentleman give way?

Mr. Francois: I am coming to the hon. Gentleman—he does not need to anticipate me.

The Minister blew the Government's case, and it is too late for him to take back his words. I now turn to the hon. Member for Wolverhampton, South-West (Rob Marris). Does he want to intervene first, or will he hear what I have to say? Perhaps he will let me make some progress and refer to his comments, and then he can intervene.

Can we clear up the point about numbering, because there was confusion about which bits of text we were using? I understand that we have the treaty of Lisbon, which is numbered, and the consolidated text, which has been provided by The Stationery Office and, obviously, is also numbered. Also available in the Vote Office is the European Union publications office's version of the consolidated treaties. The page numbering is slightly different in the EU publications office's version and the TSO version, which was why there was confusion between my hon. Friend the Member for Wellingborough (Mr. Bone) and the hon. Member for Wolverhampton, South-West about which page we were on. We have two consolidated versions, but the document from the EU publications office predates the other. I can say to the Minister that yet again, we and the EU are not on entirely the same page—*[Interruption.]* I am trying to clear up the situation, because several hon. Members were confused by the difference in the numbering.

Let me turn directly to the point made by the hon. Member for Wolverhampton, South-West when he quoted from article 21 in the consolidated text. I shall quote the paragraph to which he referred:

> "The Union shall ensure consistency between the different areas of its external action and between these and its other policies. The Council and the Commission, assisted by the High Representative of the Union for Foreign Affairs and Security Policy, shall ensure that consistency and shall cooperate to that effect."

He said that the key word was "ensure", but I would argue that the key word is "shall", because it implies an element of compulsion and is used three times in the paragraph. In a sense, he picked the wrong paragraph to support his argument. I hope that he appreciates the fact that I bothered to read in detail the passage that he put before the Committee.

Rob Marris: Let me make three points. If the version of the consolidated treaties that the hon. Gentleman is brandishing is the same as the one I have in my hand, it is dated 20 November 2006, so it is completely out of date. Secondly, I stressed the word "consistency" in the quote that he cited, not the word "ensure". Thirdly, the hon. Gentleman rightly said that I am occasionally known for being legalistic. May I suggest that he does some research on the arcane way in which the European Union uses the word "shall"? I have done such research, and on many occasions in European Union treaties, shall means not "must", but "has the power to". Bizarre as that is, it is the legalistic interpretation of the word, and the hon. Gentleman, as the shadow Minister for Europe, really ought to know that.

Mr. Francois: As the shadow Minister for Europe, I know that there was a great deal of argument in the context of national Parliaments about whether the relevant word should be "shall" or "may"; we will come on to that subject tomorrow, so I will not dwell on it

[Mr. Francois]

now. No doubt we shall debate that point in detail tomorrow—the Minister is smiling already. In the paragraph of article 21 that the hon. Member for Wolverhampton, South-West cited, the word "shall" appears three times, and I think that it appears in a compulsive context.

Mr. Clappison: Has my hon. Friend conducted detailed research on the history of judgments of the European Court of Justice, where the meaning of the word "shall" is determined according to the degree of integration that it implies?

Mr. Francois: As usual, my hon. Friend, with his experience of serving on the European Scrutiny Committee, makes a good point. We all know that the history of the European Court of Justice shows that it is an activist court. In its judgments, it has tended to push the boundaries of EU competence and to interpret the word "shall" as my hon. Friend describes, rather than taking the advice of that well-known lawyer in the House of Commons, the hon. Member for Wolverhampton, South-West.

Mr. Jim Murphy: I know that many outside the House will pay great attention to the detail of which text we are reading from, so it is important, in having this great debate about international development and the poorest in the world, that we get it right. The text in my hand is the one with which we have been dealing throughout these six days of debate; the other text is the consolidated text of the EU treaties from 2006.

Mr. Francois: I know.

Mr. Murphy: The hon. Gentleman says that he knows, but his copy has not yet been opened. That might not translate for *Hansard*, so I should explain that his copy is still covered in polythene. The text that he has not yet opened was published in 2006, before the Lisbon treaty was even agreed to. The text in my hand is the one that we have been working from this evening, and every day of our deliberations.

Mr. Francois: The sealed copy is not mine; I picked it up off the Table in the Chamber about half an hour ago. This one is my copy—The Stationery Office copy, which is the current copy. Could we get back to the matter under debate?

Perhaps we could debate this substantive point. The Minister did not provide any assurance with regard to the question that I specifically asked him when I introduced the amendment. I asked him whether he could provide the House with any guarantee that there would be a Commissioner for International Development if the Lisbon treaty were ratified. He skated through the question by saying quickly, "There will, of course, be some changes in portfolios," rather hoping that nobody would notice. The Conservatives noticed, however, and my hon. Friends on the Back Benches and I pressed him repeatedly on whether he could give us a commitment that the Commissioner would be retained. I think that the House will recognise that he did not give us such a commitment.

I said that for that reason, I might be minded to press the amendment to a vote. However, we have a dilemma. Because of the structure of the Government's business motion, if we press the amendment, the timing of the Division will mean that we lose any ability to get to the next group of amendments. I am keen to make some points, however briefly, about those amendments, so although I am not satisfied with the Minister's reply—I tell him that to avoid confusion—I have decided, on balance, to seek the leave of the House to withdraw the amendment so that we can debate for at least four minutes the amendments in the second group. That way, we will at least manage to touch on aid operations—which, because of how the Government have structured the business motion, we could not do if we voted on amendment No. 245. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Francois: I beg to move amendment No. 248, in clause 2, page 1, line 12, after 'excluding', insert—

> '(i) Article 2, paragraph 167, inserted Article 188I TEC (TFEU) relating to the procedure for adopting decisions on urgent financial assistance in respect of a situation in a third country; and
>
> (ii) '.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): With this it will be convenient to discuss the following amendments: No. 249, page 1, line 12, after 'excluding', insert—

> '(i) Article 2, paragraph 168, inserted Article 188J TEC (TFEU), paragraph 3 relating to the legislative procedure for the framework for humanitarian aid operations; and
>
> (ii) '.

No. 250, in page 1, line 12, after 'excluding', insert—

> '(i) Article 2, paragraph 168, inserted Article 188J TEC (TFEU), paragraph 5 relating to a European Voluntary Humanitarian Aid Corps; and
>
> (ii) '.

Mr. Francois: I shall do my best to cover the key points in the five minutes that I have. The amendment would strike out of the treaty moves towards majority voting on the provision of urgent financial assistance. By doing so, it would remove a damaging ambiguity from the treaty, as well as keeping the Government to their policy of only a few years ago, when the right hon. Member for Neath (Mr. Hain) sought to delete the same provision from the original EU constitution. The Government's view as expressed by him, to quote their argument for the amendment, was as follows:

> "The intention appears to be to move to QMV for macro-financial assistance, but this article confuses the issue as it is not clear whether it refers to the macro-financial assistance or not. Macro-financial assistance has been agreed urgently when required."

However, it appears that the Government now enthusiastically support majority voting on that matter, although not much else relating directly to it has changed in essence. The relevant treaty provision states:

> "When the situation in a third country requires urgent financial assistance from the Union, the Council shall adopt the necessary decisions on a proposal from the Commission."

As that proposal remains somewhat ambiguous, I should have liked time to press the Minister for an explanation of the circumstances in which he believes the power will pertain.

I shall mention our two other amendments briefly. Amendment No. 249 would strike out moves towards majority voting on humanitarian aid. It would strike out a controversial measure that opens up the possibility of the EU Foreign Minister pursuing EU foreign policy under another guise. For instance, there could be a situation in which aid to a foreign Government was unacceptable to the UK Government and would bring with it foreign policy commitments with which we were uncomfortable.

10 pm

Let us take one potential example: under the treaty, it would be possible for a qualified majority of EU states to think it right to provide humanitarian aid to the Hamas Administration in Gaza. The United Kingdom might oppose that aid, yet could still be outvoted under QMV. Giving up a veto in that area could force us into being party to a course of action that we find morally repugnant, and bind us to handing over British taxpayers' money for a cause whose values we firmly oppose. It would be extremely foolish of Ministers to claim that such a situation would never arise. The treaty provision could have wide-ranging implications for our foreign policy, and there should be no place for it.

Amendment No. 250 would strike out the provision in the Lisbon treaty that allows the European Union to set up a European voluntary humanitarian aid corps. It is curious that the provision is still in the treaty, given that when the right hon. Member for Neath was negotiating at the constitutional Convention he said:

"The idea of establishing a European Voluntary Humanitarian Aid Corps should have no place within the EU's humanitarian action".

That was the Government's argument. Incredibly, this is another example in which, despite their previous opposition, the Government are now telling us that they support an idea. The hon.—and gallant—Member for North-East Milton Keynes (Mr. Lancaster) brought his experience of Afghanistan to bear on the argument when he suggested that what development companies primarily need is experienced technical professionals to help them. I tend to agree with his argument.

Amendment No. 248 seeks to remove a harmful aspect of the treaty by removing provision for majority voting on urgent financial assistance. The right hon. Member for Neath explained that that measure was both unnecessary and ambiguous. If we had time, I would have asked the Minister for Europe to give more detail about possible circumstances. Amendment No. 249 seeks to remove provisions for majority voting on humanitarian aid in respect of areas where there could be conflict with our own independent foreign policy. I have given an example relating to Gaza. Amendment No. 250 would delete references to—

It being two hours after the commencement of proceedings in the Committee, THE CHAIRMAN *left the Chair to report progress and ask leave to sit again, pursuant to Orders [28 January and this day].*

To report progress and ask leave to sit again.—*[Mr. Watts.]*

Committee report progress; to sit again tomorrow.

DELEGATED LEGISLATION

FOOD

Ordered,

That the Infant Formula and Follow-on Formula (England) Regulations 2007, dated 13th December 2007, be referred to a Delegated Legislation Committee.—*[Mr. Watts.]*

Belarus (Children's Visas)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

10.2 pm

Willie Rennie (Dunfermline and West Fife) (LD): Mr. Deputy Speaker—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. If hon. Members are leaving the House, will they do so quickly and quietly, so that we can get on with the Adjournment debate?

Willie Rennie: Thank you, Mr. Deputy Speaker. I am slightly alarmed to see that the Minister for Europe is replying to the debate. He has had a lot to do over the past few weeks, and I know that he has a very important race on Wednesday. I would not like him to do too much in advance of that race, considering that he beat me only by a smidgen two years ago. If you have any power to do so, Mr. Deputy Speaker, you should advise him to go to his bed on Wednesday.

On the issue of visas for Belarusian children, I would first like to tell the House a wee story about a boy called Vova who came to the United Kingdom a few years ago when he was 17 years old. Many of his friends had come here years before then, but doctors had not wanted him to travel because of the state of his health. He was not expected to make a full recovery, and he was painfully thin. He had a great holiday in the United Kingdom, and the following year he made a full recovery. He is now the father of a healthy little girl.

Vova is one of many victims of the radioactive fallout from the Chernobyl nuclear explosion in April 1986. There are thousands of people like him across Belarus—people suffering from thyroid cancer, bone cancer, leukaemia and many other horrific conditions. In Belarus, in the summer, the dust causes radiation levels to rise, so a few weeks of fresh air and clean food in the United Kingdom are a great release for those children. The Belarusian doctors believe that it boosts the children's immune system for at least two years after the visit, and that it is vital for teenagers, who are often in their second or third bout of illness. Indeed, the death rate among teenagers is extremely high.

There are 12 or so charities that organise holidays for Belarusian children and bring about 5,000 children every year to the UK for recuperative holidays. The children are chosen by the Minsk-based Children in Trouble charity, which is organised by the parents of children with cancer. The children stay with volunteers in the UK, and they have enjoyed fantastic holidays here for at least two decades. The charities have brought more than 55,000 children to this country since the visits began. They have an excellent, first-class reputation, and are run by brilliant people. The former British ambassador to Belarus, Brian Bennett, is a leading player, as is my constituent, Carol Dean, from North Queensferry. Victor Mizzi, Linda Walker and Olwyn Keogh were recently recognised by the Queen for their work for Belarusian children and received the MBE.

All that excellent work, however, is under threat because of the manner of the introduction of biometric visas, which has been rushed, with little regard for the needs of the children, families and charities. I am appalled by the way in which they have been treated, and if urgent measures are not taken, their good work could be under threat. There is evidence that some charities are packing up, or thinking about doing so. If that is the case, it will be the children who lose out at the end of the day. The Minister will know that on 1 January this year biometric visas were introduced across the board. Finger scans and a digital photograph are required. The Foreign and Commonwealth Office website states:

"The recording of this biometric data is a quick process, taking on average no more than two minutes. It will not lead to delays in issuing visas."

It all sounds very simple, but that is far from the case. There are three main problems with the introduction of biometric visas. Since September last year, the children have been required to take a trip up to Minsk to receive their visa. For some of them, it is a 10-hour round trip of hundreds of miles on a bus. Those children, as I have explained, are often in poor health, and a 10-hour round trip is not something I would advise them to undertake.

There is a major expense, too, for the charities involved, which have to hire coaches to transport the children. The Italians and Germans organise more holidays than the UK for the children, and I should like to know from the Minister whether those countries have been consulted, and whether a joint effort has been undertaken with them to make sure that we can learn lessons from their measures, just as they can from ours. There seems to be a one-size-fits-all approach to the whole world, but there must be more than one way to demonstrate under the rules that

"suitable arrangements have been made".

I understand that mobile visa units may be in place by summer. Can the Minister tell us more about that, and whether they will be guaranteed to be in place, on time, without any delays? Volume, or the number of children, is an issue, too. As I have explained, 4,000 to 5,000 children travel here every year, but because they all travel in summer, they are more than likely to apply for visas at the same time, so there will be a rush for visas from spring until the summer, when they go on holiday. There have been reports of significant waits at the embassy in Minsk, so the two-minute wait time that was given is unrealistic, as it will be much longer. The charities fear that there will be a sudden rush and the system will not be able to cope. Can the Minister give us a guarantee that there will be no massive queues and no massive delays?

The third issue concerns advance notice. The British embassy in Minsk told the charities:

"UK legislation requires that, in issuing a visa to a child under 18, our Entry Clearance Officers must be satisfied that a sponsoring organisation . . . can demonstrate that suitable arrangements have been made for travel to, and reception and care in, the United Kingdom."

Officials have interpreted that as meaning:

"To ensure full compliance with these rules we will now require all visa application forms to be filled out in full, including details of the host family and the address where the child will stay".

To me, it is quite a leap from

"can demonstrate that suitable arrangements have been made"

to requiring full details of exactly where the child will stay in the United Kingdom and the host family's name. It seems to be quite a tight interpretation of the rules that have been set down.

That will cause significant difficulties for the families, the charities and the children involved. I have already explained that these are sick children from a country that is quite far away, and that volunteer families host the children in the United Kingdom. That involves constant changes. Sometimes the children are sick and drop out; sometimes the families are no longer able to take the children. We need a system that is much more flexible and that allows last-minute notification of the children's destination.

There is also a need to ensure proper bonding between the children and the host families, so the matching process is vital. Sometimes it is long and complex. When they apply for visas, the children might not know which families they will stay with in the United Kingdom. Flexibility is crucial. Instead of the host family name on the visa, perhaps the name of the organiser of the trip could be entered on the visa. Ultimately, they are responsible for the children when they are in the United Kingdom, and that would meet the requirement to demonstrate that all arrangements have been made, as specified in the rules. The interpretation of the rules has been excessive. All the families have been Criminal Records Bureau-checked, and the charities also vet the host families, so the triple lock seems unnecessary.

I have explained the three issues—the distance travelled, the numbers involved and the advance notice required. The treatment of the charities has been appalling. Instead of respect and consideration for them, there is a strong whiff of suspicion about their motives. Anybody who questions the rules is viewed with suspicion, as though their only interest was in harming the children. The charities have gained a tremendous reputation over many years and have brought over 55,000 children to the United Kingdom.

After several requests for a meeting last year to discuss the changes, a hurried meeting with UKvisas was finally organised in December. Not surprisingly, it was a hostile meeting, but at the end a formal response was promised, as well as a consultation document to be published in January. Despite the Minister promising in a letter to one of the charities that a formal response would be forthcoming, three months have passed and the charities have received no formal notification or outcome from that meeting. There seems to be a strangely aggressive "we know best" approach to the whole affair, and anyone who questions it is viewed with suspicion. The charities have a tremendous track record and should not be treated in such a manner.

Such treatment is mild compared to the way in which the Chernobyl Children's Lifeline has been treated. Three years ago that charity took firm action to remove from the charity one of its CRB-checked hosts, about whom it had concerns. No action was taken by the authorities but three years later, without notice, visas for children who were about to travel to the United Kingdom were revoked, one and a half days before they were due to travel. The children's flights were booked, the host families were ready for the children, the kids' bags were packed and everybody was ready to go, but the holiday had to be cancelled as a consequence of the revoked visas. That cost the charity a considerable amount of time and money. After that, the visas were suspended for a period of weeks. UKvisas told the charity that Dorset police were carrying out an investigation into the charity following the actions of the individual whom I mentioned three years prior to the visas being revoked. However, Dorset police told it that that was not the case and that there was no such investigation. There were no interviews with the charity and there was no investigation.

The offences carried out by the individual did not happen on the charity's watch; the charity was not responsible for them, yet it suffered the consequences of his actions. It was treated in a high-handed manner three years after the event took place. Given the work that the charity has done over many years with thousands of children, treating it in that manner one and a half days before the children were due to go on holiday was completely disrespectful.

The final aspect of what I view as the disrespect towards the charities is the anonymous calls that have taken place recently. Hosts in the United Kingdom, and the families in Belarus and their schools, have been receiving anonymous calls seeking details of the children travelling to the United Kingdom. If they refuse to supply those details, there is a threat that the visit will be cancelled and the visas revoked. They receive no advance written notification of what we now understand are official phone calls and, not surprisingly, they consider them threatening and alarming. Those people have the right not to be treated in that way; they should be given more consideration.

Chernobyl Children's Lifeline and all the other charities deserve an apology for how they have been treated. Unfortunately, the hon. Member for Billericay (Mr. Baron) was unable to attend tonight's debate, but he wanted me to know the importance that he attaches to the work of the Belarusian charities for the Chernobyl children. He sent me a short e-mail, which states:

> "There is little doubt in my mind that the introduction of biometric visas under the proposed scheme will give the charity a continuing and considerable cost overhead. This would have the effect of curtailing the work of the charity with fewer children from Belarus enjoying the benefits of recuperative holidays in the UK."

The hon. Gentleman has my full support, and I have his.

I have four recommendations for the way forward. First, until a proper working system is in place, biometric visas for children from Belarus should be suspended. We need to work with the charities and our EU partners to develop a system that can be piloted in a particular region so that we know that it works and can cope with the volume and with having mobile units throughout the country. We need to suspend the current system so that none of the holidays this summer is threatened.

The second issue is about the named representative, and whether that could be the host family in the United Kingdom, and their address, or the organiser from the charity. In my firm view, the charities have proven themselves to be appropriate and responsible and should have their names on the visas. They have the child protection systems to cope with that.

Thirdly, we should consider how the United States deals with such visas; it requires visas only for

[Willie Rennie]

over-14-year-olds from Belarus. We should consider adopting such a system. Finally, we should issue an apology to the Chernobyl children's charities for how they have been treated and we should consider some form of compensation for the cancelled Chernobyl Children's Lifeline holidays and the extra costs involved for travelling to Minsk for the visas.

I should like to read a short statement from the Foreign and Commonwealth Office website. It says:

"The UK continues to have serious concerns about the lack of respect for human rights in Belarus. Since the flawed presidential elections, the Belarusian regime has continued to crack down on the opposition and increasingly to stifle any dissent. We deplore this situation and the unjustified actions taken to prevent demonstrators, human rights campaigners, opposition leaders and independent trade unionists from exercising their right to peaceful assembly and freedom of expression."

The Chernobyl children's charities do a fantastic job, reaching out to thousands of families in Belarus, offering them the hand of friendship, and giving them relief from their regime and their debilitating environment, as well as giving them a taste of our democracy. If we believe that those are good actions, we should be offering them encouragement and support, not hindrance.

10.20 pm

The Minister for Europe (Mr. Jim Murphy): I am delighted to have the opportunity to respond to this debate, and I congratulate the hon. Member for Dunfermline and West Fife (Willie Rennie) on securing it. It is the culmination of his continued effort to highlight the issue. I am sure that until he achieves the outcome that he wishes for, he will rightly continue to campaign.

I was struck by the hon. Gentleman's comments about our impending personal confrontation over the next couple of days. He suggested that in the most recent Westminster mile, I beat him by a smidgen. I think that only in Fife could half a minute be described as a smidgen, but I will leave that for the moment; perhaps his recollection is more accurate than mine.

Let me start where the hon. Gentleman concluded by making a general point about human rights in Belarus. He is right in his observation about the lack of democracy and human rights and the way in which basic freedoms are curtailed, the rights of the state are taken for granted, and the rights of individuals are crushed at almost every opportunity. I am glad that he made those points, which give me an opportunity to put on the record for the House that we call on the Government of Belarus to release political prisoners—in particular, Mr. Kazulin, who should be released from prison today, unconditionally, because that is the right thing to do, especially after his bereavement following the death of his wife in the past few days. That is an issue of basic human rights. Not only the United Kingdom Government, but the international community more generally, demand his urgent and unconditional release, and I make that call again on behalf of the UK Government.

The hon. Gentleman raised a substantial number of specific points, and I will do my best in the time available to respond to as many as possible. After the debate, I will be happy to take a personal interest in all the issues that he raised, particularly the responses to the charities and biometric testing. I will take personal responsibility for undertaking further inquiries and then meet him, and any other Members from both sides of the House who continue to take an interest in the issue.

As the hon. Gentleman said, the charities involved have worked hard over the past 21 years to support the children and their families and, despite his concerns, we continue to support strongly their efforts. There is a real benefit in allowing the children who have been affected by Chernobyl to visit the UK for a period of respite care. Indeed, the House will wish to know that in 2007 the British embassy in Minsk issued about 3,400 visas to children sponsored by Chernobyl charities.

Let me respond to the hon. Gentleman's observations about biometrics. He asked about the purpose of and rationale for biometric testing. He is of course aware that it is undertaken to protect the integrity of the visa system and to protect our customers regardless of which nation they come from. It is not an enjoyable job to design an eliminative system to protect our borders from those who want to enter the UK illegally, and some genuine visitors will be affected. These children undoubtedly fall into the latter category of people who wish to come to the United Kingdom for good reasons of personal respite and support for their families—not just to see our democracy and how another society works but because of a range of objective reasons. Not only does such a visit lift their spirits, but it provides a therapeutic opportunity for the children and their families.

In respect of biometrics, the British Embassy and UKvisas have worked hard to develop a unique pilot project for these children that will be in place this summer during the period of applications and visits. Embassy staff will make a series of visits to Mogilev, which is the region where most of the children live, with a mobile biometric kit to take the children's details. That will save them the expense—important to most, if not all of those families—and trouble of travelling to Minsk. Given the way in which the hon. Gentleman passionately described the circumstances in which many of these families live and the difficulties they experience in making that remarkable journey to Minsk, that process should lighten their load and improve their circumstances in an important way.

We will need the charities' active co-operation to ensure the success of what is a unique experiment in unique circumstances. We have dedicated significant additional resources for the pilot, and we will continue to provide free visas to all Chernobyl charity children. I want to make it clear that the introduction of biometric testing for UK visa applications does not represent any change in policy on visas for Chernobyl children or towards the charities arranging visits.

The hon. Gentleman made a number of further points, particularly about the names on the visa, and the person or organisation who would have named responsibility for children when they visit the UK. My advice at the moment is that, given the duty of care imperatives relating to such vulnerable children, UKvisas requires confirmation of the host details for each visit, and needs to ensure that those hosts have

been suitably cleared with the Criminal Records Bureau. However, if the hon. Gentleman has additional evidence that he wishes to bring to this conversation, I would be happy to listen to his observations. I would be happy to meet him to discuss the matter.

The hon. Gentleman raised concerns about engagement with charities concerning the visa changes. I understand that there has been regular contact with the charities about the changes, and it is crucial to the UK Government and to the children and families involved that the charities have an effective way to input their views and their experience of the process over two decades. It is important that we listen to those experiences.

The hon. Gentleman alluded to the meeting on 3 December involving the major charities and other stakeholders, including the charity commissioners and a representative of the Home Office's children's champion. The hon. Gentleman said that, so far, there had been no response as a result of that meeting. As a consequence of the points that he has made, I will personally inquire tomorrow as to when the charities will receive the response to which they are entirely entitled. A response should be given timeously and it should be one of substance, so that the charities can enter into a continued conversation about the best way forward for the arrangements.

The hon. Gentleman will know that approximately 60 charities offer such holidays and breaks in the United Kingdom. Those charities have expertise and they know the value of the programme, because they estimate that even one month away can boost a child's immune system for up to two years.

Willie Rennie: I thank the Minister for agreeing to provide a response from the meeting in December. I want him to understand fully why it is absolutely essential that the name on the visa is the name of the organisation and of the individual who is organising the trip rather than that of the host family. The utmost flexibility is required because the fact that the children are often sick and the families are volunteers mean that the situation changes constantly. To ensure that the matching process works adequately, the decision about where the children stay should be delayed as long as possible. The charities have the appropriate systems and regulations in place, they are checked, they arrange for families to have CRB checks and they vet them, and so I urge the Minister to consider it appropriate for them to have some sort of delegated responsibility.

Mr. Murphy: As part of my reflection on this evening's debate, I shall look into the specific, fair points that the hon. Gentleman has made.

I know that time is against us, and so may I tell the hon. Gentleman that the whole House thanks him for his work and for initiating the debate in the manner in which he has done? I know that he will have the gratitude of the charities, which is more important than the thanks of the House. More important still, he will have the gratitude of many of the children who have benefited so much over recent decades from the opportunity to come to the United Kingdom.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Tuesday 26 February 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked—

Devon and Somerset Fire Service

1. **Mr. Hugo Swire** (East Devon) (Con): What discussions she has had with the Devon and Somerset fire service on its funding settlement; and if she will make a statement. [188682]

The Minister for Local Government (John Healey): The Devon and Somerset fire service met the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Gloucester (Mr. Dhanda), on 5 December. It also submitted written representations, and we carefully considered those alongside all the other representations that we received before making our decisions on the local government finance settlement.

Mr. Swire: The Minister will be aware that the Devon and Somerset fire service estimates that it is £2 million worse off because of the change to the pensions for firemen, although that was meant to be cost-neutral. The Government Actuary's Department came up with a figure of £1.2 million, although the way in which it was calculated means that we are talking about £174,000 less than even that amount. The Under-Secretary has indicated to the authority that he estimates that it was short-changed by £440,000. Will the Minister for Local Government provide all the estimates calculated for Devon and Somerset's funding, so that we can decide whether we are short of £1 million, £174,000 or—

Mr. Speaker: Order.

John Healey: The changes to which the hon. Gentleman refers were designed to smooth out the cost peaks and troughs that fire authorities previously faced year to year in paying for pensions. The Devon and Somerset fire and rescue service has been quids in as a result of this arrangement, whereby the national Government step in to make good any shortfall over the past couple of years. Of course I am happy to examine the case that the Devon and Somerset authority has offered—we did so in the run-up to the finance settlement and we will do so again if it has fresh information—but I have studied the figures, and I think that the balance of advantage lies with that service.

Mr. Adrian Sanders (Torbay) (LD): Would the Minister be prepared to meet a cross-party delegation of Members of Parliament from Devon and Somerset to examine next year's settlement, because every year the authority has to consider cutting operational capacity, as it has done in this year's budget round, and that cannot be in anyone's interest?

John Healey: Of course I will meet a delegation of MPs—I am always prepared to do so. I do not want to mislead the hon. Gentleman, but nor should his own fire and rescue service. Far from being hard done by in the next financial year, and unlike 10 fire and rescue services whose settlements are on the floor for such authorities, Devon and Somerset's settlements for the next three years of the period are significantly above the floor. The authority is thus hardly hard done by in the terms that he argues.

Mr. Stewart Jackson (Peterborough) (Con): Clearly the three-year settlement is disappointing. The Minister will be aware of the disquiet felt by many fire authorities in the south-west about the financial implications of the FiReControl project. It is felt not least in the constituency of the Under-Secretary of State for Communities and Local Government, the hon. Member for Gloucester (Mr. Dhanda), where there is near universal opposition to the closure of the tri-service centre in Quedgeley as a result of a new FiReControl centre in Taunton. The regional FiReControl project is three-years late, and 14 times over budget and still heading north. Will the Minister for Local Government give the House a firm undertaking that the cost overruns on the project will not mean fewer firefighters and poorer pensions in the south-west and throughout the country?

John Healey: First, the hon. Gentleman misrepresents some significant opinion about the attitude to the FiReControl project in the west country. Secondly, the FiReControl project is designed to strengthen the service's capacity to deal with all sorts of pressures and challenges that it may face in the future. Far from demonstrating the case against that initiative, the summer floods reinforced the case for making just such a move. We will do our best to ensure that the implementation of the FiReControl programme across the country proceeds according to its current time scale and budget. That is what my hon. Friend the Under-Secretary will be doing, and I shall give him any support that he needs.

Affordable Housing

2. **Tim Farron** (Westmorland and Lonsdale) (LD): Whether her Department expects to meet its 2006 to 2008 affordable housing targets. [188683]

The Minister for Housing (Caroline Flint): The Housing Corporation is on track to meet the affordable housing targets we set for its 2006 to 2008 affordable housing programme. Not only that, the corporation is today announcing initial allocations for the new affordable housing programme for 2008 to 2011, which will contribute towards our Housing Green Paper target of providing 70,000 new affordable homes per annum by 2010-11, of which 45,000 will be social rent homes.

Tim Farron: Funding has been scrapped for the rural housing enablers at a time when the Government are nowhere near meeting their unambitious targets for new affordable housing in rural areas. I wrote to the Minister recently about the "Home on the Farm" scheme, which would have provided hundreds of new dwellings by transforming disused farm buildings in my constituency. Does she agree that that is an imaginative scheme which could help to prevent more of our rural communities from becoming lifeless ghettoes of empty second homes? If so, will she support the restoring of the funding to the rural housing enablers so that such schemes can become a reality?

Caroline Flint: There is plenty of opportunity for local authorities, should they wish to do so, to use planning policy statement 3, which provides for marketing affordable housing in rural areas. There are several ways in which that can be done, including using disused buildings. I am pleased to announce today a new national target for rural affordable housing, to deliver 10,300—*[Interruption.]* At least we have targets for house building. The target is to deliver 10,300 completed homes in communities of fewer than 3,000 in the next three years. That represents a rise of more than 50 per cent. on the 4,625 units allocated, and it is for completions, which is a lot better than for allocations.

David Wright (Telford) (Lab): Will the Minister review the targets for supported housing for young people? We need more such housing, especially through the development of more foyer projects. We made a commitment that we would have a foyer scheme in every town: when will we get that?

Caroline Flint: I welcome my hon. Friend's question because in my previous role at the Department for Work and Pensions I was pleased to meet the Foyer Federation to hear how it was providing homes for 10,000 young people a year, and supporting them in finding work, through learning and skills packages. I am pleased to say that the number of homeless 16 and 17-year-olds in bed and breakfast accommodation is down a third. We need to do more and, with my colleagues in the DWP, I intend to explore further what more we can do for young people through housing.

Mr. David Evennett (Bexleyheath and Crayford) (Con): With the number of first-time buyers at its lowest since 1980 and home ownership falling, is not it time for the Government to remove the roadblocks to home ownership that they have put in place, such as rising stamp duty and home information packs?

Caroline Flint: The Tories say that they want to help first-time buyers, but across the country they oppose the extra homes that first-time buyers and young families desperately need. The fact is that we have helped almost 95,000 people get their first step on the housing ladder through shared ownership schemes. We have 1 million more people in home ownership since 1997, and we are building not only the homes but the sustainable communities to ensure that everyone has a chance to have a roof over their head.

John Reid (Airdrie and Shotts) (Lab): The real roadblocks to a property-owning democracy are mass unemployment, hugely high interest rates and low standards of living. I congratulate my right hon. Friend and the Government on having avoided all three of those factors left to us by the Conservative party. Does she accept that, even given that, it is necessary for people to get a step on the first rung of the ladder? Will she therefore insist on going ahead with her plans for affordable housing and not be diverted by the opposition or cynicism of the Conservatives?

Caroline Flint: I absolutely agree with my right hon. Friend. In order to create the environment for home ownership, we need good employment rates, and they are at a record level; we need low interest rates and inflation; and, importantly, we need to build the houses. There is no point Opposition Members talking about supporting more people in buying their own homes if they then join Tory councils locally to oppose every house building venture. We are committed to more affordable homes and to considering different schemes to make that happen, but we should not kid ourselves: we need to overcome the lack of house building over decades to ensure that we can provide, among other things, the first rung on the property ladder.

Sir Nicholas Winterton (Macclesfield) (Con): What discussions has the Minister had recently with the house building industry about the provision of affordable and social housing, and how it might be a good idea to have such provision as part of general housing development, so that ghettoes of affordable and social housing are not established? I would be very interested to know what initiatives the Government are taking.

Caroline Flint: I am pleased to say that one of my first telephone calls was to Stewart Baseley, who leads the Home Builders Federation. The hon. Gentleman is right: we do want to ensure a mix of tenures in developments. To achieve that, we have to have support at local level, which I have to repeat is not often forthcoming from his party.

Mrs. Ann Cryer (Keighley) (Lab): Will my right hon. Friend bear in mind that, while we need more affordable housing, especially in my constituency, we should remember, too, that some tenants in Keighley—especially on the Woodhouse estate, which is managed by Bradford Community Housing Trust—live in appalling conditions? The Under-Secretary of State for Communities and Local Government, our hon. Friend the Member for Hartlepool (Mr. Wright), will bear that out, and he is going to visit that estate. I wish that we could do something to encourage the trust to improve those houses, especially at a time when it is shoving the rents up—notices went out yesterday.

Caroline Flint: I welcome my hon. Friend's question. I know that she recently had an Adjournment debate on that issue. I hope that she is aware of the measures that we are taking through the Housing and Regeneration Bill to provide the tenants of registered social landlords with the opportunity through Oftenant to ensure that they get the services that they require. We want to raise the standard of support for tenants, and that means empowering them to have a voice about how to drive up the standards of services.

Growth Point Bids

3. **Mr. Michael Jack** (Fylde) (Con): What mechanisms exist for public consultation on growth point bids. [188685]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): New growth points are subject to the statutory regional and local planning process, and so any growth bids will be subject to robust testing and public consultation as part of the regional spatial strategy and local development framework mechanisms.

Mr. Jack: Reassuring as the Minister's answer is, to date the growth point bid submitted for Blackpool and the Preston area has not been subject to any form of public input or consultation. Will the Minister assure me that mechanisms will be established, if that growth point bid is successful, to enable the public, at appropriate stages, to have their input before the area is irrevocably changed by the proposals in the bid?

Mr. Wright: I love conspiracy theories, too, but the idea that we are trying to promote growth point bids behind closed doors and in smoke-filled rooms is wrong—actually, because of the smoking ban, it would be illegal, too. Let me reassure the right hon. Gentleman that we will bring forward proposals shortly on the second phase of growth point bids. I reiterate my original answer: they will be subject to the full statutory planning mechanism.

Ms Sally Keeble (Northampton, North) (Lab): My hon. Friend has been kind in listening to the hon. Member for Northampton, South (Mr. Binley) and me argue for our own growth area. Does my hon. Friend agree, on the basis of what he saw in Northampton this morning, that any extra funding allocated to the west Northamptonshire growth area would be money well spent?

Mr. Wright: I have seen a lot of my hon. Friend today. I thank her for her hospitality during my visit to Northampton this morning. I have seen the ambition and vitality in that town, of which she is a true champion. May I point out that the West Northamptonshire Development Corporation will receive more than £30.1 million over the next three years? From what I have seen today, I am sure that it will be well spent. I pay tribute, too, to the fantastic residents of the Goldings estate, whom I met at Goldcrest community room. They need to be part of the growth point process, too.

Mr. Edward Garnier (Harborough) (Con): Has the Minister noticed that not one of the growth point bids for Leicestershire includes the site of the Co-operative Wholesale Society's bid for a new town of up to 40,000 people in my constituency? Does he think that that is a coincidence?

Mr. Wright: The hon. and learned Gentleman and I have clashed over that matter on a number of occasions and he has had an Adjournment debate on the subject. I know that he is a strong champion of his community on the matter. I reiterate that growth point bids, as well as eco-town suggestions, will be brought forward very shortly and will be subject to the statutory planning mechanism.

Mr. Gary Streeter (South-West Devon) (Con): The city of Plymouth has growth point status, which has been approved through the planning process and has the support of local people. Will the Minister tell us how in a joined-up Government we will achieve our growth targets if the Ministry of Defence closes our naval base, as was reported in *The Sunday Times* over the weekend?

Mr. Wright: The hon. Gentleman raises an important point about joined-up government. It is important that we concentrate on housing growth and on increasing the supply that this country so sorely needs, but it is also important that we have the infrastructure and economic base to ensure that we have sustainable communities throughout the country.

Mr. Denis MacShane (Rotherham) (Lab): If growth point bids are to succeed, the house builders will need land. I hope that the housing ministerial team will seek to emulate their distinguished predecessor, Harold Macmillan, who built 300,000 houses a year in the 1950s. He did so by building on big gardens and green land in towns and suburbs. Those who oppose any new house building and any release of gardens and land are doing future generations a great disservice. When will the Conservative party copy Harold Macmillan and support the Government Front-Bench—

Mr. Speaker: Order. The Minister does not need to answer that one.

Home Information Packs

4. **Lembit Öpik** (Montgomeryshire) (LD): If she will publish the findings of the home information pack pilot surveys conducted since November 2005. [188687]

The Minister for Housing (Caroline Flint): As the House has been told, Ipsos MORI is still in the process of finalising its conclusions. A copy of the research report will be placed in the Library of the House once the project has been finalised.

Lembit Öpik: Any professional organisation that conducts a pilot will assess its results before rolling out the policy in question. Has the HIP pilot been evaluated? Did that evaluation prove that HIPs have had a measurable benefit, or did the survey show that there has been no measurable improvement from the introduction of HIPs—and is that why the Government have rolled out the policy before evaluating and publishing the outcome of the survey?

Caroline Flint: I do not agree with the hon. Gentleman. We have learned from the trials, but we want to give the House a more comprehensive analysis of the information that has been compiled. We have seen already that HIPs can improve the market, and that they are making a difference and providing increased transparency. On average, a pack takes seven to 15 days to prepare, and the people who said that each one would cost £1,000 have been shown to be wrong: a HIP costs £350, and some estate agents are incorporating the cost in their fee. So far, 320,000 HIPs have been issued. We are on a journey, and I want to evaluate how HIPs are bedding in, but it is interesting

to see what those who oppose them are doing. Only last week, the Opposition Front-Bench team put out a press release asking for more information about HIPs. They had better make their minds up.

Mr. David Drew (Stroud) (Lab/Co-op): Will my honorary friend—[HON. MEMBERS: "Ooh!"] Does she accept that it is particularly important to include information about flooding in a HIP, especially in areas such as the one that I represent? Did the pilot provide any insight in that regard? If not, is it worth looking at areas where flooding has occurred to make sure that such information is included in future HIPs?

Caroline Flint: With my hon. Friend the Minister for Local Government, I am looking at all the issues to do with housing, planning and flooding. I shall look into the matter that my hon. Friend raises, and I shall be happy to get back to him with some more information. We recognise the risk that flooding poses, but it is a problem that we can deal with in a number of different ways. The result is that new developments can cope with flooding risks, and that means that the housing supply can continue to grow. However, he raises an important point, and I shall be interested to learn whether he believes that information about flooding should be integral to the HIPs process.

Sir Paul Beresford (Mole Valley) (Con): Will the Minister confirm that the questionnaire about HIPs included a question about the period for which a pack is valid? The housing market is very slow and even on a downturn at the moment, so people selling a home might need to purchase more than one HIP.

Caroline Flint: I am looking at various matters to do with insurance and first-day marketing that my predecessor—

Mr. Eric Pickles (Brentwood and Ongar) (Con): Who has abandoned the Minister to deal with these matters.

Caroline Flint: No, not at all. My predecessor identified various problems and acted on them, but it is wise for any Minister to take stock as the deadline approaches. I shall be happy to look into the question raised by the hon. Gentleman.

Mr. Brian Jenkins (Tamworth) (Lab): When HIPs are evaluated, will my right hon. Friend look into their effect on people posing as sellers? When such people put their house on the market, young couples incur the expense of a survey, only to find that the house is withdrawn when its market price has been established. It is clear that the people involved have no intention of selling, and their actions merely mislead potential buyers.

Caroline Flint: Yes, there is anecdotal evidence to suggest just that. People are thinking carefully about whether they really want to put their house on the market or should just chance it to see what will happen. Other people are probably better to quote on the matter than Ministers. MyLondonHome, an internet property portal, believes that home information packs will have a positive effect on the house buying and selling process. We welcome that opinion from the people who work in the sector.

Grant Shapps (Welwyn Hatfield) (Con): We have heard today that it does not in fact take four to six days for a HIP to come through, as the Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool (Mr. Wright) told me before, but that it takes seven to 15 days. We are getting closer to the truth. Surely, having waited nearly a year for the results of the Ipsos MORI trials on HIPs, and having spent £4 million of taxpayers' money, and still not having had the results, despite HIPs now applying to all shapes and sizes of house, is it not time that the Minister at least took some responsibility for her own decisions and her predecessor's by apologising to the public for spending that £4 million of public money, which has gone absolutely nowhere, as the policy has already been introduced, and has simply been wasted?

Caroline Flint: Was that the question? I tried to detect a question in there. *[Interruption.]* Well, we will look at *Hansard* to see whether there was actually a question. It is interesting—*[Interruption.]* It is interesting that the hon. Gentleman is standing before the House suggesting that his party is against HIPs, when on Wednesday 13 February the Conservative party issued a press release calling for the inclusion of licensing information.

Mr. Speaker: We will not go there. I call Clive Betts.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Does my right hon. Friend agree that one group of home buyers to have been substantially advantaged by HIPs are first-time buyers, who get information provided up front at no cost to them? Will she reflect, however, that if the Government eventually see their way to including home condition reports in HIPs, first-time buyers will be even better off than they are now?

Caroline Flint: Yes, that is a good point. For those buying properties, it would offer an opportunity not to duplicate activity and in so doing duplicate expense. We will be looking through the findings from the area trials in considering the status of home condition reports, along with other policy areas, and I intend to ensure that we move towards permanent implementation for HIPs by consolidating the transitional arrangements.

Finance (London)

5. **Mr. Philip Dunne** (Ludlow) (Con): What discussions the Government office for London has had with the (a) London Development Agency and (b) Greater London authority on finances. [188688]

The Secretary of State for Communities and Local Government (Hazel Blears): Officials from the Government office for London have had discussions with the GLA and LDA on a range of financial issues, reflecting their responsibility for administering the Government's block grants to those organisations.

Mr. Dunne: Following the Deloitte report commissioned by the London assembly last summer, which revealed inadequate justification or accountability for much LDA spending on the initiative of the Mayor or his advisers, what steps has the Minister taken to ensure sufficient statutory safeguards to prevent misuse of public funds?

Hazel Blears: The hon. Gentleman will know that in 2005 the LDA took steps to strengthen its project management, delivery arrangements and scrutiny. He will also know that the LDA is accountable to the Mayor, and I hope that he will know that the London assembly is responsible for scrutiny. The Government office for London is responsible for administering the block grants to the GLA, but the checks and balances in relation to action by the Mayor clearly belong to the London assembly, and the LDA is accountable to the Mayor.

Mr. Boris Johnson (Henley) (Con): Is it not time for a full and transparent register of the interests of the Mayor's advisers, so that we can put an end to the scandal by which large sums of LDA money are transferred to groups or bodies with which it later transpires those advisers have some business connection?

Hazel Blears: The hon. Gentleman will know that on 15 February, Lee Jasper, to whom I presume he is referring, asked the Mayor to refer any allegations to the police, and was suspended by the Mayor. The hon. Gentleman will also know that five days later on 20 February the police stated that they would not be investigating, and no criminal allegations were reported. He is fully aware of that situation.

Simon Hughes (North Southwark and Bermondsey) (LD): If on 1 May, nine weeks from now, London council tax payers form a view that the London Development Agency has not been properly managed, that money has been badly spent, that the audit trail is incomplete, and that there is no proper political accountability for the past four years, who should they hold to account? Is there not only one answer to that: the current Mayor of London?

Hazel Blears: The hon. Gentleman is correct that the best form of accountability is through democracy, and people will have the chance to vote on 1 May. It is interesting that when Michael Portillo was recently asked who he would vote for in the mayoral election, Ken or Boris, he said, "More choices, please", so he will not be backing Boris. He also said that it would perhaps be rather good for the right hon. Member for Witney (Mr. Cameron) to lose the next election. He has experience of losing—

Mr. Speaker: Order. Michael Portillo has left the House.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Speaking of endorsements for the London Mayor, the Secretary of State will know that the Prime Minister is refusing to endorse Ken Livingstone, and refers simply to the Labour administration at City Hall. It appears that the two have not met in public for some months now. Are the Government supporting Ken Livingstone for Mayor, or are they simply embarrassed by the fact that he is mired in sleaze and maladministration?

Mr. Speaker: Order. We are going rather wide of the question. I will try Mr. Neill to see whether he can stay in order.

Robert Neill (Bromley and Chislehurst) (Con): I will do my best, Mr. Speaker.

I am always happy to look the Secretary of State straight in the eye. I ask her to reflect on the fact that her suggestion that the issue is nothing to do with the Government really does not stack up, as they created the institutions in question. When they did so, they claimed that the Greater London authority would be a beacon of transparency and accountability. Would she like to explain what kind of beacon it is, and what kind of transparency it has, given that the Mayor's adviser failed to register the fact that he is chairman of an organisation seeking a grant from the body that employs him, and given that the Mayor's adviser sent an e-mail to an officer telling them to lay off an organisation that happens to be run by one of his associates? If that is transparency, will the Secretary of State not reflect on whether her beacon needs a new battery?

Hazel Blears: I ask the hon. Gentleman to raise his sights a little, although I would never accuse him of digging in the gutter. The GLA has the power to summon the Mayor and the LDA. It has the power to call for the disclosure of documents. It also has a new power for confirmatory hearings. The matter is serious. Do the Opposition really believe in decentralisation, devolution and scrutiny at the local level, which is what they talk about, or are they now saying that the issue is a matter for Government from the centre, not for the GLA? Just to make it clear, I will place on record that I think that Ken Livingstone has been an excellent Mayor for London. If we look at policy, there is congestion charging, better public transport, the Olympics and the regeneration of the city. It is an excellent record.

Housing Stock Transfers

6. **Bob Spink** (Castle Point) (Con): How many housing stock transfers there have been in the last five years. [188689]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Since 1 January 2003, there have been 105 housing stock transfers by 66 authorities, involving more than 422,000 dwellings, which has levered in £6.4 billion of private finance.

Bob Spink: I am grateful for that response, and I welcome the Government's policy to give tenants more direct control over their homes through non-profit housing associations; I think that that is absolutely right. Will the Minister tell us how that policy can help us to increase the availability of social housing, which is so badly needed in many communities, including my community of Castle Point?

Mr. Wright: I thank the hon. Gentleman for that question; he raises an interesting point. I have been taking the Housing and Regeneration Bill through Committee, and the relationship and interplay between the new Homes and Communities Agency and the regulator for social housing will be key. Tenants will have a view on what housing is needed in their area, and they need to contact the regulator to make sure that affordable housing is available there.

David Taylor (North-West Leicestershire) (Lab/Co-op): About 7,500 tenants in North-West Leicestershire have spent many, many months subject to a disgracefully unbalanced £1 million coerced stock transfer campaign by the local authority. When will my hon. Friend be in a position to respond to that district council's proposals, so that the ballot can at long last take place and the deeply damaging cloud of uncertainty can be lifted?

Mr. Wright: I agree with my hon. Friend that clouds of uncertainty are bad for tenants. I mentioned the Housing and Regeneration Bill. One of its key provisions is to ensure that it is mandatory for tenants to have a ballot in respect of transfer of ownership of their homes, and I would encourage all local authorities to do that in the meantime.

Mr. Philip Hollobone (Kettering) (Con): Will the Minister congratulate Conservative-run Kettering borough council, of which I am privileged to be a member, which has decided to retain its council housing stock, is well on track to meet its decent homes standards, and is building a record number of affordable homes every year?

Mr. Wright: I hope the hon. Gentleman will thank the Government for the increase in council house investment during the past decade. Council investment has increased from £800 per home in 1997 to £1,100 per home this year—that is a 30 per cent. increase in real terms. We have also made available £3.7 billion to arm's length management organisations to deliver improvements to council housing stock, and we will be spending more than £4 billion over the next comprehensive spending review period on arm's length management organisations. I hope the hon. Gentleman will thank the Government for that unprecedented and sustained investment in council house stock.

Housing Associations (CEOs)

7. **Dr. Brian Iddon** (Bolton, South-East) (Lab): What the five highest salaries are in 2007-08 of chief executive officers of housing associations; and if she will make a statement. [188690]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): Information about chief executive salaries appears in housing associations' annual accounts. I do not have information on 2007-08 salaries as the accounting year has not yet ended, but I have information for 2006-07, which was published in *Inside Housing* in September last year. The five top CEO salaries were as follows: Places for People—£258,000, Anchor Trust—£240,000, Sanctuary—£225,000, Genesis—£210,000, and Hanover—£210,000.

Dr. Iddon: There is an interesting link between this question and the previous one, which I should point out. On top of the basic salaries, those five people also received bonuses each year almost equal to my salary as a Back-Bench MP, and should they retire they can receive up to £300,000 as a lump sum. Does my hon. Friend agree that this is an example of the pay-to-retain-me culture, and that the boards of housing associations should realise that they are handling public money?

Mr. Dhanda: If you will forgive me, Mr. Speaker, I will not get into the debate on pay for Back-Bench Members, but my hon. Friend makes the reasonable point that the boards of housing associations need to be responsible and show restraint. However, it is right for the boards to make such decisions. They are regulated by the Housing Corporation, which can intervene and has done so in cases of mismanagement. It is also important to remember that there are representatives of local residents on the boards. We should continue to keep the focus on those boards.

Sir Patrick Cormack (South Staffordshire) (Con): What are the qualifications for these characters, and how does the Prime Minister apply?

Mr. Dhanda: I am not sure whether the hon. Gentleman is interested in applying, but as I said, it is for the boards to decide. There are about 2,000 registered social landlords delivering 2 million homes to about 4 million residents. It is important to remember that what I read out to the House was just the salaries of the top five CEOs, and despite the fact that they are doing a good job, it would be unfair to focus on just the top five.

Unitary Status (East Anglia)

8. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When she next expects to meet representatives of local authorities in East Anglia to discuss Government plans for unitary status. [188691]

The Minister for Local Government (John Healey): Ministers have no plans to meet local authorities in East Anglia at this stage in the boundary committee's work. I have asked the boundary committee to advise whether it would recommend unitary arrangements for the area in future, but at present it is best that local authorities speak to, meet and deal with the boundary committee, which they are doing.

Mr. Bellingham: Is the Minister aware that I have not yet met a social worker, teacher, fire officer, police officer, planning official or highways engineer who is in favour of the proposals? The only people I have met who are in favour are the right hon. Member for Norwich, South (Mr. Clarke) and a few senior local government officials who are eyeing up large redundancy payments. Why does not the Minister listen to the public, who believe that the proposals will not make any difference to the delivery of efficient local government in East Anglia? Will he listen to the public and scrap those ideas?

John Healey: The case for unitary rather than multi-tier local government is very strong, and we set it out a couple of years ago. Just to be clear to the hon. Gentleman and his hon. Friends, let me repeat that there are no proposals for unitary reorganisation in East Anglia at present. That is precisely what I have asked the boundary committee to look at; after discussing the matter in detail with local authorities and others in the area, it will judge whether to recommend to Ministers that there is a good unitary solution for the area in the future. When or if it does that, I will consider it.

Mr. John Gummer (Suffolk, Coastal) (Con): I hope that the Minister knows that no local authority, parish council or organisation of any kind, except the Waveney Labour party, is in favour of this abortion called Yartoft, which tries to link Yarmouth and Lowestoft. May I have his absolute undertaking that his right hon. Friend the Secretary of State will not accept any proposition that is so wholly against the views of every single elected authority concerned?

John Healey: I will send the right hon. Gentleman a copy of the guidance that we have given to the boundary committee, because that also sets out the way in which we will consider, and the criteria against which we will consider, any proposals that the boundary committee may make to us at the end of the work it has been asked to do. If he and his hon. Friends want to meet me about that at the appropriate stage, of course I will do so.

Mr. Christopher Fraser (South-West Norfolk) (Con): Does the Minister accept that any restructuring of local government in Norfolk will divert time and money away from improving front-line public services, and that ultimately it will be the hard-pressed taxpayer who has to pay for the privilege?

John Healey: It is true that any proposal for restructuring local government inevitably raises fierce feelings. It usually raises resistance, particularly from those councils that may not have a future under any arrangements. I will send the hon. Gentleman a copy of the guidance, too, because it makes it clear that at this stage of the work it is for the boundary committee to formulate a draft alternative proposal, and that

"Any dialogue with, or request for information from, a local authority should not involve the authority having to incur significant expenditure."

I hope that that is of some reassurance to him and his local authorities.

Eco-towns

9. **Gordon Banks** (Ochil and South Perthshire) (Lab): What contribution eco-towns are expected to make to the supply of housing, with particular reference to affordable homes. [188692]

The Minister for Housing (Caroline Flint): Eco-towns offer an exciting opportunity to provide desperately needed new homes for families and first-time buyers, but in a way that is consistent with our climate change objectives. They must have at least 30 per cent. affordable housing, but I am keen to see whether we can achieve even more, with some developments pushing towards 50 per cent.

Gordon Banks: I hope that the Scottish Executive in Holyrood are listening to our commitment in this regard. I note that eco-towns will provide low running cost properties and good access to public transport, but does my right hon. Friend agree that we need to regenerate our towns and cities at the same time so that one does not succeed at the expense of the other?

Caroline Flint: I agree with my hon. Friend. It is important that the eco-towns of the future, of which we hope to have 10, take into account the areas where they are situated and the links with other communities. I see some real possibilities, particularly in realising a public transport vision in some communities. I understand from my hon. Friend and others from Scotland that the Scottish National party has been quiet on these matters, but I hope it will learn from the ambition and progress here in Westminster to provide homes in a way that meets our climate change objectives.

Mr. Gregory Campbell (East Londonderry) (DUP): This morning, the Minister for Social Development in Northern Ireland announced an eco-village for Enniskillen. We welcome all such developments, but may we have an assurance that we will make further progress at a more dynamic pace to try to reassure communities throughout the United Kingdom that we are serious about climate change?

Caroline Flint: We have set ourselves the world-class challenge of making all new homes zero-carbon by 2016. That has put us at the forefront of what we can do with housing and the built environment. Eco-towns, our zero-carbon challenge and our work across Government on climate change put us in a good place to get on top of the issue, so that the Government can lead and we can facilitate and enable local authorities and businesses—and the public, who also want to do the right thing—to play their parts.

Social Housing

10. **Mr. Eric Martlew** (Carlisle) (Lab): What assessment she has made of the potential of local housing companies to increase available social housing stock. [188693]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Local housing companies have the potential to contribute significantly to the target of 200,000 new homes on surplus public sector land by 2016. English Partnerships is working with 14 local authorities on developing the local housing company model. That will provide an accurate basis for assessing its potential, but early indications suggest that it may be possible, through the model, to deliver 15 to 20 per cent. more affordable housing on each site than traditional disposal and planning processes would deliver.

Mr. Martlew: Will the Minister expand on the benefits of local housing companies in providing extra resources for local authorities and extra affordable houses in my constituency and others?

Mr. Wright: The model places local authorities at the very heart of the development process, thereby affording councils greater influence over such matters as the quality and mix of houses. To respond directly to my hon. Friend, I should say that, crucially, it allows councils to benefit from the increasing value of land on the site which can be ploughed back into affordable housing. I am taking a keen and personal interest in the 14 pilot areas for local housing companies and I hope that more councils will consider that model in future.

Topical Questions

T1. [188672] **Mr. Peter Bone** (Wellingborough) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Communities and Local Government (Hazel Blears): My Department is responsible for achieving the delivery of 3 million new homes by 2020 and for encouraging active, empowered and cohesive communities right across England.

Mr. Bone: Unfortunately, the Secretary of State did not mention people who sleep rough. According to Government figures, nobody is sleeping rough in Wellingborough, Rushden or the rest of Northamptonshire, and fewer than 500 are doing so in the whole of England. Recently, I attended the opening of a night shelter at the Full Gospel church in Rushden. It was immediately occupied by five rough sleepers. If the Government do not recognise the problem, how can they solve it?

Several hon. Members *rose—*

Mr. Speaker: Order. I make an appeal to the House: supplementary questions must be brief.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): Our homelessness policy has been tremendously successful, particularly in respect of the worst type of homelessness—rough sleeping. The number involved has reduced to 498 from last year. I understand the mechanics of what the hon. Gentleman is saying in terms of a 0 to 10 categorisation, and I have pledged to look at that. However, we are in a fantastic phase of homelessness policy. We are moving forward from an ad hoc situation—trying to find somebody a bed for the night—to making sure that we address the real, underlying problems of homelessness and rough sleeping. We are looking at skills and training and have just ploughed the biggest cash injection ever into homelessness services. I would have thought that the hon. Gentleman would be pleased with that.

T2. [188673] **Mr. Andrew Love** (Edmonton) (Lab/Co-op): Ministers will be aware of concern that the replacement for the neighbourhood renewal fund is a fund focused exclusively on unemployment. There is concern that there should be continuing funding for social regeneration, particularly in deprived areas; I am thinking particularly of building communities and ensuring that people have a voice at a local level. What further consideration are Ministers giving to ensuring that there is that voice at a local level and that some of those social regeneration projects continue?

Hazel Blears: My hon. Friend has raised an important issue. He will know that the neighbourhood renewal fund has been extremely successful in tackling crime and improving educational performance, particularly in our poorest communities. The working neighbourhoods fund is specifically focused on tackling worklessness, because in some of the poorest communities there are several generations of people who have not worked. It is absolutely crucial that we tackle that.

My hon. Friend will also know that the local area agreement process is built on making sure that every citizen has a voice on the priorities for their communities. I can confirm to my hon. Friend that although his authority will not get the neighbourhood renewal fund, there will be a transition authority for the new working neighbourhoods fund, which is £1.5 billion over the next three years for those authorities in England.

T4. [188675] **Joan Walley** (Stoke-on-Trent, North) (Lab): Will the Minister take a very close look at the representations made by the six local authorities that each have less than half the sum that they need for the Supporting People programme? Will she look closely at speeding up the pace of change of the grant formula and have urgent talks with Stoke-on-Trent city council to see whether we can use underspend from other areas or whether, through talks with the regional Minister, we can find a way to get the money that we need now rather than having to wait 13 years before we get the allocation we need?

Hazel Blears: I am pleased that my hon. Friend has raised that issue. She has an excellent record on campaigning not only on Supporting People but on getting more housing and facilities in her area. The Supporting People programme helps hundreds of thousands of the most vulnerable people in our communities to get supported housing, and there is now £1.5 billion in the programme. I certainly undertake to look at the points that she has raised about accelerating the programme and ensuring that we direct the funds to the places where it really matters. I think that everybody in this House would agree that the Supporting People policy has been one of the most successful, particularly in working with the voluntary sector.

Mr. Eric Pickles (Brentwood and Ongar) (Con): On 27 November last year, the Secretary of State told the House that the Government had "no plans for" a "revaluation" of council tax. She will be painfully aware that that statement was at considerable variance with the actuality. Documents released by her Department show that since 2005 the Government have spent at least £6 million on preparing for revaluation. Will she withdraw her statement of 27 November and apologise for its inaccuracy?

Hazel Blears: I certainly will not. What I will say to the hon. Gentleman is what I have said many times before at this Dispatch Box—that there are no plans for a revaluation in the lifetime of this Parliament, and certainly not before 2010 or 2011. We now have a three-year local government settlement that provides the certainty, stability and predictability that local authorities need. To be honest, the report in *The Sunday Telegraph* is simply more scaremongering. No revaluation—I do not know how many times I have to say it.

Mr. Pickles: It was the right hon. Lady's Department's own work; we should be clear that we have this information only because officials failed to obliterate the words beneath blacked-out paragraphs in the released documents. The documents show that many thousands of households are paying more council tax than they should be, and that those errors have been kept secret—in the Government's own words—owing to the

"adverse press coverage this could generate in the current climate."

Will she now tell us the true number of households in the wrong band? Is it more than 400,000? Or will we have to rely on the vagaries of her Department's magic marker to know the truth?

Hazel Blears: I try to be kind to the hon. Gentleman—I genuinely do—but I have to say to him that by choosing this particular issue he is on very shaky ground. He will know that the document to which he refers is more than two years old, from before we passed the legislation dealing with this issue. There will be individual properties that are in the wrong council tax band, and there is a process for people to make an appeal for that to be addressed, but for him to stand at the Dispatch Box and say that there will be hundreds of thousands is patently untrue, and scaremongering.

T5. [188676] **Ian Lucas** (Wrexham) (Lab): The Secretary of State kindly wrote to me last week suggesting that I hold a citizenship day event in my constituency. Does she agree that it would be an even better idea to combine a citizenship day with a Britain day so that we can celebrate the virtues of British citizenship?

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): My hon. Friend makes a very fair point. We have put together a pack to encourage local authorities to celebrate citizenship, but to do it in their own local way. Whether that reflects what works best in Wrexham or across the whole of our nation, I hope that it is something that local authorities take an active interest in, and we will continue to support it from the Department.

T6. [188678] **Mr. Eric Martlew** (Carlisle) (Lab): Last year, the Department for Communities and Local Government decided not to reorganise Cumbria, but to leave it under a two-tier authority. When that decision, which I supported, was announced, the six district councils and the county council pledged to work together to reduce waste, save money and improve services. Will the Secretary of State write to those councils and ask them what progress they have made on that pledge?

The Minister for Local Government (John Healey): My hon. Friend is right: we decided last year not to proceed with the unitary proposals from Cumbria, and the onus is now on the county and district councils to work together more closely. He may be interested to know that the Leadership Centre for Local Government is involved in helping them to do just that, and that over the next three years £380 million will be made available to help councils to improve and become more efficient. Part of the way they need to do that will be to work together more closely. I hope that his councils will draw on those funds, and on the expertise that we are making available to them.

Julia Goldsworthy (Falmouth and Camborne) (LD): Regional Ministers have now been in post for more than six months, yet still there is no structure to hold them to account. Does the Secretary of State not think that it would be a better idea to get rid of them altogether, as these unaccountable entities are nothing more than Government representatives in the region, rather than the region's representatives in Government? Is not the truth that they are nothing more than a waste of space?

Hazel Blears: I am very disappointed by the hon. Lady's approach to this issue, from a party that is supposedly committed to devolution and decentralisation. Regional Ministers have performed an excellent function over the last few months, ensuring that some of the organisations in the region are more accountable to the people of this country, and that we are able to question and scrutinise the activity of many of those organisations. I would have hoped that the Liberal Democrat party, supposedly a localist party, would want to see more devolution—

Mr. Speaker: Order. We will not go there.

T7. [188679] **Andrew Mackinlay** (Thurrock) (Lab): I shall be interested to see which Cabinet attendee steps up to the plate to respond to my question on the Thames Gateway, particularly as I am complaining again about the absence of joined-up government in the prosecution of the Prime Minister's laudable objective of regeneration in the gateway. Why is it that someone in the Department is frustrating the development of the Thames Gateway by refusing to approve the eastern region spatial strategy? That is leading to paralysis of decision making, a disincentive to investors—

Mr. Speaker: Order.

Caroline Flint *rose*—

Andrew Mackinlay: You get the drift.

Caroline Flint: I get the drift, most certainly. I am very happy to meet my hon. Friend to discuss this issue. On 4 March, I will be chairing the Thames Gateway strategic partnership. It is my intention over the months ahead to identify clearly what we need to do across Government and in the Department to make progress. Considerable progress has been made, but there is more to be done. The new Homes and Communities Agency, under Sir Bob Kerslake, will be taking on that strategic responsibility. I will be working with him to ensure that we make more progress and ensure even greater success for all the communities in the Thames Gateway area.

Alistair Burt (North-East Bedfordshire) (Con): On that very point, I still do not think that we have had an explanation from the Government of why, after years of poor performance by the Department in the management of the Thames Gateway, and a very damning Public Accounts Committee report last November, the chief executive of barely a year was sacked but the Minister responsible for the policy has received a promotion. Could we now have that explanation?

Caroline Flint: I have to tell the hon. Gentleman that some of the content of the PAC report is clearly out of date. Much progress has been made, and there is more to be done. This is an ambitious project. A lot is

required nationally, regionally and locally in order to deliver outcomes, and although there is constructive criticism to be made, we have to ensure that we highlight the fantastic things that have already been done in the Thames Gateway with regard to jobs, homes and the environment. Constructive criticism is always important, but let us not lose sight of that.

T8. [188680] **John Mann** (Bassetlaw) (Lab): When a school, such as North Wheatley in my constituency, is flooded in July and again in January, is it not incumbent on the local authority to rebuild the school as new in conjunction with the Environment Agency?

John Healey: It is certainly incumbent on the local education authority, working with the local authority, to take every step that it can to get the kids back into their classrooms so that they do not lose out on their education. I well remember the North Wheatley school, which I visited in the summer along with the North Leverton primary school, which was also flooded. I will look into the matter for my hon. Friend, and if I can assist as I did previously, I will do so.

T9. [188681] **Mr. Jim Devine** (Livingston) (Lab): Will my right hon. Friend the Minister for Housing agree to meet me and other concerned Members of Parliament of all parties who have major anxieties about land maintenance companies, such as Greenbelt Group Ltd, which owns the common land on new estates in perpetuity, charges home owners excessive costs, provides little or no service and then sends threatening and bullying letters to my constituents and others?

Caroline Flint: I am happy to meet my hon. Friend and others who think that that is an important concern for their constituents.

Mr. Simon Burns (West Chelmsford) (Con): Are Ministers aware that MCL, the Government's consultants on funding the national bus concessions scheme, has estimated that Chelmsford needs £1.1 million extra to be fully funded? Are Ministers also aware that Chelmsford will get only £413,000—a shortfall of £738,000? The current scheme, which starts at 9 am, will have to meet the statutory minimum time set by the Government at 9.30 am. Will Ministers reconsider, fund the scheme properly and stop insulting my constituents by writing to me and trying to blame the borough council rather than themselves for failing to fund the scheme fully?

Hazel Blears: The hon. Gentleman will be aware that a significant amount of extra investment has been made in concessionary bus schemes for pensioners and disabled people, in a way that has never previously been known in this country. That represents tremendous progress. He also knows that the Local Government Association requested that the extra funding for concessionary fares should be made in a specific grant and ring-fenced, contrary to the rest of our policies. I agreed to do that, and £212 million—a generous sum—has been allocated and will meet the needs of authorities to provide concessionary fares.

Gambling Policy

3.31 pm

The Secretary of State for Culture, Media and Sport (Andy Burnham): With permission, Mr. Speaker, I wish to make a statement on casino policy.

Today I am laying a draft order identifying 16 local authorities that will be authorised to license the eight large and eight small casinos permitted by the Gambling Act 2005. I do not intend to authorise a regional casino.

My right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell) established the casino advisory panel to advise on the location of the 17 new casinos permitted by the Act. The panel considered applications from 68 local authorities and made its recommendations after detailed consideration.

Before I make further progress, the House will want to know that, since we last discussed those matters, the chair of the independent panel, Professor Stephen Crow, has passed away. I hope that the whole House will join me in sending our condolences to his family and paying tribute to the integrity and dedication that he brought to his role.

Last March, an order incorporating the panel's recommendations was defeated in another place. Since then, the Government have reflected on the range of views expressed in both Houses and beyond. There was a consensus that the eight large and eight small casino licences should be awarded to the 16 licensing authorities identified by the casino advisory panel. That view was expressed by Opposition Front Benchers and their lordships in their message to this House, calling for the 16 to be incorporated in a fresh order.

Following last year's local elections, my right hon. Friend the Member for Stalybridge and Hyde (James Purnell) invited all 16 councils to state whether it remained their wish to license a new casino. All 16 have requested inclusion in the new order.

However, there was and is no consensus on a regional casino. There are important differences between the regional casino on the one hand and the large and small casinos on the other. The regional casino would have been allowed up to 1,250 unlimited stake and prize gaming machines—something not previously seen in the United Kingdom. The large and small casinos would be allowed to offer 150 and 80 category B1 gaming machines respectively, with a maximum £2 stake and £4,000 prize. B1 machines are already in use in Britain today.

There are two principal and independent reasons for my decision not to proceed with a regional casino. First, concerns were expressed in both Houses about the potential negative impact of a regional casino operating on the proposed scale. I have not seen anything to suggest that the will of Parliament has changed. Secondly, I have considered the evidence, both old and new, on the impact of regional casinos. This evidence, including the scoping study by Lancaster university, which I am laying in the House today, points towards the uncertainty of the risks involved and does not dispel those anxieties.

The Gambling Commission's prevalence study, published in September, highlights the fact that problem gambling, although small, remains persistent. My right hon. Friend the Secretary of State for Communities and Local Government has concluded that regional casinos are likely to have no, or only marginal net benefits compared with other means of economic and social regeneration. In the light of that and the evidence about the uncertain levels of risk, I do not intend to authorise a regional casino.

I know that my decision will disappoint many in Manchester, particularly east Manchester, one of the most deprived areas of the country. Taking forward the conclusions of the report published today, the Secretary of State for Communities and Local Government will lead an ad hoc ministerial group to work with Manchester council and its partners to identify and bring forward a range of regeneration alternatives. The group will produce its first report by the end of March. Considerable support has been expressed in both Houses for the regeneration of Blackpool. My right hon. Friend has today announced a package of investment for the town worth close to £300 million.

I seek the consent of the House to authorise eight small and eight large casinos, because I am satisfied that they do not pose the same level of risk— *[Interruption.]*

Mr. Speaker: Order. The House should please allow the Secretary of State to speak.

Andy Burnham: I am satisfied that they do not pose the same level of risk to the public as a regional casino. That said, my instinct is to proceed with caution at all times considering measures to protect young and vulnerable people. Therefore, any new casinos authorised by the order will be required to abide by strict new rules, including in respect of: providing non-gambling areas where customers can take a break from gambling; prohibiting the provision of free drinks to customers while they are gambling; prohibiting the use of credit cards to purchase chips or play gaming machines; ensuring that any cash machines are located away from gaming areas; and requiring casinos to have policies to identify problem gamblers and provide information about support for addiction. Operators who break those rules risk losing their licence, fines and up to 51 weeks' imprisonment.

Taken together, those measures make up the toughest regulatory regime for gambling in the world, but today I am signalling my intention to go further still. Regulators, legislators, operators and owners all have a duty to act in a socially responsible manner, accepting that for some gambling is an addiction, not a leisure pursuit. I was surprised to find that only 360 of the 3,800 licensed operators have so far made contributions to the Responsibility in Gambling Trust this year, which offers advice and treatment to people with gambling addictions and is chaired so ably by the hon. Member for Ryedale (Mr. Greenway). That is not acceptable. Promises were made, and I expect them to be kept.

The Archbishop of Canterbury has called for the introduction of a statutory levy. Unless the industry delivers a substantial increase in contributions by the end of this year and makes contributions in a timely fashion, I will seek the approval of the House for a statutory levy, at a rate to be determined. Secondly, I believe that it is a good principle that all casinos are

[Andy Burnham]

subject to a period of closure every day, when individuals are required to leave the premises. Currently, casinos are prevented from offering gambling over 24 hours, unless they apply to local authorities for an extension. However, I wish to rule out the possibility that some may remain open round the clock, by requiring them to close their doors for at least six hours.

In conclusion, the order we are laying today is an enabling order, giving 16 local authorities the ability to proceed with plans for small and large casinos. Whether to do so is entirely a matter for local decision, and I hope that local people will be consulted and involved at all stages.

Small and large casinos will bring local economic benefits and provide enabling development with the potential to create new community facilities. But, as the Lancaster study concludes, there are costs and benefits of casino development that need to be weighed in the balance. That is why I shall at all times proceed with caution, and continue to keep gambling policy under review according to my responsibilities under the Act, to take advice from the Gambling Commission, and to be guided by the evidence. I commend this statement to the House.

Mr. Jeremy Hunt (South-West Surrey) (Con): I thank the Secretary of State for giving me advance notice of his statement. I appreciate that he is new to his brief, and that not all the issues surrounding the statement are of his own making. I welcome certain elements of the statement, particularly the commitment to increased resources going to the Responsibility in Gambling Trust, which is run with great tenacity by my hon. Friend the Member for Ryedale (Mr. Greenway). We also add our condolences to the family of Professor Stephen Crow.

The Secretary of State mentioned his concerns about problem gambling. The Government's own problem gambling prevalence study, published in September, identified internet gambling as one of the fastest growing areas of problem gambling, yet he did not mention it. Is he aware that nearly one in 10 adults who gamble online have an addiction? Do the Government have a policy to prevent online gambling addiction? If so, why did the Prime Minister, in his last Budget as Chancellor, introduce a new 15 per cent. tax for online gambling operators? This has resulted in not a single one re-registering in the UK, where children and other vulnerable groups are protected by much safer and stronger regulations. Does the Secretary of State now think that it was wrong to liberalise gambling advertising in September, in a way that has made it easier for overseas gambling operators, who are not subject to those regulations, to promote their online products in the UK? In the absence of a coherent approach to problem gambling, is there not a danger that the Government's efforts to appear tough on the issue will be perceived more as PR than reality?

The Government's policy on casinos appears even more confused. First, there was to be no limit on the number of super-casinos, then the limit was 96. Then it was 40, then eight, and then one. Today it is none. There is to be no super-casino, but 16 larger casinos instead. This is not so much a U-turn as an S-bend. The House will remember that this policy started way back in 2005, the year that saw the then Deputy Prime Minister gallivanting in a cowboy outfit around the ranch of Philip Anschutz, who was then hoping for a super-casino licence.

Given the time and money that have been wasted since then, will the Secretary of State at the very least apologise to the people of Manchester and Blackpool? Will he contest the legal action that councils there and in other parts of the country might bring to retrieve the costs of their super-casino bids, which were made in good faith but have now turned out to be a total waste of money?

The Prime Minister said that he was going to end sofa government. Will the Secretary of State therefore explain why the super-casino decision was taken last July without consulting the Cabinet? He has spoken of new rules for the new casinos. Will he acknowledge, however, that none of the rules in his statement is new, and that they are all covered by existing Gambling Commission licensing conditions?

Finally, will the Secretary of State show me one paragraph in the Department for Communities and Local Government report on alternative regeneration strategies that is not already known to Manchester, Blackpool or any other council trying to regenerate? Is there not a risk that this report will be seen as yet another piece of hurried window-dressing for a decision that has already been made from on high?

Our position on the 16 larger casinos remains unchanged. It looks as though the Government might finally have fumbled and stumbled their way to more or less the right solution; but, until they have a coherent anti-problem-gambling strategy, are we not being faced with the worst possible option for the industry, for the public, and for gambling addicts—namely, a jumble of half-baked policies, zigzags and U-turns?

Andy Burnham: It took time, but we got there in the end, and I am grateful for the hon. Gentleman's indication of support for the order. I am also grateful for his words of support about the Responsibility in Gambling Trust and I would like to reiterate what I said in my statement—that our intention to introduce a statutory levy is very real, unless we see a significant improvement and unless payments are made in a more timely fashion. I understand that the trust needs to plan and make preparations for the year ahead. I emphasise again the importance of proceeding in a timely manner, and I hope that that will be heard beyond the House.

The hon. Gentleman is also right to raise issues around online gambling. There is, of course, a connection between today's statement and the growing popularity of online gambling, but my statement was specifically about casino policy, which is why I did not deal with online gambling directly in it. I acknowledge the hon. Gentleman's concern, however, which is why we have asked the Gambling Commission to conduct further research of the data in order to find out more about the risks and causes of problem gambling on the internet. The hon. Gentleman mentioned the prevalence study, which found that the less than 1 per cent. level of problem gambling has remained unchanged. There can be no possibility of complacency on that matter, but the overall rate remains unchanged, although there has been an increase in online and other forms of gambling. As I say, we are not complacent and we keep these matters under review.

The hon. Gentleman mentioned super-casinos and referred to the 16 large casinos, so let me explain again that today's order authorises eight large and eight small casinos, which are very different in character. They will include only machines that are currently available in casinos that are operational today. That is why I am satisfied that it is appropriate to authorise and move forward with these 16 identified casinos.

The hon. Gentleman asked whether the Government would apologise to Manchester and Blackpool, but if I understood it correctly, it was his policy to stand up against the potential for a casino in those locations, so he should make that point clear. We have put together a package of support for Blackpool, which I believe will be widely welcomed across the House and in the other place. It is worth close to £300 million and will take Blackpool further forward. We will also look closely into issues surrounding the regeneration of east Manchester, and my right hon. Friend the Secretary of State for Communities and Local Government has made some announcements today that will begin that process. There is a serious intention to look into alternatives to casino-led regeneration.

On the hon. Gentleman's last point about why there was no further action since last July, I remind him that all this did not begin last July, but in the House of Lords in March. It would have been arrogant of the Government not to have reflected on the views expressed in the other place and in this House, as we wanted carefully to consider how to take forward a casino policy that has a degree of consensus in Parliament. Following the local elections, my right hon. Friend the Secretary of State for Work and Pensions wrote to local authorities—rightly, in my view, as the change of political complexion could have led to the emergence of different views on casino policy. Towards the end of last year, some local authorities asked for more time to make their judgments about whether to proceed with casinos, but by the end of the year they had all come back to us, indicating a wish to proceed. I then considered the evidence and consulted Cabinet colleagues in the devolved Administrations, which brings us to today's process. I believe that we were right to listen to concerns and in the end, as the hon. Gentleman himself concluded, the order before us is the right order.

Tony Lloyd (Manchester, Central) (Lab): May I tell my right hon. Friend that people in Manchester will not think it "arrogant" of the Government but bonkers of them to accept the will of the non-elected House of Lords, particularly at the expense of 3,000 jobs for people in my constituency and surrounding areas? This must be very disappointing for my constituents, so may I ask the Secretary of State very specifically for an absolute guarantee that the Government will now commit themselves to finding the regeneration structures that will ensure that the still high levels of poverty in the city of Manchester are dealt with? I look to my right hon. Friend to give that commitment from the Dispatch Box today.

Andy Burnham: I thank my hon. Friend for his question and I can assure him on his main point that the Government have the serious intent and commitment to work quickly to establish the alternatives for regeneration. Proposals are already on the table, some put forward by Manchester city council, and if we all work quickly to evaluate them, we should be able to produce a first report by the end of March, as I said.

As for my hon. Friend's description of the decision as "bonkers", it should be stressed that the regional casino was a very different entity from the large and small casinos, not just in terms of the number of machines but, principally, because it would have introduced something entirely new to the country. The views expressed in the House of Lords were clear, but in this House, too, there was concern and uncertainty about whether that was the right way to proceed. Having reflected on all those factors, I decided that it was not the right way to proceed, but I was able to conclude that the eight large and eight small casinos are acceptable.

I hear what my hon. Friend says, however. We will work quickly to identify alternative regeneration possibilities, and I hope he will feel encouraged by that.

Mr. Don Foster (Bath) (LD): I, too, thank the Secretary of State for giving notice of his statement. I join him in his condolences to the family of Professor Stephen Crow.

As the Secretary of State said, it was back in March last year that Liberal Democrats in both Houses proposed a mechanism by which to proceed with the eight large and eight small casinos. Despite the answer that he gave earlier, I fail to understand why there have been 11 months of needless delay.

Does the Secretary of State agree that it is important for local people to be consulted on more than just planning for specific casino proposals? Will he explain how that will happen? I welcome today's publication of the two reports, but the scoping study was due to be completed in November 2006. Why has there been a 16-month delay?

As we have heard, the Government initially wanted, and voted for, an unlimited number of super-casinos. Then they wanted eight, then one, and now they have dropped the idea altogether. Has not their flip-flopping led councils on an expensive wild goose chase? We understand that £1 million of taxpayers' money has been wasted.

I too welcome the extra help for Blackpool and Manchester, but given that the Secretary of State did not answer the question asked by the hon. Member for South-West Surrey (Mr. Hunt), how does he respond to Manchester's claim that much of the rumoured help is already in the pipeline? Does he accept that while we debate the introduction of 16 casinos, far more are creeping into the country through the back door? In 2005 the right hon. Member for Sheffield, Central (Mr. Caborn), then Minister with responsibility for gambling, said,

"we can say with certainty that there will be no more than 150 casinos."—[*Official Report, Standing Committee B*, 11 January 2005; c. 718.]

We know that there are already 144 casinos, and if we add 16, the total reaches 160. However, will the Secretary of State confirm that according to the Government's latest figures, up to 125 applications under the Gaming Act 1968 are still in the pipeline? That brings the total to not 150, but 285. So was not the former Minister wrong? What is the Secretary of State's estimate of the likely number of casinos?

[Mr. Don Foster]

I congratulate the Secretary of State on being consistent in one respect. He is the third successive Secretary of State since 2003 to threaten a compulsory levy if the gambling industry, most notably the internet gambling industry, does not contribute more to the Responsibility in Gambling Trust. He wants a substantial increase, but without a clear target and deadline, does he not risk sounding like the boy who cried wolf?

The Government may have arrived at the right solution in the end, but the process of reaching it has been a sorry saga of dithering, wasted opportunities and considerable cost.

Andy Burnham: Although I listened carefully to what the hon. Gentleman said, I could not work out whether he supported the order but let me take him on directly in regard to his accusation about dithering. He spoke of 11 months of delay. Surely it would have been wrong not to reflect on the deep concerns expressed on both sides of both Houses, and wrong not to take soundings from the local authorities involved. We allowed time for local consideration of the issues, and I feel comfortable that that was the right way to proceed.

I am happy to agree with the hon. Gentleman about the consultation of local people. This is essentially an enabling order. It is right for the decision to be made at local level, and I expect local authorities not just to use the powers and observe the requirements to consult provided by the Gambling Act 2005 but, as good practice, to consult local people and communities at every stage of the process, particularly when the detail of the proposal is clear. It is very important that there is an expectation of consultation all the way through.

On the number of casinos under the 1968 Act, the hon. Gentleman put out figures last week claiming that potentially 300 casinos were in the offing. They are not our figures; I do not recognise them at all. There could not under any scenario be anything close to 300. He is right that 144 are in operation. The order would allow for 16 more. Others have been turned down and are awaiting appeal, and others are being processed by the Gambling Commission, but the numbers come nowhere near the figures that he published last week.

May I say a word about the legislation that we have introduced? Under the old 1968 Act system, the House had no control over the proliferation of new casinos. Applications could be authorised through a local process. However, under the Gambling Act 2005, which we passed in this Parliament, the will of Parliament has to be heard before any new casinos can be created, and as the hon. Gentleman knows, we suspended further applications under the 1968 Act some time ago.

I listened carefully to the hon. Gentleman's comments. I think we responded rightly to the concerns raised, and I hope that he and his colleagues will support the order when it comes before the House.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): My right hon. Friend referred to the ad hoc ministerial group that is to be set up by my right hon. Friend the Secretary of State for Communities and Local Government to work with Manchester city council on regeneration alternatives. In her letter to the leader of the council today, she talks about

"replicating the kind of job creation numbers that the casino could have delivered."

While my hon. Friend the Member for Manchester, Central (Tony Lloyd) of course has a primary interest in the location of the casino, because the jobs would have been spread widely all Manchester Members of Parliament have an interest in job creation and regeneration, and I should be grateful for an assurance that the Gorton constituency will be well included in such plans.

Andy Burnham: I thank my right hon. Friend for his question. I am sure that he will join me in celebrating the success of the Manchester economy in recent times, and that he would want to pay tribute to the city council for the remarkable job it has done in bringing Manchester around from its position in the 1980s and early 1990s. My right hon. Friend the Secretary of State for Communities and Local Government leads on regeneration matters, and I know that she was listening carefully to his comments.

Of course, in east Manchester we are building on the legacy of a successful Commonwealth games. My Department has a role to play in ensuring that we build on that sporting legacy and further enhance the sporting potential of that region, and use it as a catalyst for regeneration. As we have seen, sport can be a catalyst for regeneration. I give my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) an assurance—as I did a moment ago to my hon. Friend the Member for Manchester, Central—that we will work with good intent to develop a strong package that will respond to the needs that Manchester city council has put to us.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Is the Secretary of State aware that most people will regard his statement this afternoon as the final chapter in a saga of total shambles and incompetence? Does he understand the resentment that is bound to be felt in authorities such as Blackpool that chose to put in an application only for a regional casino licence? It is one thing to lose in fair competition, but the competition has now been scrapped entirely. Should such councils not at least have another opportunity to apply for a licence for a large or small casino?

Andy Burnham: I pay tribute to the hon. Gentleman, who is Chairman of the Culture, Media and Sport Committee, as I know that he has taken a close interest in these matters over a long period. I think, however, that it is also true that he supported the recent gambling legislation when it passed through this House, so although he talks about a long saga it appears that he has supported the Government position fairly consistently throughout the process.

On the Blackpool and Manchester question, it is important to say that when local authorities put forward applications it was entirely their own decision whether to apply to the independent advisory panel for one of the licences. Although I was not in the Department at the time, I understand that authorities that did not bid for all the potential licences were advised that they could do so should they wish to change their original bid, but Blackpool and Manchester remained as bidders purely for the regional

licence. It is a matter for local authorities to decide their own strategies in pursuit of regeneration opportunities. It would be entirely wrong for me to reopen that process and allow a new process to begin. We should proceed with the eight and eight locations, as the panel advised us to do.

Mr. Gordon Marsden (Blackpool, South) (Lab): My right hon. Friend knows full well that his Department instigated the taskforce for Blackpool in the context of very strong support last year in both Houses for Blackpool's position. He referred to the statement and document from the Secretary of State for Communities and Local Government about Blackpool's funding package. It remains to be seen how much of that is new and focused money, and that will obviously be examined carefully. Given the moral responsibility that his Department bears in this issue, will he use his good offices—his strongest offices—to work with the Secretary of State for Communities and Local Government to ensure that those proposals are for new money and that they begin to fill the regeneration hole left by the removal of the prospect of a super-casino in Blackpool? Will he use his best endeavours, with his senior officials—

Mr. Speaker: Order. I think that the Secretary of State gets the point. We must have brief questions and answers. *[Interruption.]* Short and sharp would be fine.

Andy Burnham: I pay tribute to my hon. Friends the Members for Blackpool, South (Mr. Marsden) and for Blackpool, North and Fleetwood (Mrs. Humble) for the way in which they have pursued Blackpool's case in recent times. As a north-west MP, I know that, along with other Members across the House, people agree and sympathise with the case that my hon. Friends have made for regeneration in Blackpool. The Secretary of State for Communities and Local Government has asked the Government office for the north-west to report back each quarter on progress made against the taskforce recommendations published today. I can tell my hon. Friend the Member for Blackpool, South that there is a further proposal for the creation of an events site at the tower festival headland to showcase Blackpool's cultural connections and provide a centrepiece so that it becomes the "capital of dance". That is a serious proposal; it is being considered by my Department, and we hope to make further progress on it shortly.

Mr. John Greenway (Ryedale) (Con): I thank the Secretary of State and my hon. Friend the Member for South-West Surrey (Mr. Hunt) for their support for the Responsibility in Gambling Trust. May I point out to the Secretary of State and the House that funding for the treatment of problem gambling has increased more than tenfold since the trust was formed six years ago? Last year, we launched the gambleaware website. We have a business plan and we are launching a problem gambling national strategy later this year. But this has to be funded, and I welcome his support. The major bookmakers, casino operators and trade associations all support the trust. Will he ask the Gambling Commission to use the voluntary funding mechanism agreed between the trust and the trade associations in assessing the licence obligations of other operators who are currently not paying the trust?

Andy Burnham: The hon. Gentleman's welcome for what we have announced today is heartening. I assure him that this is not an empty threat: this system has a final chance to work on a voluntary basis. It might be shown not to work, and I shall be interested to hear his views on whether it is working as we make progress from this point before making a final determination on whether we need a statutory levy. I pay tribute to him and to his colleagues at the trust. The gambleaware website has been a very welcome development. I shall listen to him carefully over the coming months before deciding whether we need to take further action on the status of the levy.

Andrew Gwynne (Denton and Reddish) (Lab): My right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) made the point about spin-off job creation not only in east Manchester but throughout the east side of Greater Manchester. When the ad hoc ministerial group that has been announced identifies and proposes a range of regeneration alternatives, will the Secretary of State ensure that they are of an equal strategic nature in respect of the wider eastern part of Greater Manchester, as undoubtedly the spin-off job creation from the super-casino proposals would have extended into constituencies such as mine?

Andy Burnham: I understand the point that my hon. Friend makes and I point him towards the work that the Department for Communities and Local Government has published today, because it considers the question of a possible displacement of jobs by a regional casino. It also questioned the extent to which jobs created would be truly additional. The task facing the ad hoc group is to identify proposals that will have a lasting benefit for the whole of the Manchester economy, and I am confident that it can come forward with such a package.

Mr. John Leech (Manchester, Withington) (LD): Most Members will be aware that I was never in favour of a super-casino for east Manchester, mainly because I had serious doubts that it was a suitable vehicle for regeneration. Given that the Government have now accepted that a super-casino would not deliver the regeneration that east Manchester deserves, they needed to come up with concrete proposals to create skilled local jobs for local people. The announcement today is merely a vague set of pre-election rumours or, as the *Manchester Evening News* described it, a piecemeal package of possibilities—

Mr. Speaker: Order. I understand that the hon. Gentleman, who is a newer Member, is keen to put his message across, but if we do not have short, sharp questions and responses, we cannot get through this statement.

Andy Burnham: Concrete proposals are exactly what we intend to make: that is the purpose of the group that we have established. As I said in my statement, it will produce its first report by the end of March. There was a separate process set up for Blackpool which started work ahead of this process. I do not think that anyone would question the proposals offered to Blackpool, but we want concrete proposals for east Manchester that constitute a sustainable package that will have a wider beneficial impact across the city's economy.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): I congratulate the Secretary of State on rowing back on these proposals. In Wolverhampton, there is already ample opportunity for gambling, with a raft of betting shops, bingo halls—

Mr. Dennis Skinner (Bolsover) (Lab): A racecourse.

Mr. Purchase: And racecourses and so on. Indeed, masses of illicit cash are already generated through prostitution and drugs. It is the ultimate insult to people in Wolverhampton to talk about regeneration on the back of a game of pitch and toss in a casino. That should be outwith the lexicon of Labour policies.

Andy Burnham: The issue is entirely a matter for local decision making. I would be shocked and amazed if my hon. Friend were not able to make his views heard as forcefully locally as he does in this House. I refer him to the detailed work done by Newham council to gauge the level of support locally for any proposed casino. I would hope that any local authority, as a matter of good practice, would involve local people before making a final decision on what are, as he rightly says, very important matters.

Mr. Hugo Swire (East Devon) (Con): I have some sympathy with the Secretary of State, who was left holding the parcel when the music stopped on this fiasco, which has been going on for far too long. It is worth pointing out that we could have got there so much more quickly had his predecessor agreed to reintroduce a single order, as we suggested about a year ago. The statement is rather ambitiously called "Gambling Policy", which would be a start as far as the Government are concerned. Is it still part of the Government's policy to make Britain the online gambling capital of the world, and what work has his Department done since the Ascot summit?

Andy Burnham: The hon. Gentleman says that we could have got there more quickly; I have been through the process by which we arrived at the conclusion today, and while we could say many things about it, the one thing that we could not say is that it has not been deliberative and consultative. We have shown a willingness to listen, but as I said to the shadow Secretary of State, it is important that we keep everything under review and consider the effect and prevalence of online gambling when making any decisions about gambling in casinos or elsewhere. I intend to do precisely that and there will be a further prevalence study. As I say, the last one showed that while we might feel that levels of problem gambling are uncomfortably high, they are not increasing.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): In relation to gambling policies, could it be the case that the smaller casinos, in particular, result in further unfair competition for bingo halls and seaside arcades? As the Secretary of State knows, those businesses have already suffered drastic reductions in their incomes and also increased compliance costs. What urgent action will he take to address that problem as we approach the beginning of the season?

Andy Burnham: My hon. Friend makes an important point. The bingo industry and bingo clubs play an important part in the constituencies of many people in this House, including mine, as do amusement arcades in seaside towns. My hon. Friend the Under-Secretary of State for Culture, Media and Sport regularly meets the representatives of both industries. We continue to listen carefully to their views and in doing so we consider at all times the important social role played by bingo halls in particular.

Mr. Gregory Campbell (East Londonderry) (DUP): Will the Secretary of State elaborate on the part of his statement where he drew a distinction between the proposal for 16 small and large casinos and the previous proposal for a regional casino? He said that he was satisfied that the proposed casinos do not pose the same level of risk to the public as a regional casino. Will he outline, then, what level of risk the present proposal poses to the public where those casinos will be situated?

Andy Burnham: I apologise if that was not clear enough in my statement. The point that I was making was that we are dealing with a known quantity: category B1 gaming machines. The difference is that the proposal for a regional casino would have introduced a large number of unlimited stake and prize gaming machines—category A machines—which would have been entirely new to the UK. That is the clear distinction. The regional casino would also have been a much larger entity. There are clear differences and those are the issues that I have considered. Given that there are already category B1 machines in existing casinos in this country, I am satisfied that on the balance of risks the eight small and eight large casinos can safely proceed.

Graham Stringer (Manchester, Blackley) (Lab): The statement means the loss of 3,500 jobs for Manchester, which were won in a fair and open competition, yet my right hon. Friend the Secretary of State for Communities and Local Government, in a letter to Manchester city council, said that there will be no special treatment and no immediate creation of new jobs. Why are we not trying to overturn the views of the bishops and unelected peers in the other place, who put us in this situation, or giving Manchester special treatment to replace the jobs that will be lost because of the decisions in this statement?

Andy Burnham: I feel that it would have been wrong simply to return to the House with the same order as was defeated in another place last March. However, Manchester's case for east Manchester and the need for regeneration is well made, and that is why the ad hoc group has been established. I encourage my hon. Friend to reserve judgment until that group has completed its work. At that point, he will be entitled to judge whether this proposal is an acceptable package as an alternative to a regional casino. The decision was clearly taken on the balance of evidence about a regional casino and, as I have just explained to the hon. Member for East Londonderry (Mr. Campbell), the risks that that could have posed to the public.

Mr. Graham Brady (Altrincham and Sale, West) (Con): When the Government changed their mind about Northern Rock, the private sector preferred bidders were compensated in full for the cost of their bids. Why are the Government not treating the public sector bidders in the same way in this instance?

Andy Burnham: As I said to the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), it was entirely for local authorities to decide whether or not to pursue an application for any of the three categories of casino authorised under the 2005 Act. As part of the process, the independent panels went back to the local authorities that bid to say that they could extend their range of applications at any time. At least one local authority that bid for a regional casino got a large casino in the end because it put in a bid for a large casino, too. The decisions about what to bid for were made locally and local authorities have to live with the consequences of those decisions.

Mr. John Grogan (Selby) (Lab): Does my right hon. Friend agree that the success of London's O_2 arena shows that it is perfectly possible for the private sector, working with the public sector, to help regenerate large areas by means of leisure complexes? They can do that without having to resort to super-casinos, whose machines offering unlimited stakes and prizes are highly addictive and could have raised our rate of problem gambling.

Andy Burnham: That is a good point, although from my days many years ago as an adviser to this Department, I seem to recall that some public money was involved in the creation of what is now called the O_2 arena. My hon. Friend is right to say that sport, leisure and culture can be a powerful catalyst for wider regeneration. There is evidence for that up and down the country, and I want to encourage exactly those public-private partnerships that he seems to be referring to.

Paul Rowen (Rochdale) (LD): The Secretary of State has made the right decision today about super-casinos, but I must pick him up on what he said about compensation. The Government have cancelled a competition that the city of Manchester thought that it had won. Surely he ought to accept that Manchester should be compensated for the costs that it incurred.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): It's called gambling.

Andy Burnham: I welcome the welcome for the decision expressed by the hon. Member for Rochdale (Paul Rowen), although I shall resist the temptation to respond to the sedentary comment from the Opposition Benches. However, I repeat that an ad hoc group is looking at all the issues that the decision raises, and I hope that it can conclude its work swiftly.

Miss Julie Kirkbride (Bromsgrove) (Con): Following the Secretary of State's non-answer to the hon. Member for Ayr, Carrick and Cumnock (Sandra Osborne), does he accept that another major flaw of the Gambling Act 2005 was the requirement to remove gaming machines with a £2 stake from bingo halls, adult gaming centres and seaside arcades? That has caused a catastrophic fall in business on such premises, and will he do something about it?

Andy Burnham: I understand that the same issues were raised in an Adjournment debate last week, to which my hon. Friend the Under-Secretary of State responded. He is in discussions with the industry about the questions that have been raised, but we will keep all such matters under review.

Lynda Waltho (Stourbridge) (Lab): My right hon. Friend said that his instinct was to proceed with caution at all times and that he would take into consideration measures to protect young and vulnerable people. Will he confirm that admittance to casinos will be limited to people aged 21 and over, and will he expand a little further on his instincts in this area?

Andy Burnham: My hon. Friend raises an important issue. The Act provides that 18 is the minimum age for entry to a casino, but my instinct is that 21 would be the right age. However, that is not a firm view and I am willing to listen to the views expressed by hon. Members of all parties before reaching a firm view. I have looked at the international evidence, though, and it seems that 21 is the age at which people around the world are admitted into casinos. I shall be interested to find out whether there is an appetite in the House for adopting a similar provision here.

Mr. Moss: Setting aside the illogicality of dishing up what I calculate to be more than half a billion pounds as a sop to Manchester and Blackpool, when the Secretary of State looks at the figures promised for Blackpool, will he not see that two thirds of that £300 million has been committed already by other Departments?

Andy Burnham: I think that people in Blackpool will be interested in what the hon. Gentleman has said. At the beginning of my statement, I said that we had listened carefully to the views expressed in this House and another place. It has been impossible not to be aware of the strength of feeling about Blackpool, and it is clear that people want a sustainable regeneration package for the area. That package will draw on a range of sources, and I set out a moment ago the further support that may be available from my Department. Taken together, that represents a substantial investment in improving Blackpool.

Mr. Kevan Jones (North Durham) (Lab): I spent many hours on the Bill that became the Gambling Act 2005, when the Government's policy often seemed to change not every day, but every hour. My right hon. Friend's announcement today has made me wonder whether all that effort was worth it—and, frankly, I do not think that it was. However, may I urge him to meet representatives of the British Casino Association before he introduces any more restrictions on casinos' operations? The 1968 Act has been criticised, but this country's casino industry has been largely well run and free of crime. Does he agree that the real problem is internet gambling?

Andy Burnham: My hon. Friend is right to say that casinos are, on the whole, well run and crime-free. Long may that remain the case. He says that the time has been wasted, but I do not think that he should conclude that. The Gambling Act 2005 is a much stronger framework for the consideration of such matters. The House used to have no control over the extension of the number of casinos; the Act, as well as introducing tougher new measures, gave us the ability

[Andy Burnham]

to do so. I will meet the British Casino Association before considering any further restrictions in that area.

Philip Davies (Shipley) (Con): The Secretary of State has repeated his noble aim of requiring casinos, like bookmakers, to have policies to identify problem gamblers. I used to be a bookmaker, and I can say in all honesty that I never had any understanding of the detail of my customers' bank accounts, and so never knew whether they were betting more than they could afford to lose. Can he share his experience and tell us how operators are supposed to identify problem gamblers? Would that not put staff—often young or low-paid people—in the difficult circumstance of having to tell people that they cannot place a bet because they have a problem?

Andy Burnham: The hon. Gentleman's experience is far more extensive than mine, and I will listen carefully to him on such matters. I hope that operators would work with the organisation chaired by his hon. Friend the Member for Ryedale (Mr. Greenway) to develop good policies enabling them to identify problem gamblers. I suspect that most people who work in betting shops, casinos and similar places know their regular visitors and whether they have a potential problem needing further help and support. However, the hon. Gentleman makes a good and fair point. That is exactly why the trust needs more resource: to help improve the quality of the policies that will be developed.

Mr. David Chaytor (Bury, North) (Lab): I congratulate my right hon. Friend the Secretary of State on putting the final nail in the coffin of the ridiculous and dangerous super-casino concept, and on recognising that investment in the creative industries, information technology, sustainable construction, skills and higher education represents the best future for young people in the Greater Manchester sub-region. Will he tell us more about his approach to gambling addiction and, particularly in view of the Australian experience, about how he will monitor any increase in gambling addiction as a result of the commission of 16 new casinos?

Andy Burnham: The main mechanism is the Gambling Commission's prevalence study. As I mentioned earlier, we want it to focus particularly on online gambling. That is how we will measure. We will keep the matter under review at all times. I welcome my hon. Friend's welcome for the decision that we announced today, and I agree that there is the potential to do something with the site available in east Manchester that is far more innovative and brings longer-lasting benefits to the north-west economy for many years to come.

Mr. David Burrowes (Enfield, Southgate) (Con): Does the Government's alleged gambling policy recognise the link between alcohol and drugs and problem gambling? If so, is the Secretary of State concerned about the lack of screening of problem gamblers in alcohol and drug treatment centres in the probation and prison services, and will he make representations to those presenting the alcohol and drugs strategy that problem gambling should be included?

Andy Burnham: The hon. Gentleman raises an important point. The Responsibility in Gambling Trust could look at that issue too, so I will consider it further. It is a good point.

Mr. David Heathcoat-Amory (Wells) (Con): Will the Secretary of State give a more convincing reply to my hon. Friend the Member for Bromsgrove (Miss Kirkbride) and others about the plight of the seaside holiday resorts with amusement arcades, which have been badly hit by the consequences of the Gambling Act? Such resorts are in great competition with overseas holidays. The matter is urgent and serious, and it deserves a better response than his reply that he was keeping it under review. As he is in a mood of contrition, will he agree that mistakes have been made and that they must be corrected?

Andy Burnham: No, we do not accept that. As I said earlier, we pay close attention to the issues that the right hon. Gentleman raised, which are important to many hon. Members. Of the casinos authorised today, only a small number are in seaside resorts, so it is not in seaside resorts that the order's impact will mainly be felt, but he makes an important point. My hon. Friend the Under-Secretary of State is in regular discussion with representatives of the arcade industry, and we will continue to keep the matter under close review.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): I warmly thank the Government for dithering on the issue, because during all the dithering, Conservative-controlled Scarborough borough council has taken decisive action and has successfully persuaded Merlin Entertainments to build the new Legoland on the site for which the casino was in pole position. However, we will have a casino somewhere. In how many of the 16 cases will the opening of a new casino result in the closure of an existing casino that is unable to compete on equal terms?

Andy Burnham: The hon. Gentleman has illustrated very well the point that I sought to make in my statement: these are matters for local decision making. The new Legoland development sounds very enticing. It will be for his local council to decide where, how and if it uses the authority that we seek to give it through the order. However, let me make it clear once again that the decisions are local at all times. I do not seek to interfere further in them, although I should say that the process by which licences are awarded must follow the guidelines that accompany the order laid down today.

Anne Milton (Guildford) (Con): The Secretary of State's statement will be warmly welcomed by many, including myself and organisations such as the Evangelical Alliance, which has campaigned long and hard against regional casinos. However, the Government's unbelievable dithering on the issue will have cost the people of Manchester and Blackpool dearly. I am still not clear on why the Secretary of State changed his mind. Was it because he believes, as I do, that the so-called economic benefits are far outweighed by the social and economic costs?

Andy Burnham: I am grateful for the hon. Lady's welcome for the statement. Let me say again that it is less than a year since the Lords rejected the original

order. It surely was right and proper to have a period of reflection before bringing any new order before the House. Indeed, if I remember correctly, lots of newspapers called for a period of reflection at the time. We have provided precisely that. It was right to consult local councils, and to give them time after local elections to decide whether they wished to proceed. All of that took until the back end of last year; it was only at the end of last year that we were able to get confirmation from all 16. Having held a consultative process in Government, we are coming forward with the order today, so I reject the hon. Lady's accusation that the process has been subject to delay and dither.

Mr. Henry Bellingham (North-West Norfolk) (Con): Further to the questions asked by my hon. Friend the Member for Bromsgrove (Miss Kirkbride) and my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), does the Secretary of State really understand the grave crisis facing the amusement arcade industry? There are amusement arcades in King's Lynn and Hunstanton that are losing customers by the day. Surely he can now reverse the damaging changes to the £50 jackpot machines. That would go some way towards solving the problem.

Andy Burnham: I understand that the British Amusement Catering Trade Association, the representative body, has made a series of requests to the Department, which are being considered by my hon. Friend the Under-Secretary of State. He informs me that he will write to those concerned and respond to the requests by the end of the week. Again, I hope that the hon. Gentleman will appreciate that we are not insensitive to the important issues facing seaside towns. The Department will come forward soon with a serious, substantial initiative to get further investment for seaside towns, so that we protect their heritage and improve their facilities.

BILL PRESENTED

Copyright in Sound Recordings and Performers' Rights (Term Extension)

Pete Wishart, supported by Mr. Ian Cawsey, Mr. Mark Field, Sandra Gidley, John Robertson, Rosemary McKenna, Adam Price, Mr. Greg Knight, John Hemming, Stewart Hosie, Kelvin Hopkins and Janet Anderson, presented a Bill to extend the duration of copyright in sound recordings and of performers' rights; and for connected purposes.: And the same was read the First time; and ordered to be read a Second time on Friday 7 March, and to be printed. [Bill 78].

Small Print

4.29 pm

Dr. Nick Palmer (Broxtowe) (Lab): I beg to move,

That leave be given to bring in a Bill to make requirements regarding the minimum size of print in certain documents, including those relating to advertising and contracts; and for connected purposes.

The Bill's objective is simple: it is not to impose any additional regulations on the content of terms and conditions in advertisements or contracts, but to ensure that customers are reasonably able to read what they say. It is easy to say "Let the buyer beware", but if the buyer cannot read the contract, how is he or she supposed to beware?

I shall give an example that happened to me personally just last week. It is not a particularly severe example compared with some of the others that I shall cite, but it illustrates the point. People who make an online purchase, as I did last week, may be offered a voucher if they make another purchase from the same firm—in this case, Expedia. If they click on that offer, they find that they have signed up to pay £8 a month for ever, until they cancel it, for a package of discount vouchers that they will get in the future. The website does not spell out what the vouchers are or their value. More to the point, the deal is in small print and people have to look for it to see that that is what they are signing up for.

I noticed the offer because a constituent raised the matter with me a few weeks ago, after he had ordered some flowers online. He accepted the offer and, as a result, a couple of months later he noticed he had been paying £8 a month to a company that he had never heard of. He inquired why and found out that he had been fooled by the small print.

Much more serious examples have come up in my discussions with non-governmental organisations, in relation to matters such as the redemption payment to be made when a mortgage is redeemed, which may be much more substantial than the mortgage holder expects. In a lease, the fine print relating to rental arrangements governs when the deposit is to be returned. Often the deposit is never seen again because of something deep down in the contract, especially if a person is a relatively vulnerable renter who is not used to the formalities of legal contracts and who has difficulty burrowing into small print deep in the contract. In the case of insurance policies, insurance companies are happy to take people's money no matter how old they are, but when policyholders come to claim, they find that in the small print there is an exclusion based on their age.

The Bill has widespread support. The phrase "in the small print" has become a standard metaphor for evasive and devious modification of what appears to be on offer. I am grateful for the help of the Royal National Institute of the Blind and the Plain English Campaign in preparing the Bill. I welcome the support of Age Concern, Help the Aged and the Trading Standards Institute, which was helpfully brought in by my co-sponsor, my hon. Friend the Member for Pudsey (Mr. Truswell).

I thank the other co-sponsors present—my hon. Friend the Member for Cleethorpes (Shona McIsaac), and the hon. Members for Lewes (Norman Baker) and

[Dr. Nick Palmer]

for Richmond Park (Susan Kramer). If I have missed anyone, I apologise. I am grateful for the all-party support and for the support of my local newspaper, the *Nottingham Evening Post*.

In fairness, amid the orgy of congratulation, I have had a critical note from the Advertising Standards Authority, which has reservations about the Bill and does not believe there is a problem. It says that it already has the power to regulate the area adequately. With all due respect to the Advertising Standards Authority, that does not seem in practice to prevent widespread use of small print with the objective of obscuring unwelcome terms and conditions.

As we all know, ten-minute Bills tend to have a sad fate in the eternal grey waiting room of the pending section of the Order Paper, but I am glad to say that in this case a Minister from the Department for Business, Enterprise and Regulatory Reform has agreed to take the matter up, and I will meet him next week to see whether the issue can be addressed as part of the new EU directive on consumer protection. There might be those who have their doubts about the EU but I hope that on this issue at least we are of one mind in saying that the consumer deserves protection against manipulation in the small print. I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by Dr. Nick Palmer, Mr. Graham Allen, Norman Baker, Michael Jabez Foster, Mr. Fabian Hamilton, John Hemming, Susan Kramer, Dr. Julian Lewis, Shona McIsaac and Mr. Paul Truswell.

SMALL PRINT

Dr. Nick Palmer accordingly presented a Bill to make requirements regarding the minimum size of print in certain documents, including those relating to advertising and contracts; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 14 March, and to be printed [Bill 76].

BUSINESS OF THE HOUSE (LISBON TREATY) (NO. 6)

Motion made, and Question put forthwith, pursuant to Order [28 January],

That the Order of 28th January be further amended as follows: in the Table, in the entry for Allotted Day 7, in the third column:

(a) for '4½ hours' substitute '3 hours', and

(b) for '1½ hours' substitute '3 hours'.—*[Ms Diana R. Johnson.]*

Question agreed to.

Mr. Edward Davey (Kingston and Surbiton) (LD): On a point of order, Mr. Deputy Speaker. Will the Chair reconsider the decision not to select the Liberal Democrat amendment for a referendum on Britain's membership of the EU? That is the question that goes to the heart of the debate before the House. That is the debate that people want to hear. We are being gagged, Sir.

Mr. Deputy Speaker (Sir Michael Lord): Order. I understand the hon. Gentleman's point of order, but having made it he must not go on and start debating the matter. The selection of amendments is made by Mr. Speaker, and is not open for questioning in the House. Hon. Members will have every opportunity to discuss these matters when we embark—[HON. MEMBERS: "When?"] Order. During the course of the debate.

Mr. Nick Clegg (Sheffield, Hallam) (LD): Further to that point of order, Mr. Deputy Speaker. I share the dismay of my hon. Friend the Member for Kingston and Surbiton (Mr. Davey). What guidance can you give me on how we can secure—if not today, at some point during the remaining stages of the Bill—the opportunity to debate the issue that many Members want debated and many members of the public want debated: our future membership of the EU?

Mr. Deputy Speaker: Order. I have made the situation quite clear to hon. Members. I am sorry if they do not accept it—

Mr. William Cash (Stone) (Con): Further to that point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: No, there can be no further point of order. We must now get on with the debate.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I have dealt with the point of order.

Simon Hughes (North Southwark and Bermondsey) (LD): On a separate point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: If it is a separate point of order, I am prepared to take it.

Simon Hughes: I have raised procedural questions about the Bill with Mr. Speaker and other occupants of the Chair. I have asked for guidance from Officers of the House on the drafting of amendments that will be selectable—generally, on the Bill, not just on this issue.

I have been told that we must see the Clerks. My colleagues have been to see the Clerks and have taken advice from them. They have submitted amendments that the Clerks have told them are in order. Please will you tell me and those other colleagues who have made points of order on the Bill what more we have to do to have a point of order accepted that allows an amendment to be debated in the House on an issue that a quarter of the British people represented here want to be debated and many people regularly tell us ought to be debated? What else do we have to do, because we have followed the rules that we have been given?

Mr. Deputy Speaker: All the hon. Gentleman has done is to confirm how carefully this matter has been studied by everybody concerned. Following that careful study, Mr. Speaker has made his selection of amendments for today; that must be the end of it for today.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. We are simply wasting time. I am not prepared to take any more points of order on the selection of amendments for today.

Mr. Cash: On a separate point of order, Mr. Deputy Speaker, relating to the scope of the Bill. It is clear that the Bill is making

"provision in connection with the Treaty of Lisbon Amending the Treaty on European Union".

In that context, I simply say that the treaty has been described by the European Scrutiny Committee, on which I sit, as "substantially equivalent" to the original constitution. The Liberal Democrats have broken their promises.

Mr. Deputy Speaker: Order. The hon. Gentleman is a very experienced Member of this House and knows that we are not at this point in time discussing the Bill. We are discussing the motion before the House. I suggest that we now start on that.

Mr. Davey: On a point of order, Mr. Deputy Speaker.

Julia Goldsworthy (Falmouth and Camborne) (LD): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Point of order—Mr. Ed Davey.

Mr. Davey: Mr. Deputy Speaker, I am grateful for your granting me this point of order. This is an outrage to the House—*[Interruption.]*

Mr. Deputy Speaker: Order. The outrage to the House is in danger of being the hon. Gentleman's attitude to the Chair—*[Interruption.]* Order. He has made his point. I have told him already how matters stand. There will be opportunities to discuss these matters—[HON. MEMBERS: "When?"] There will be opportunities to discuss these matters at a different time.

If the hon. Gentleman persists in arguing with Mr. Speaker's selection for amendments today, I shall be extremely annoyed. He has made his point; everybody has understood it. It is firmly on the record. Now I must insist that we get on with the debate. I call Mr. Jim Murphy.

Mr. Davey *rose—*

Mr. Deputy Speaker: Order—*[Interruption.]* Order. I am afraid that I am now going to have to warn the hon. Member for Kingston and Surbiton (Mr. Davey) about his conduct. If he persists, stronger measures will have to be taken. Having made his point, he really is now abusing his position.

Mr. Davey: On a point of order, Mr. Deputy Speaker. We need to know when we can debate this issue. It is a debate that the British people want. It is unfair not to allow it.

Mr. Deputy Speaker: Order—*[Interruption.]* Order. The hon. Gentleman fails to appreciate that that is not something that I can deal with at this point in time.

Mr. Davey *rose—*

Mr. Deputy Speaker: Order. *[Interruption.]* Order. The hon. Gentleman must understand that I am not prepared to allow this matter to be pursued any further. As I have said, he has made his point firmly this afternoon. It is on the record in the way he sought to make it. If he wishes to pursue it after this afternoon, he can explore other ways of doing things. I cannot do anything other than abide by the selection for this afternoon's business, which Mr. Speaker has made in accordance with the rules of the House. As I have already explained, it is not open to being questioned in the way the hon. Gentleman is seeking to. I call Mr. Jim Murphy.

Mr. Davey *rose—*

Julia Goldsworthy *rose—*

Norman Baker (Lewes) (LD) *rose—*

The Minister for Europe (Mr. Jim Murphy): Mr. Deputy Speaker—*[Interruption.]*

Mr. Davey *rose—*

Mr. Deputy Speaker: Order. I warn the hon. Member for Kingston and Surbiton that unless he obeys the authority of the Chair, I shall have no alternative but to order him to withdraw from the House. That means that the hon. Gentleman will have to leave the precincts of the Palace of Westminster and that he will not be able to vote for the rest of the day.

Mr. Davey *rose—*

Mr. Deputy Speaker: Order. I think that I have made the position entirely clear to the hon. Gentleman. I repeat to him that he has had every opportunity to make the point that he sought to make, and I think that we should now move on to the debate.

Mr. Davey: With due respect, Mr. Deputy Speaker, I do not believe that we have been given our chance—

Mr. Deputy Speaker: Order. I have had enough. I would be grateful if the Minister got to his feet to start the debate.

Mr. Jim Murphy *rose—*

Mr. Davey *rose—*

The hon. Member, having conducted himself in a grossly disorderly manner, was ordered by MR. DEPUTY SPEAKER, *pursuant to Standing Order No. 43 (Disorderly conduct), to withdraw immediately from the House during the remainder of this day's sitting, and he withdrew accordingly.*

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I think that that must be the end of it.

Treaty of Lisbon (No. 7)

[7TH ALLOTTED DAY]

4.46 pm

The Minister for Europe (Mr. Jim Murphy): I beg to move,

That this House approves the Government's policy towards the Treaty of Lisbon in respect of provisions concerning the effectiveness of the EU institutions and EU decision-making.

I am happy to introduce the seventh in our series of themed debates on the content of the Lisbon treaty—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order.

David Howarth (Cambridge) (LD): I beg to move Standing Order No. 29.

Mr. Deputy Speaker: I suggest that Mr. Jim Murphy gets on with the debate.

Mr. Murphy: Today we are debating the institutional reforms introduced by the Lisbon treaty. These fall into two categories: first, the reforms to the existing EU institutions—*[Interruption.]*

Mr. Deputy Speaker: Order. We are now going to continue with this afternoon's debate in the way that we should—*[Interruption.]* Order. Hon. Gentlemen and hon. Ladies must understand that the order of this House is every bit as important as the kind of matters that they are seeking to raise. It is crucial to the good order of this House that they respect the occupant of this Chair. I really do think that the Members in question have gone far enough today to make the points that they wish to make. If they want to continue, there are other ways of doing it—[HON. MEMBERS: "How?"] There are other ways of doing what they seek to do. I call Mr. Jim Murphy.

Mr. Murphy: As I was saying, we are debating the institutional reforms introduced by the Lisbon treaty. Those fall into two categories: first, reforms to the existing EU institutions to allow them to function more effectively—

Mr. John Redwood (Wokingham) (Con) *rose—*

Mr. Murphy: And secondly, reforms to the way in which the EU takes decisions and the accountability for those decisions—in particular, to national Parliaments.

Mr. Redwood *rose—*

Mr. Murphy: I just wished to make that point so that I can get further than I did on the last occasion before giving way to the right hon. Member for Wokingham (Mr. Redwood).

Mr. Redwood: Does the Minister agree that it is a discourtesy to him and the House that the Liberal Democrats, after synthetic anger about their broken promise, should now have almost entirely removed themselves from the Chamber when those most important issues, in which they say that they are interested, are up for debate? We should now ask: where are they?

Mr. Murphy: That is not an issue for the Government or for any individual Minister. All that I would say in passing is that on the issue of Europe, the Liberal Democrats, in principle, see the benefits of our continued membership and continued involvement in the European Union and support the reforms in the treaty. As to the conduct of individual Members of Parliament, that is an issue for the Speaker or the occupant of the Chair, not for Government Ministers.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Has the Minister noticed that we never had this sort of difficulty when my right hon. Friend the Member for Paisley and Renfrewshire, South (Mr. Alexander) was the Europe Minister?

Mr. Murphy: We did not have this sort of difficulty under any of the other eight Europe Ministers who have served during the past 10 years, including my right hon. Friend the Member for Rotherham (Mr. MacShane) and my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson), who are sitting in front of my hon. Friend the Member for Glasgow, South-West (Mr. Davidson). I do not know whether it is down to me or not, but I will try to make some progress.

Bob Spink (Castle Point) (Con): I apologise to the House, but I would like to take us back to the debate in question. On 20 February, when I asked the Minister to set out the details of the role of the president of the European Council, he said that discussions on these issues have not yet started. How can we be debating the effectiveness of EU institutions when we do not even know what the role of the president will be?

Mr. Murphy: The discussion today has not yet started. Perhaps when we have started a discussion of any substance, I will give way to the hon. Gentleman and we can discuss his specific question.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I hoped to avoid the situation where I am asking the Minister questions after he speaks about something he should have mentioned. He mentioned the role of national Parliaments. Will he tell us today how our national Parliament will adopt procedures, and which specific procedures it will adopt to allow us to have a say on the subsidiarity check—the orange and yellow cards?

Mr. Murphy: My hon. Friend has paid close attention to these matters for a period of months. It would be wrong for me to announce at the Dispatch Box today how we intend to organise Parliament to enable what he asks about to happen. That is a matter for continuing dialogue with members of the European Scrutiny Committee—of which my hon. Friend is the Chair—and perhaps even, in time, members of the Select Committee on Foreign Affairs and of the Select Committee on the European Union in the other place. It is important that the Government do not announce, without consultation, the most effective way in which improvements to the involvement of national Parliaments will come into effect in the UK arrangements.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): I am sure that the Minister does not always produce such a dramatic effect in the Chamber. Can he tell me why there is not some clear demonstration of the sort of machinery that Parliament will have to look at? I have tabled a little amendment to clause 8, which I shall certainly make a scene about when the time comes—I hope that lots of people will walk out then. Frankly, unless we have a clear idea of the machinery we have in this House for scrutinising the directives and regulations that flow out of Brussels, it is rather pointless having the sort of discussion he suggests. We are not asking him to take decisions, but simply to tell us what it is that we have to look at.

Mr. Murphy: There are a range of options to look at with regard to the way in which we organise matters. As I said to my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), who chairs the European Scrutiny Committee, we have not come to a view on the best way to involve Select Committees, the Chamber and the Members of the other place, or on the exact procedures to follow. It is for the House to develop its own rules in that regard. It is important to say, however, that we will undertake to ensure that those discussions take place and that decisions are put in place in time for ratification. It is crucial that the procedures are in place in time for the ratification across the 27 member states, and the commencement of the treaty—

Several hon. Members *rose—*

Mr. Murphy: I will give way to the hon. Member for Moray (Angus Robertson) and then to my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart).

Angus Robertson (Moray) (SNP): The Minister has indicated that he will listen to the various interest groups, Members of this House and Members of the House of Lords with regard to the working of the mechanism. He will appreciate, however, that more than half of the powers currently enacted by the European Union relate to devolved matters. Does he agree that the mechanism that operates in this place will take due consideration of the views of devolved legislatures and Governments in the United Kingdom?

Mr. Murphy: The hon. Gentleman and I often cross swords, but he makes a fair point that we have to design our system to ensure that there is an effective way in which to gather views and reach a conclusion. However, I hope that he accepts that making a decision will ultimately be a matter for this place. I agree that it is important to construct a meaningful dialogue.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I appreciate that my hon. Friend said that the mechanisms must be examined, especially in consultation with Select Committees. However, has he decided whether he wants the scrutiny to be similar to that of Select Committees, which scrutinise the Executive's actions and may reach a different policy view from Government, or whether he wants the Committees to police subsidiarity and proportionality? Those are distinct functions, and I wonder whether my hon. Friend has already formed a view.

Mr. Murphy: We have not yet formed a firm view and we need to discuss such issues with the relevant Select Committees because it is important to get it

[Mr. Jim Murphy]

right. I know that my hon. Friend has strong views on those matters and I look forward to the opportunity of discussing with her and other hon. Members from all parties the best way in which to implement the procedures.

Angela Browning (Tiverton and Honiton) (Con) *rose—*

Mr. Murphy: I have not yet got past page 1 of my introductory comments, but I will give way to the hon. Lady and then try to make progress.

Angela Browning: Will the Minister confirm that we can debate as much as we like any regulation that has been subject to qualified majority voting in Brussels and then comes to the House, but that we do not have the power to change it?

Mr. Murphy: The hon. Lady knows that I have served on European Standing Committees A, B and C and examined such matters in great detail. Before I became Minister for Europe, my view was—and remains—that we must find more effective ways in which to scrutinise European legislation. The way in which we structure matters is therefore an issue for the House and we can adjust our own rules.

Mr. Robert Goodwill (Scarborough and Whitby) (Con) *rose—*

Mr. Murphy: I shall make some progress and then, of course, give way to hon. Members who want to intervene.

I will set out the main changes under each category shortly. However, I first want to remind the House that institutional reform of the EU is not new. Indeed, it is one of the few constants of almost every EU treaty. The European Economic Community started in 1957 with an institutional framework designed to meet the needs of a club of six member states. It had a Commission, a rotating presidency, Community competences and a legal personality. However, at each stage of development, faced with fresh challenges, member states have adapted the EU's institutions and decision making to address those new challenges. There has therefore been continuing reform of the EU's institutions and decision making.

In the 1980s, faced with economic underperformance and the challenge of making a reality of the single market, the member states, with this country in the lead, introduced a widespread extension of qualified majority voting. In its effects, that was perhaps the most radical change to European decision making. However, as the Government of Baroness Thatcher recognised at the time, those major moves to QMV were in the UK's national interest. Without that, the single market could not have been created. As Baroness Thatcher said in a speech in the other place in 1993:

"we would never have got the single market without an extension... of majority voting... we wanted a single market and we had, in fact, to have some majority voting."—[*Official Report, House of Lords,* 7 June 1993; Vol. 546, c. 562.]

Foreign and security policy, co-operation in justice and home affairs and the process of creating the euro was part of the reform that the Maastricht treaty enabled. That treaty introduced the concept of co-decision with the European Parliament and moved important policy areas to QMV, including education, public health, transport safety, development co-operation and consumer protection.

Some, including Baroness Thatcher, felt that the Maastricht treaty went even further than the Single European Act in transferring decision-making powers to European level. Maastricht, according to Baroness Thatcher, "is much, much wider" than the Single European Act.

Mr. Graham Stuart (Beverley and Holderness) (Con): Do the Government believe that parliamentary sovereignty persists? Has it been temporarily handed to European institutions and can it brought back by an Act of Parliament, or has it been transferred permanently?

Mr. Murphy: The fact is that the supremacy of European law was established before the UK joined the European Community. It was confirmed in case law in—

Hon. Members: 1963.

Mr. William Cash (Stone) (Con): 1964.

Mr. Murphy: The hon. Gentleman is better informed than the hon. Member for Beverley and Holderness (Mr. Stuart)—the supremacy of European law was confirmed in a 1964 case. That has been the case since before the United Kingdom joined the European Community. In respect of the extension of qualified majority voting, that was also enabled by the treaty of Rome in 1957. Every subsequent European amending treaty since has extended qualified majority voting, which is important to recognise.

Mr. Ian Taylor (Esher and Walton) (Con): Is the Minister not indicating that the best way of undermining the sovereignty of Parliament is to have a referendum, which is designed to bypass Parliament? However, let me leave that aside. The key point that Baroness Thatcher made in the House when she was Prime Minister in 1989 was that qualified majority voting is an advantage to the United Kingdom, which rarely gets outvoted, in that it enables this country to ensure that the European Union can pass legislation that bypasses the protectionist instincts of any one country. Is that not the reason that this country has always found qualified majority voting an advantage rather than a disadvantage?

Mr. Murphy: The hon. Gentleman is absolutely right in his analysis of qualified majority voting and of why this Government and previous Conservative Governments have extended it in the careful way that we have. It has ensured that, where protectionist tendencies exist, no one country can block economic reforms, which are so important to the United Kingdom.

Mr. Redwood: The Minister is right that there has been a progressive surrender of powers and a progressive increase in qualified majority voting, but to

ensure that the record is accurate, will he confirm that qualified majority voting has been granted in 10 times as many areas since 1997 as were granted by Baroness Thatcher?

Mr. Murphy: The fact was that—[HON. MEMBERS: "Yes."] No, I disagree with the right hon. Gentleman's analysis of Europe and, looking at the figures, I disagree with his analysis of qualified majority voting. The Single European Act made 12 such moves and the Maastricht treaty, which he supported, made 32 moves. There were 26 moves under the Amsterdam treaty and 32 under the Nice treaty, while the Lisbon treaty, as we have all discussed, makes 51 extensions.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Does my hon. Friend also agree that it is not a question of giving up sovereignty, but a question of sharing it where issues such as the environment and energy have to be dealt with in common?

Mr. Murphy: My hon. Friend is absolutely right about the sharing of that sovereignty. The fact is that Parliament remains sovereign. Parliament is free to repeal the European Communities Act 1972, but we would have to leave the European Union as a consequence. That is not an agenda that we on the Government Benches are in any way interested in.

Mr. Cash: On the important point that my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) raised, and to which the Minister has just begun to give an answer, does he agree that it is well established in case law of the House of Lords that it is possible for the United Kingdom to make provisions that contradict provisions of the 1972 Act and all the Community obligations that flow from it, providing that such legislation is express, consistent and clearly intended to achieve that objective? In those circumstances, courts of the United Kingdom will give effect to the latest Act that complies with those criteria. Does the Minister agree with that?

Mr. Murphy: Where I agree is that the European Communities Act 1972 would be the way to seek the removal, as it were, of the type of proposals in the European Union (Amendment) Bill, which will come before us this evening. Notwithstanding what the hon. Gentleman has said, repealing the 1972 Act would be an invitation by Parliament to remove the United Kingdom from membership of the European Union.

Mr. Goodwill: I speak as someone who used to head up the European Parliament side in conciliation negotiations. On the effectiveness of the QMV system, does the Minister not agree that the British Government would be better represented in the Council were they to be represented by Ministers, rather than by civil servants? In most cases, when I was there, there was one Minister from the presidency and the rest of those involved were civil servants.

Mr. Murphy: The make-up of these Committees, in regard to the balance between Ministers and civil servants, is an important established arrangement governing the way in which Governments act. Governments of both parties have acted in a way whereby, at a particular time, it is appropriate for officials to discuss and examine the legal basis of the texts involved, and, at an appropriate time, Ministers become involved. That is the correct way of organising the business.

Mr. Bernard Jenkin (North Essex) (Con): Does the Minister accept that, for example, the French Conseil d'Etat regularly maintains a conflict between French administrative law and European Community law, and that that is not greeted as an invitation to leave the European Union? On the contrary, it becomes a political matter to be resolved. Were the United Kingdom expressly to create a non-conformity in terms of United Kingdom law with EC law, that would be a matter to be resolved politically, and not necessarily an invitation to leave the European Union.

Mr. Murphy: The fact is that, if we were to repeal the European Communities Act 1972, it would be an invitation to leave the European Union. The hon. Gentleman has me at a slight disadvantage, in that I am not an expert on French legal and constitutional arrangements. Perhaps, however, I shall have to brush up on them as we progress through our proceedings, the second half of which we have reached today.

After 2003, following the collapse of communism and the enlargement involving the central and eastern European countries, the EU reformed its institutional and voting systems. Today, a Europe of 27 countries—with more to come—faces the challenges of globalisation, defending and extending free and fair trade, climate change, energy security, migration and terrorism. The EU has the potential to deliver for our citizens on these challenges but, to do so, it needs strong, effective and accountable institutions. The Lisbon treaty introduces reforms to help to achieve that. As the Law Society guide to the Lisbon treaty says:

> "Institutional change is the key driver behind the Treaty of Lisbon. The need for transparency, better democratic accountability and enhanced judicial scrutiny has led to some important improvements in the EU's make-up".

I would like to set out the reforms that the treaty actually makes—the facts, rather than the fictions that have been peddled.

There are two sets of reforms. The first involves those that will allow the existing EU institutions to function more effectively and with more accountability to the member states. The new full-time president of the European Council replaces the current system in which presidency of the European Council rotates every 26 weeks. The European Council is the body through which the leaders of member states steer the political direction of the EU, and it is in our national interest to ensure greater continuity.

We have heard allegations from the Opposition that this will mean the creation, over time, of a US-style President. That is a ludicrous assertion. The President of the US is the commander-in-chief of the armed forces. All Executive functions are vested in him—or perhaps, shortly, her. The President appoints judges, makes treaties and can veto legislation. The president of the European Council, on the other hand, will do none of those things. He or she will have no legislative or Executive functions.

Kelvin Hopkins (Luton, North) (Lab): As so often happens with European issues, my hon. Friend is talking about the changes as though they were the end of the story. The direction of travel is towards stronger and stronger central institutions and a stronger president who will perhaps, in time, become like the American President. That is something with which we would profoundly disagree.

Mr. Murphy: I respect my hon. Friend's point of view, although we do not agree. The changes will ensure that the European Union can be much more effective. I do not know whether my hon. Friend shares our ambition to deliver on behalf of all our constituents an organisation that could be a great force for good across the globe. Such an organisation should not have within its architecture the inbuilt instability of a change of leadership every 26 months. As I have previously reflected, that is no way to run a bowling club or a golf club in any of our constituencies and it is certainly no way to set out the rules of the largest rules-based market in human history.

Andrew Mackinlay (Thurrock) (Lab): I want to raise a relatively small matter that has not yet been addressed. Each member state that hosts the presidency currently bankrolls it for the six-month period, which must be extraordinarily expensive. How will the costs now be met not just for the job of the president, but for the additional functions whose costs were hitherto picked up by the host national state?

Mr. Murphy: As we end the process of diplomatic musical chairs and travelling around the 27 European capitals, the expectation is that rationalisation will bring an end to what I think was an indefensible process and lead to some savings. As to how it is then funded, it would no longer be the responsibility of the rotating presidency to pick up that bill, but of Europe as a whole.

Still on the first group of reforms, the treaty reduces the size of the European Commission with the aim of ensuring that it can work more effectively as the EU enlarges.

Michael Connarty: I wanted to raise this matter as I was not sure whether the Minister was going to expand on the point. One part of the structure is for vice-presidencies during the six-month period, but has any thought been given to that role? There is certainly a sense of engagement in the present system—though I would also have to say that there are inefficiencies when the individual countries take up their six-month duties—but the promise made in the Convention, and after, was that countries would still be engaged in some sort of rotating vice-presidential role. Will the Minister elaborate further on that?

Mr. Murphy: Time does not allow me to elaborate in much detail, apart from saying that the expectation was that rotating sectoral councils would continue under the auspices of the six-month rotating period. That might provide the opportunity that my hon. Friend alluded to, but, significantly, the office of president of the Council would no longer rotate.

From 2014, the number of commissioners will be reduced so that two thirds of member states provide a commissioner at any one time, with every country taking equal turns. The members of the Commission will still, as now, be decided by national Governments, acting on qualified majority voting, and by the European Parliament. The treaty also reduces the size of the European Parliament, with the number of MEPs capped at 751—down from the current 785.

The second group of reforms largely relates to better decision making and accountability.

Mr. Goodwill: The Minister makes no mention of the Economic and Social Committee or the Committee of the Regions, which are both very expensive and, in my opinion, superfluous. Will the Minister tell me what those two bodies bring to the picnic and can he defend their continuation?

Mr. Murphy: I believe that the Committee of the Regions is important, because it provides a significant opportunity for those who do not live with or practise the politics of civic society in the capital cities of sovereign member states to become involved in consultations and offer their views. It is an important dynamic, showing the multi-layered nature of the EU, and I believe that removing it would be a weakness.

Mr. Cash *rose—*

Mr. Murphy: Let me make some progress and I will happily give way to the hon. Gentleman later.

The second group of changes relates to better decision making and accountability. This group of reforms alters the way in which the EU takes decisions and the means of accountability for them. It provides new powers for national Parliaments; more effective decision making where it is in the UK's interests; and explicitly sets out the EU's competences—and where those competences end—for the first time.

Mr. David Heathcoat-Amory (Wells) (Con): Has the Minister seen the authoritative report published this week about the operation of the artist's resale right directive? The Government voted against it, but it was passed by a majority vote. The Government opposed it on the grounds that it would damage the British art market, which is much the biggest in Europe. The report confirms that that damage has occurred. Does the Minister think it wise to extend majority voting to a further 51 areas? Will that not ensure that in future the views and priorities of this Government and this Parliament will be overridden, to the detriment of British interests?

Mr. Murphy: I do not agree with the right hon. Gentleman's assertion. The areas in which we have agreed to the extension of qualified majority voting are those in which we want quicker decision making, and want to remove the power of any one member state to block that decision making.

Mr. Cash: Two groups of amendments to the European Union (Amendment) Bill have been tabled in my name. Will the Minister be good enough to explain exactly what would be left to the United Kingdom in terms of

sovereignty, given that, as he well knows, the notions of shared competence and exclusive competence mean that we would no longer be able to legislate in certain areas? On what does he believe we would still be able to legislate, comprehensively?

Mr. Murphy: The hon. Gentleman has been uncharacteristically unfair on himself. He has, in fact, tabled 67 amendments to the Bill.

As I am sure the hon. Gentleman knows, the setting out of competences does not change the position in any legal sense; it simply clarifies it. Article 1(6) of the Lisbon treaty—article 5.2 on page 6 of the consolidated treaty—states that

"the Union shall act only within the limits of the competences conferred upon it by the Member States in the Treaties to attain the objectives set out therein. Competences not conferred upon the Union in the Treaties remain with the Member States."

Mr. Cash *rose—*

Mr. Murphy: I will not give way to the hon. Gentleman, but I will tell him what is left. The United Kingdom Government set this out in great detail. It has been made very clear that on issues of defence and international policy, social security, justice and home affairs—all the big national issues in relation to which it makes sense for national Parliaments and national Governments to act in unanimity—they reserve that right.

Mr. Denis MacShane (Rotherham) (Lab): Can the Minister confirm that 99 per cent. of European Union national income stays in the hands of member states, and that of the 1 per cent. that goes to Brussels, 85 per cent. is sent back to them for disbursement? Moreover, according to the House of Commons Library, fewer than 10 per cent of the laws that we pass here emanate from Europe and more than 90 per cent. are our laws, made in this House.

Mr. Murphy: My right hon. Friend is right, as usual.

Andrew Mackinlay: He was sacked as Minister for Europe.

Mr. Murphy: I cannot see anyone leading a walk-out as a result of that intervention.

Ms Gisela Stuart: Does the Minister agree that there is one area in which we should have moved to qualified majority voting, but have not done so? I refer to the vote that determines the seat of the European Parliament. I think that we should have removed the French veto and moved to qualified majority voting, and that the European Parliament should have sat only in Brussels.

Mr. Murphy: My hon. Friend has argued that case for some time. It is an established arrangement for the European Parliament to sit in Strasbourg for one week, although I am sure that that arrangement can and will be examined as part of the continuing reform of the European Parliament.

Rob Marris (Wolverhampton, South-West) (Lab): Will the Minister give us an indication—perhaps later in the debate, if not now—of how frequently the United Kingdom is on the losing side of a QMV vote, and how frequently we are on the winning side? I suspect that we are on the winning side on the overwhelming majority of occasions, and that the United Kingdom is able to persuade other European Union members to agree with us on what we think is right for this country. There is give and take in all negotiations. We need to assess how often we lose and how often we win under QMV to gain some sense of proportion, and to determine whether QMV is worth engaging in.

Mr. Murphy: It is absolutely clear that in the vast majority of cases—I will happily put what is available on the public record and into the public domain—the UK is effective in achieving a blocking minority where we seek to do so, and that will be protected even further under the new arrangements that will be put in place by 2017 and the double majority voting changes.

Mr. James Clappison (Hertsmere) (Con): Will the Minister give way?

Mr. Murphy: After I have given way to the hon. Gentleman, it might be helpful if I make a little progress.

Mr. Clappison: I am grateful to the Minister for giving way. He has just said that he is happy with all the concessions made on qualified majority voting, but let us take just one example, although an important one: the QMV that the treaty introduces for proposals made by the new high representative. When this matter first came before the intergovernmental conference, the Minister's predecessor, now the Secretary of State for Justice, opposed it, saying it was "simply unacceptable". Why did the Government at that time find it to be "simply unacceptable"?

Mr. Murphy: We made it absolutely clear that we wanted clarity and precision in the relationship between the high representative and the Commission more generally, and we achieved that.

The Lisbon treaty gives national Parliaments a direct say in making European laws for the first time. Every national Parliament will receive proposals for new EU legislation directly. They may judge whether the proposal conforms to the principles of "subsidiarity". If one third of national Parliaments object, the proposal will be sent back for review by the Commission. If a majority of national Parliaments oppose a Commission proposal, and national Governments or MEPs agree, it can be struck down.

Each national Parliament gets two votes, so for the UK this House and another place will each have a yellow and orange card to play. As I suggested to my hon. Friend the Member for Linlithgow and East Falkirk, Chairman of the European Scrutiny Committee, how that is exercised will be a matter for Parliament to decide. We will work with both Houses to ensure that an effective mechanism is in place to allow Parliament to exercise its new rights from the date of entry into force of the Lisbon treaty.

Mr. Mark Harper (Forest of Dean) (Con): Will the Minister give way?

Mr. Murphy: I shall make a little progress, if I may.

This is an opportunity, not any kind of threat. However, the original House of Commons ESC report on the IGC of 9 October 2007—on which my hon. Friend the Member for Linlithgow and East Falkirk did sterling work—said:

[Mr. Jim Murphy]

"We wish to emphasise that the proposals in the Reform Treaty raise a serious difficulty of a constitutional order in as much as they appear to impose, whether by accident or design, a legal duty on national parliaments 'to contribute actively to the good functioning of the Union' by taking part in various described activities."

Although we did not share the ESC's view, we listened to the concerns raised and secured changes to the text to make it clear that national Parliaments have the right to contribute to the work of the Union but are not obliged to do so. We are sure that the text is now unambiguous and that there is no question of any obligation on national Parliaments. All member states and the EU institutions are clear that the final text confers rights on national Parliaments, but does not impose obligations.

Mr. Cash: I do not think the Minister intended to do so, but he has slightly misconstrued—so to speak—what the ESC said in its follow-up report, where we made it crystal clear in the concluding provision that it would be intolerable for there to be any ambiguity in respect of any suggestion that an EU obligation should be imposed on our Parliament, and that that would, of course, be inconsistent with the whole of our constitutional arrangements. That is what the ESC said, and it is backed by the most learned opinions—by Queen's counsel and many others. I know that the Minister did not mean to mislead the House.

Mr. Murphy: I did no such thing, as I am sure the hon. Gentleman will see if he checks *Hansard*. I was quoting verbatim from the ESC report, which is publicly available.

As I have said, although we did not share the concerns expressed, we nevertheless acted to secure changes to the text. The House of Lords EU Select Committee stated in its report of 1 November 2007 that while it accepted the reassurances that the treaty was not intended to impose obligations on national Parliaments,

"we considered it necessary to ensure that the phraseology was correct while the interests of national parliaments were appropriately presented in the text...We were accordingly pleased to have heard that the word 'shall' has been eliminated from the English text."

Ms Patricia Hewitt (Leicester, West) (Lab): Will my hon. Friend confirm that the treaty protocol on the role of national Parliaments explicitly spells out that

"the way in which national Parliaments scrutinise their governments in relation to the activities of the European Union is a matter for the particular constitutional organisation and practice of each Member State"?

Of course that must be the case, and it is clearly recognised in the treaty. Will he confirm that?

Mr. Murphy: My right hon. Friend is correct. She amplifies the point that I was making in response to my hon. Friend the Member for Linlithgow and East Falkirk, who is Chair of the European Scrutiny Committee, and my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody)—it is for national Parliaments to resolve the way in which they structure the new rights offered to them.

Michael Connarty: We went slightly off at a tangent on the question whether a Parliament could decide how it would scrutinise or not scrutinise its Government. The treaty ended up reading:

"National Parliaments contribute...to the good functioning of the Union".

The word "shall" was taken out. Paragraph 16 of the European Scrutiny Committee's third report of Session 2007-08 suggested that the word "may" should have replaced the word "shall". May I inform the Minister that at the conference of the Chairs of European Committees on 18 February, a representative of another Parliament said clearly that Parliaments shall contribute? When we questioned that, we were told, "They must contribute. It says so in the treaty." Clearly the interpretation outside this House is that removing the word "shall" has not diminished the compulsion to contribute seen by others.

Mr. Murphy: I believe that my hon. Friend was attending a COSAC meeting, where he has an opportunity to discuss these issues with his equivalents—the Chairs of the Scrutiny Committees in the other 26 national Parliaments. The second Chambers of those national Parliaments are also involved in such meetings. It is clear—we are precise about this—that we responded to concerns that he raised. He has been fair enough to observe that in another place. *[Interruption.]* He has acknowledged from a sedentary position that he agrees with that. As to how we persuade other European Parliaments, as the treaty is ratified across the European Union it will be clear that other national Parliaments will have to adjust their rules and the way in which they operate. I would not seek to interfere in how another national Parliament organised its business.

Hon. Members on both sides wish to make their contributions, so I shall now make some progress. The treaty extends qualified majority voting, and that will offer faster decision making where the UK wants to see more effective EU action. I cannot accept the view of some hon. Members that in respect of this new treaty alone there is no case for moves to QMV. I believe, the Government believe and the rest of the European Union believes that the case is a strong one.

Mr. Clappison: I take it that the Minister is referring to the very important provision—I believe it is article 48—that enables the European Council to move from unanimity to QMV in a wide area of decision making. The Government originally opposed that at the time of their 2003 White Paper, saying that it would undermine the role of national Parliaments. Why have they changed their mind?

Mr. Murphy: In response to that fair point, may I say that there is clearly a triple lock on any of these changes? It is a triple lock of the European Parliament, the European Council and any national Parliament. Alone in the European Union, this Government have proposed—the provision is in clause 6 of the Bill—that any move from unanimity to QMV would require the assent of this place and the other place before it was to happen. As far as I can ascertain, we are the only Government who have taken the opportunity to provide that additional protection and power to a national Parliament.

Mr. Mark Hendrick (Preston) (Lab/Co-op): If there is a move towards greater use of qualified majority voting, the introduction of double majority voting from 2014 will mean that the UK's share of votes in the Council will rise to 12 per cent., from 8 per cent., giving us that much more power.

Mr. Murphy: My hon. Friend has great experience of these issues and he is absolutely correct. Our share in the Council of Ministers will go from 8 to 12 per cent. and our share of a blocking minority will go from 32 to 35 per cent.

Mr. Harper: On the QMV point raised by the right hon. Member for Rotherham (Mr. MacShane), who is no longer in his place, could the Minister—when he has finished furnishing the House with the interesting data about the votes in which we were not outvoted—put on record whether the Government calculate whether they could win a vote before deciding what position to take?

Mr. Murphy: What an innovative idea! I cannot go further than putting on the record those votes in which we were outvoted. I can only assume that if we force an issue to a vote, we anticipate winning that vote. The two lists are probably one and the same thing.

In terms of extensions to QMV—

Mr. Ian Taylor: It was obvious in the last Conservative Government that good Ministers rarely had problems with voting, as they could dominate what happened in the Council of Ministers. Given that there are extra blocking minority powers now, I am sure that even Labour Ministers can keep up that record.

Mr. Murphy: I was with the hon. Gentleman right up to his last few syllables. Thus far, in the vast majority of cases under Governments of both parties, effective Ministers supported by first class civil servants have enabled the UK to achieve its objectives. The institutions have been structured in a way that will strengthen the UK's hand in the future, not weaken it.

Michael Connarty: I wish to raise a technical point. QMV will be introduced for areas in which it is not used at the moment. One of them is the famous passerelle clause, which the Prime Minister has said will be dealt with on the Floor of the House. There are all the other opt-in areas, and I understand that there are 70 or 80 of them. When they are transposed into the new Community method under the treaty, they will be subject to QMV. Has the Minister given any further thought to the point that I made on Second Reading about the procedure for that? I am concerned that that should not be decided under the statutory instrument procedure, off the Floor of the House, because those issues are the business of this Chamber.

Mr. Murphy: My hon. Friend talks with great authority on these issues. Alone in the EU, this Government have provided the protection enabled in clause 4 of the Bill which means that any moves from unanimity to QMV could be vetoed by the House. The exact way we configure that will be an issue for dialogue and the decisions that we need to have in place in time for the commencement of the treaty across the European Union.

I wish to make some progress. Hon. Members will accept that I have taken a substantial number of interventions, and others wish to speak. In terms of the extensions to QMV, 20 of the changes offer faster decision making where the UK wants to see better systems in place, such as protecting British business ideas across Europe and decision making on energy.

The UK has always insisted on maintaining ultimate national control in the key areas of social security, tax, foreign policy and defence, as I have already mentioned. The Lisbon treaty makes it clear that we have secured that for the UK. In the most sensitive areas—justice and home affairs, and social security—the UK has the right either not to participate or to insist on unanimity. Many of the other QMV measures, such as those that concern rules about the eurozone, simply do not apply to us. In fact, 16 changes either do not apply to the UK or apply only if we choose to opt in. That leaves 15 purely procedural changes, such as the operating rules for the judicial appointments panel and how we appoint members to the EU's Economic and Social Committee. Overall, the impact of QMV under the reform treaty will be significantly less than under the Single European Act, for example.

The treaty makes the system of majority voting more transparent and democratic. Under the new double majority voting system, which I have mentioned, a minimum of 55 per cent. of the member states—15 of the 27 countries—representing a minimum of 65 per cent. of the EU's population must vote in favour for European legislation to be passed.

Opponents of the Lisbon treaty have claimed that the UK's blocking power in the Council of Ministers will be reduced by double majority voting. I have already made it clear that that will not be the case. Opponents of the treaty have pointed to research from the London School of Economics to bolster their argument. In fact, the claim is based on research by Professor Moshe Machover of the LSE, who has since made it clear that, in his view, the UK's relative position will actually improve substantially under the new voting system. It is important to put that on the record.

The treaty will also improve transparency and defines the Union's competences for the first time, as I have mentioned. The categories of the competences simply reflect existing law. They provide greater clarity than before about what the EU can and cannot do. As the Law Society's guide to the Lisbon treaty says:

"There are five areas in which the UK and other EU countries have agreed that the EU alone may pass new laws. None of these is new to the Treaty of Lisbon."

It is clearly in the UK's interest that the EU's powers and where it can and cannot act are set out explicitly, as they are. The Lisbon treaty expressly provides for the EU to have legal personality. Legal personality for the EC and the EU is not new. The European Community has concluded hundreds of international agreements covering all fields of Community activity since it gained legal personality.

Mr. Cash: We had an exchange on this point this morning. Will the Minister be kind enough to tell me why he alleges that that legal personality is not new, when he must know that specific provisions demonstrate that it is? Admittedly, it is not new in respect of trade, but there is a range of other areas where it is. He must know that; surely he can concede that point.

Mr. Murphy: I do not know whether I concede it, but I certainly congratulate the hon. Gentleman on ensuring we had an opportunity to discuss these issues in relation to the matter of support for Kosovo in an Adjournment debate in Westminster Hall this morning, when he managed to make an argument about legal personality. I enjoyed the advance warning of the comments that he will make this afternoon.

The fact is that the European Union already has legal personality, to the extent that it now has the power to conclude agreements in its own name. The EU has concluded nearly 100 such agreements in its own right, and we benefit from them. They include the World Trade Organisation agreements; the Cotonou agreement with African, Pacific and Caribbean countries, which allows them access to the EU market; and agreements on development and trade with countries all over the world. None of that is unusual. Legal personality is a standard characteristic of international organisations ranging from the United Nations, the WTO and the International Criminal Court to the Universal Postal Union.

Mr. Jenkin: At the moment, for example, the European Union cannot conclude a military agreement with third countries. Once the EU has legal personality, it will be able to conclude full-blown military treaties with third countries.

Mr. Murphy: I usually respect the points made by the hon. Gentleman, but in this case he is absolutely wrong. Issues of national defence and foreign policy are matters of unanimity decided by national Governments. The EU does not have competence from treaties to conclude the types of agreements that have been mentioned by the hon. Gentleman. For the first time, the competences are set out explicitly, and where they are not transferred they will still be exercised by national Governments. That is very clear.

Various Opposition Members have spoken about the question of legal personality before. Alan Dashwood, professor of European law at Cambridge university, told the House of Lords Committee in evidence:

"There are many international organisations that have international legal personality such as the ECB and Euratom".

He added that the EU's possession of a legal personality did not make it a state. Judge Sir David Edward, a former UK judge at the European Court of Justice, said:

"I do not see that the conferring of a legal personality on the Union, in so far as it replaces and succeeds the Community, really has any extensive effect at all."

The Lisbon treaty introduces reformed institutions that will allow an enlarged EU to work effectively. It provides for reformed decision making with greater transparency and accountability. We want the EU to focus on where it can add value in a globalised world, and that is why we welcome a full-time president of the European Council. We want national parliaments to have a greater say in EU affairs on the issues that matter, and that is why we welcome more powers for national parliaments. We want British consumers and businesses to benefit from a completed single market, and that is why we welcome more streamlined decision making in the Council. We want more co-operation on children's rights, the environment and international development, and that is why we welcome clearer objectives for the EU in those areas.

Finally, we want the EU to engage more effectively internationally, in respect of Burma, Zimbabwe, Iran and many other places around the globe. That is why we welcome the creation of the post of high representative for foreign affairs, who will be answerable, ultimately, to member states.

Mike Gapes (Ilford, South) (Lab/Co-op): Will my hon. Friend the Minister give way?

Mr. Murphy: I was about to conclude, and my hon. Friend will have an opportunity a little later to contribute to the debate. My final sentence is that I commend the motion to the House.

5.42 pm

Mr. William Hague (Richmond, Yorks) (Con): I beg to move amendment (b), in line 1, leave out from 'House' to end and add

"disapproves of the Government's policy towards the Treaty of Lisbon in respect of the provisions on the effectiveness of European Union institutions and decision-making because the Treaty expands the power of EU institutions at Member States' expense by replacing the rotating presidency of the European Council with a permanent President, giving the EU a single legal personality, abolishing national vetoes in more than fifty areas and entrenching marine biological resources as an exclusive EU competence; notes that these provisions are largely identical to those in the original EU Constitution; further notes that the details of many of the new powers of the EU and its institutions will not be decided until after the Treaty is ratified; and regrets the Government's failure to secure the extensive changes Ministers sought to these provisions in the course of negotiations on this Treaty and its near-identical predecessor.".

It tells us something about the shortage of time in which we can debate these matters that we are already more than one third of the way through the period set aside for these motions on the effectiveness of EU institutions. Today's debate concerns some of the treaty's most important elements and they are notable not least because once again they mirror almost exactly the proposals of the EU constitution, on which all parties in the House—including the one that was in some difficulty earlier—pledged at the last election to hold a referendum.

Mike Gapes: Will the right hon. Gentleman give way?

Mr. Hague: It is very early, but I will give way to the hon. Gentleman.

Mike Gapes: The right hon. Gentleman is making the predictable point about the shortage of time, but he has also mentioned the referendum. If he and his colleagues had not spent so much time in every debate banging on about the referendum issue, would not there have been more time to discuss the substance of the proposals in the treaty?

Mr. Hague: The hon. Gentleman was elected on a manifesto that banged on about holding a referendum, so it is no surprise if the Opposition remind the House of that.

However, I wanted to congratulate the Minister on starting his speech in the presence of so many Liberal Democrat MPs. It is the greatest number that I have

ever seen gathered together when a by-election was not in prospect. When I saw them come in, it made me think that one of us might be ill. They have had some difficulty with getting their amendments selected for debate, but they would have no such problem if their amendment fulfilled their party's pledge to hold a referendum on the European treaty. If they tabled such an amendment, they would be rescued from the contortions in which they have become involved.

There have been a number of developments in the debate already, and I want to take issue with one or two hon. Members. The right hon. Member for Rotherham (Mr. MacShane), who I see is just returning to his place, informed us that only 10 per cent. of laws affecting the UK came through the EU. However, I have to tell him that the person who said that it was

"unacceptable that 50 per cent. or more of regulations come from the European Union"

was the Prime Minister. That is unfortunate, because falling out with the Prime Minister might not shorten his long and arduous journey back to the Front Bench.

Mr. MacShane: Does the right hon. Gentleman—who, like me, has a close connection to Rotherham—accept that the Prime Minister, like him, can be wrong?

Mr. Hague: I said that the right hon. Gentleman's journey back to the Front Bench was long and arduous, but I think that it just became of infinite length. However, we will all enjoy his utterances from the Back Benches in the many decades to come.

I must also take issue with the Minister for Europe, who, when asked by my hon. Friend the Member for Stone (Mr. Cash) to list the remaining exclusive compétences of the nation state, came up with a rather short list of what is left of the nation states, underlining the dramatic nature of what is in the treaty. He was pressed by some of his hon. Friends about the role of national Parliaments, and about how we in the House of Commons exercise our powers, or the powers that we have in this Chamber, to affect the decisions of Governments of either party about European decision making. He said that the Government would come up with further proposals on the subject, but they already had an opportunity to do so.

The matter was debated only three weeks ago on the Floor of the House, when my right hon. Friend the Member for Maidenhead (Mrs. May), the shadow Leader of the House, made clear and substantive proposals: for instance, for a statutory scrutiny reserve, so that Ministers would have to gain parliamentary approval before negotiating in the Council of Ministers, as well as new powers for the European Scrutiny Committee to force a debate and vote in the House of Commons. It was only in response to Opposition pressure that the Government agreed to support the decision that produced the one substantive thing that happened in that debate: the decision to hold public meetings of the European Scrutiny Committee. The Government have had one opportunity to come up with substantive proposals for improving parliamentary scrutiny, and if they are really going to do so again, they should do it with great urgency, because there is enormous interest in the matter throughout the House.

The treaty will introduce changes of great importance to the European Union's institutions and decision-making processes. The Minister mentioned most of them. They include, but are not limited to, the creation of a new president of the European Council; the endowment of the European Union—explicitly in a treaty, for the first time—with a single legal personality; the renamed EU Foreign Minister; the new delineation of competences between the EU and member states; the establishment of qualified majority voting with co-decision by the European Parliament as the ordinary legislative procedure; the various other increases in the powers of the European Parliament; the new vote-weighting system for the Council of the European Union; and, of course, the ratchet clause, by which further vetoes can be abolished in future without recourse to further treaties.

Mr. Jenkin: If the question of legal personality for the European Union as a whole makes absolutely no difference, it prompts the question, why on earth are they bothering to put it in, then?

Mr. Hague: My hon. Friend makes a good point, which could be made about so many aspects of the treaty that we are assured will make no difference, including the clarification—I think that is what the Minister called it—of the competences of the EU and the nation states. If that is of no importance and only a clarification, why did the Government oppose the statement of so many of those competences? I shall come to that point in the course of my speech, which I will truncate in deference to the time and other hon. Members' need to speak.

There is one argument that advocates of the treaty like to return to in this matter of decision making: that is that without the treaty, an enlarged EU would not really be able to function. Tony Blair, the former Prime Minister, told the House that the constitution was

"necessary to make the accession work"—[*Official Report*, 14 May 2003; Vol. 405, c. 306.]

but it has been more than three years since the great enlargement of the EU to 25 and subsequently 27 member states, and the EU is working perfectly well.

The solid weight of testimony that the EU's existing structures have dealt more than adequately with enlargement is supplied partly by academic studies. The latest is a study by the distinguished member of the Government's Better Regulation Commission, Professor Helen Wallace, who has found not only that the picture is of business as usual rather than gridlock but that

"non-treaty reforms have played important roles in altering processes and procedures so as to improve the capacity of the institutions to do their work".

Current and former Foreign Secretaries, in unguarded moments of frankness, seem to agree. I remind the House of the words of the former Foreign Secretary, the right hon. Member for Derby, South (Margaret Beckett), which I have mentioned in earlier debates on the Bill. Last year, she told the Select Committee on Foreign Affairs that

"there have been comments from various quarters that if the European Union cannot get an agreement"

on treaty reform

"there will be a huge crisis and that the EU will no longer be able to function...the last few months have shown that that is not actually so. The EU is functioning and has, indeed, reached some quite far-reaching decisions".

[Mr. Hague]

If people do not listen to the previous Foreign Secretary, I hope that they will at least listen to the current one, who said that the EU's agreements on climate change

"have done more to show the relevance of the European Union than any amount of institutional tinkering",

and I fully agree with him on that.

Kelvin Hopkins: I am following what the right hon. Gentleman is saying with interest and enjoyment. If there was no treaty at all, and we just stopped where we are, would the skies fall in? Would it be the end of civilisation as we know it? Would the European Union collapse, or would it just carry on?

Mr. Hague: I think that the European Union would carry on rather well, as I think the hon. Gentleman is suggesting. If the EU was faced with the situation that he describes, it would force it to concentrate on the great issues, including climate change, rather than on the permanent process of institutional tinkering—and by signing the treaty, the Government are opening the door to that permanent process.

Mr. Hendrick: One of the treaty's many proposals for improving the European Union is the proposal to move away from six-month presidencies. As there are 27 member states, and as it is likely that there will be more in future, does the right hon. Gentleman think that it makes sense to have six-month presidencies—to have this game of musical chairs, as my hon. Friend the Minister for Europe put it?

Mr. Hague: I want to come to that point in a moment, if the hon. Gentleman will allow me to finish my argument.

Mike Gapes: Will the right hon. Gentleman give way?

Mr. Hague: Of course I will give way again to the hon. Gentleman, but let me just finish my point; otherwise, my speech will become as long as that made by the Minister, who generously gave way many times.

It has been said that the treaty will make it easier for new legislation to be passed in the EU, but people in businesses up and down the land are not protesting about the lack of EU regulations and directives. Indeed, the latest British Chambers of Commerce burdens barometer, published less than a fortnight ago, shows that the vast majority—71 per cent.—of new burdens on business since 1997 have their origin in the EU. The Prime Minister, if not the right hon. Member for Rotherham, might agree with that figure. As those burdens have cost British businesses nearly £47 billion, making it easier for the EU to create more regulations should not really be high on our list of national priorities. The Prime Minister stated that it was "unacceptable" that 50 per cent. or more of regulations come from the European Union, although the Government have got into the habit of saying that they were merely asking a searching question whenever there is reference to anything that they said was unacceptable—that was what the Foreign Secretary did last week. Yet again, the Government's stated aim in Europe of having less regulation bears no relation to the policy that they are actually pursuing.

One of the fundamental changes that the treaty makes was referred to by the hon. Member for Preston (Mr. Hendrick): the change to the work of the European Council and the Council of Ministers. The rotating presidency has been a permanent feature of the EU since its inception as the European Economic Community. It has survived thus far because it has helped to root the EU in the member states—each country has had its chance at the helm to highlight its priorities—and it has helped to give people some sense of ownership of what is going on in Europe. It is fair to say that the EU's enlargement means that the system would benefit from some reform; I can agree with the hon. Gentleman to that extent. Not every member state has the capacity to manage a presidency by itself, and the gap between presidencies has become very long. We support the sensible reform of introducing team presidencies for Council formations; the treaty allows for that. In my view, that should have been the pattern for the presidency of the Council itself.

Mike Gapes: The right hon. Gentleman seems to think that enlargement has not made it necessary to make the reforms in question. Will he confirm for the record that he and his party are still in favour of enlargement of the European Union to include Turkey and the Balkans? Such enlargement would result in the European Union having 34 or 35 member states, rather than its current 27. In those circumstances, would he still be against the institutional reforms set out in the treaty?

Mr. Hague: I was just dealing with that point; I acknowledged the need for some changes, but along the lines of the team presidencies that I mentioned, not along the lines of a permanent president of the European Council. To answer the hon. Gentleman's question fully, I can confirm that we are certainly in favour of enlargement of the EU to include the Balkans—we think that that is vital—and, indeed, Turkey. I think that there is agreement among the Front Benchers on that point.

It is worth noting that the reform of voting weights set out in the treaty means that after 2014, voting weights will be in proportion to population. Looking to the medium and long term and the need for Turkish accession, it would be difficult to come up with a system that makes Turkish accession more difficult, because it will be harder for other countries to accept a heavily populated but relatively poor country when the proposed system for voting weights is in place in the European Council. Turkey would of course have the largest single block vote in the Council of Ministers. Much as I agree with the hon. Gentleman, I do not think that the structures set up by the treaty help the cause of Turkish accession.

Rob Marris: Good.

Mr. Hague: Well, the hon. Gentleman says that, but most of us in the House are, I think, in favour of Turkish accession, and the measures will not help.

Ms Gisela Stuart: Does the right hon. Gentleman agree that capping countries' number of seats in the European Parliament, and guaranteeing small member states a minimum of six seats, would mean that Turkey's

accession could not take place under the Lisbon treaty, because large countries would be so disproportionately disadvantaged that they would not put up with it?

Mr. Hague: I had not thought of that point, but I am grateful to the hon. Lady for adding to my argument. Those hon. Members who think that the treaty is the way to bring about enlargement will find that it actually puts in place great obstacles to enlargement, particularly for Turkey.

Angus Robertson *rose—*

Mr. Hague: The hon. Gentleman will say that Scotland needs accession to the EU, too.

Angus Robertson: No, my intention is to draw the right hon. Gentleman's attention to the fact that many people in our neighbouring Nordic countries that are not part of the EU, such as Norway, Iceland and the Faroe islands, believe that in time they might want to join the European Union. Does he think that it is more or less likely that those countries will ever join if the common fisheries policy is enshrined as an exclusive competence of the EU?

Mr. Hague: That does of course make joining more difficult for those countries; I think that I can make common cause with the hon. Gentleman on that. Under the treaty, the management of marine biological resources is made an exclusive competence of the EU under the common fisheries policy, which as he and I both know, has been an economic and ecological disaster for the United Kingdom. One would think that the way forward for fisheries policy would be a more decentralised approach, to say the least. We may differ about how that might be achieved, but a more decentralised approach is likely to be more successful. To enshrine in the treaty the management of marine resources as an exclusive competence of the European Union seems to be going in absolutely the wrong direction. That is another major problem with the treaty.

Rob Marris: I am grateful to the right hon. Gentleman for stiffening yet further my resolve to vote in favour of the Lisbon treaty, if he is right that it will make the accession of Turkey more difficult. Turkey has been messing the European Union around for 20 years. We have been saying, "Clean up your human rights act and we'll let you in the European Union," but it has done almost nothing in 20 years. We should tell it to get lost.

Mr. Hague: We may be getting away from the effectiveness of EU decision making, but I strongly disagree with the hon. Gentleman. He is not being fair to some of the efforts made in Turkey in recent years, although of course it has a long way to go. It is of huge geopolitical importance that the European Union should be able to welcome Turkish membership in the coming years. Obviously, the hon. Gentleman and I will have to disagree on that, but I think that there is agreement in various parts of the House that the treaty will not help with Turkish accession, much though that might fortify the hon. Gentleman's enthusiasm for the treaty.

Before those interventions, I was speaking about possible ways of reforming the presidencies of the European Council. The choice that has been made in the treaty is the creation of a permanent president. That is a mistake. If Ministers are sincere in their apparent belief that that will strengthen the role of member states in the EU, their naiveté about how political institutions work is rather alarming.

A central institution will necessarily develop different goals and interests from the member states. To claim, as the Minister for Europe did last week, that that is nothing to worry about because there is already a president of the European Council is unconvincing. Having a national Head of Government preside over meetings for six months is not at all the same thing as having an EU figure separate from national Governments in place for at least two and a half years, nor does it convey the ambitious role that the presidency is set to play.

One explanatory memorandum submitted to the European Union Committee in another place helpfully set out the president's role in some detail. It is worth taking note of the memorandum as it came from the Government, in the form of the right hon. Member for Neath (Mr. Hain). First, it said, the president is to chair and take forward the European Council's work. That is fairly obvious, but anyone with the slightest familiarity with the way in which political institutions work, which surely includes all of us in the House, knows that whoever chairs a meeting and manages its agenda is, in effect, in charge of it. The chairing of the Cabinet, for instance, is fundamental to the power of the Prime Minister of this country and was part of the development of the power of the Prime Minister.

When that meeting is as important as the European Council, it makes its president in his capacity as chairman a very significant figure indeed. As the memorandum goes on, the president would provide

"a much more serious co-ordinating role than can be done by a job that changes every six months"

and would co-ordinate and prepare the work of the General Affairs Council. Taken together, the president would take the lead in setting and running the EU's whole work programme from the Council's side—a crucial role that would play a huge part in deciding what the EU actually does.

As we have pointed out before, in the hands of a skilful politician—it would be bizarre to think that future presidents would not be exactly that—the post-holder could use his or her powers to become the leading figure in the European Union. To take the role out of—*[Interruption.]* If the Government think they will ever succeed in nominating me for that, they have another thing coming. To take the role out of the hands of national Governments holding it by rotation and place it in the hands of a single figure sitting at the Council table not as the representative of a nation state, but in his own right, is a fundamental change to how the EU works and it is one further illustration why there should be a referendum.

The presidency is set to play an ambitious role. According to the Government's memorandum, the president's job is

"to increase Europe's global influence"

and to be the person

[Mr. Hague]

"to whom the foreign Presidents pick up the phone".

On this, the Government are in happy agreement with the European Commission which, in a briefing paper, explains explicitly that the president is designed to answer Kissinger's famous question, "Who do I call if I want to call Europe?"

The Government know full well that there are others in Europe putting the case for, eventually, direct election to that position, who believe that the establishment of the position in the treaty will open the way to that in another 10 or 15 years. That would mean a huge shift of political authority away from national Governments, and in the treaty the Government are opening the door to that. Given the importance of the post, it is extraordinary that crucial questions about how it would work in practice, what staff or secretariat would be at its service, and how, given its foreign policy role, it would interact with the high representative, have yet to be decided after the scrutiny of the treaty has been completed and after we have lost any opportunity to have a further say about it.

It was noteworthy that of all witnesses that the Foreign Affairs Committee asked about how the two posts would relate to each other, only the current high representative thought there would be no problem—an interesting pre-emptive strike in the bureaucratic turf war that the treaty will set in play.

It is not helpful to the Government's newly favoured candidate, Mr. Tony Blair, who, it is reported, is interested in the job only if it is sufficiently important, that even his ardent advocate, the Minister for Europe, is unable to tell him whether it is worth his while because its powers have not been defined. The former Prime Minister agreed to create a post whose powers had not been set, but which someone of his abilities could very easily expand.

Although the EU's institutions are working, there is no doubt that they could work better. One or two improvements are even in the treaty. We welcome the provision for open voting in the Council of the European Union, and I am pleased that after supporting this move and then opposing it, the Government reverted to their original position. The reduction in the number of Commissioners is also welcome, although it would be naive to represent that as taking some great scythe to European bureaucracy. It is not a cost-free reform, because there would be times when some nations with tens of millions of citizens would have no representative on the European Commission. I suspect that when we come to 2014, that will not be the end of the story.

In the light of these modest but welcome changes that were secured, it is particularly regrettable that the reactive way that the Government have approached the matter from the beginning left them unable to secure highly desirable reforms. It is astonishing that the Government made such vast concessions on so many subjects to which they attached great importance in the strongest possible terms, but they were unable to obtain even mild concessions commanding wide-ranging support in the EU, such as the establishment of a single seat for the European Parliament which, by ending the current nonsense of the endless procession between Brussels and Strasbourg, would have saved the European taxpayer €200 million a year.

Mr. Hendrick: Is the right hon. Gentleman suggesting that the decision on the matter should no longer require unanimity and that the veto on the seat of the European Parliament should be given up?

Mr. Hague: No. I am saying that that should have been one of the Government's negotiating objectives, but they never raised a whisper about that in the treaty negotiations, while giving up many other points that they had tried initially to defend.

To illustrate the point further, we do not tire of pointing out that the Government objected in the strongest terms to much of the content of the treaty. The delineation of competences, to which I have already referred briefly, is yet another example. The Government's chief negotiator described the article on shared competences as the "worst of all worlds". There were repeated failed attempts to have the wording changed from what the right hon. Member for Neath described as an "illustrative but not exhaustive" list. Far from providing certainty as to what powers are the EU's and what powers are member states', the treaty, reproducing the Commission's text word for word, allows a vagueness that can only tend to allow the EU's institutions to enlarge their competence at member states' expense.

It was not just how the EU's competences were delineated that the Government objected to, but their distribution. In repeated failed amendments the Government objected at the Convention to making competition an exclusive EU competence. It should be a shared competence, they insisted. They said that if the Community had exclusive competence in that area,

"the Member States would have no power to . . . establish rules to promote competition."

All those objections apply equally today, but it is in the treaty.

The Government also strongly and repeatedly objected to what is now proposed new article 2B(2) of the treaty, which provides for the EU to have exclusive competence to conclude international agreements under a range of circumstances. They rightly called for the deletion of that article, pointing out on this doctrine of implied competence:

"This is currently case law. Attempting to codify it in this way results in oversimplification. So best left for case law. All the caveats that would be required to make this accurate would also make it far too complex for a Constitution",

yet it remains in the text. Absent, too, is the caveat that the Government called for on the common commercial policy.

Mr. Heathcoat-Amory: This is an extremely serious part of the treaty. Under the doctrine of exclusive competence, member states will not be able to legislate or to make bilateral agreements with other member states if the subject matter touches in any way on an internal competence of the Union, which is a very long list. How does my right hon. Friend think that this will affect the ability of the United Kingdom to conduct an independent foreign policy, given our extensive bilateral agreements with a host of other countries and organisations throughout the world as a result of our global legacy?

Mr. Hague: We discussed foreign policy last week, and we must acknowledge that the definitions set out in the table of competences are predominantly not about foreign policy, but they do create an exclusive list. For instance, in competition, which I have just mentioned, it undoubtedly reduces the sovereign power of the nation states. So it is not adequate for the Minister to say that this is simply a clarification. There is a change going on here in the powers of the nation states.

Mr. Cash: As ever, my right hon. Friend makes an extremely good case. Does he agree that although "competence" sounds rather bureaucratic, it really means power, because it is the ability to legislate in that field that is the right of this House and of the British voters? That is the real problem, and it is draining away under the Government.

Mr. Hague: Yes, my hon. Friend is right. Of course it means power. Competence here is a euphemism for power, because it is an attempt to convey to people that the recipients of this competence might also be competent at it, which is not always the case. It means a shift of power. It means exclusive power over some of these areas. I had intended to list many more, but in the interests of time, I will not.

On shared competence, the Government attempted to have trans-European networks and consumer protection kept as supplementary competences, which they are now, but again they gave way on this extension of EU power. This is equally true of the single legal personality. For the first time, the EU is explicitly endowed by treaty with its own legal personality—something that Tony Blair boasted of blocking as a potentially damaging proposal when the Amsterdam treaty was agreed.

Mr. Hendrick: Will the right hon. Gentleman give way?

Mr. Hague: I have given way to the hon. Gentleman twice, and half of the debate has gone by, so I want to skip through much of what I was going to say.

If we take these matters together—this movement of competences, the creation of the single legal personality, the creation of the presidency, the abolition of intergovernmental safeguards on criminal justice and policing, and the EU's new powers and role in foreign policy and defence, which we discussed last week—this paves the way for a more powerful role for the EU at the expense of nation states across the board.

This enhancement of the EU's powers should be of particular concern to the House, because for the first time an EU treaty seems to impose—the Minister discussed this in his speech and it can be argued in different directions—a legal duty on national Parliaments to the EU. He partly had that debate earlier with the Chairman of the Scrutiny Committee, so I will not go further into that now.

It should be a matter of deep regret to Ministers that national Parliaments, which, for all their faults, are the one institution to which the peoples of Europe feel clear attachment and ownership, are the big losers in the renamed EU constitution. The loss of what even the Minister now admits comes to a total of more than 50 national vetoes, the expansion of the EU's powers over criminal justice, and all the other provisions that we have debated in broad outline over the past days, add up to a substantial loss of power for the House. More and more decisions will be made at the EU level over which the House will have little control, leaving our constituents, the voters, with fewer meaningful political levers to pull to secure their views and interests. In a century and a society where people feel that decisions are taken too remotely, it will mean that more of those decisions are taken more remotely still.

All that national Parliaments have in compensation is one very small step to the better monitoring of EU proposals in the so-called orange card on subsidiarity. We welcome the small move that it represents, but we must be realistic about how little it means. The German constitutional court described the provision last week as ineffective and impractical. Given the indifference with which the Government have treated the views and input of Parliament and public in their negotiations on the treaty, and their utter disregard for their election promises, we have every right to be cynical about the Government's intentions on openness and accountability in the EU and the future use of these powers.

We look forward with interest to the Government's response to our amendments next week on the ratchet clause, which will ensure that no more national vetoes could be abolished without primary legislation. If they and other parties are at all sincere in their claims to support parliamentary control and scrutiny over the Executive's actions in the EU, they will support that amendment.

I have touched briefly on the weighted voting procedures as they would affect Turkish accession and I will leave it to my hon. Friends and others to debate those in more detail, as I have already been speaking for half an hour.

When taken as a whole, the treaty is not needed by an EU that is coping with enlargement well enough. It does little to improve the EU's efficiency or its decision-making processes, while failing to deal with some issues that do need reform. It weakens still further the role of national Parliaments and above all shifts power away from member states to the EU's central institutions. Its provisions are not in the British interest, nor are they what the Government wanted. Its contents are a testimony to the weakness of the Government's negotiating skills and their want of vision for Europe. Where Europe needs flexibility, the treaty brings rigidity, and where it needs to change to let power flow from the bottom up, it gathers it to political institutions remote from electorates. It is a document born of a political vision for Europe out of place in the 21st century. The whole European project would benefit from its rejection, but, most importantly, its importance and profound effects on the way that this country is governed merit a decision of the British people in the referendum that they were promised.

Mr. Deputy Speaker (Sir Alan Haselhurst): I remind the House that Mr. Speaker has placed an eight-minute limit on Back-Bench speeches, which operates from now.

6.16 pm

Ms Patricia Hewitt (Leicester, West) (Lab): It is a real pleasure to follow the right hon. Member for Richmond, Yorks (Mr. Hague) and my hon. Friend the

[Ms Patricia Hewitt]

Minister for Europe in a debate that has already proved a great deal livelier and more interesting than even those of us who have been following the proceedings very closely had anticipated.

I want to bring the House back to the fundamental reason why we need the European Union and why Britain's membership of that Union is in our national interest. It is simply the growing interdependence in the world in which we live, and the fact that there are more and more problems that we will only solve together and more and more aspirations that we will only achieve together, whether in regard to climate change, energy security, the trafficking of children and women, or the fight against international terrorism—the many issues that we have been discussing in these debates on the Bill. It is no longer enough, if indeed it ever was, to work simply within the confines of one country. That much at least might be common ground across the House.

Kelvin Hopkins: I have said many times in the House that what many of us really want is an EU of independent democratic states, co-operating voluntarily on matters of mutual interest and benefit, and many Front Benchers have agreed with that. This treaty is not about that; it is about centralising power and taking away that kind of mutual agreement between independent countries, which I have supported, and which also seemed to be supported by Ministers.

Ms Hewitt: My hon. Friend and I have a completely different view of the EU. His description of a purely voluntary co-operation between independent nation states does not represent the European Community as it was originally formulated. There has always been, within the EU and the Communities that preceeded it, a pooling of sovereignty where the member states see real advantage to their own national interest and their own people in doing so. My hon. Friend does not agree with that and I respect his view, but I profoundly disagree with it.

To reinforce the point, I point out that the EU has led the world in shaping a different kind of institution suited to the demands of an interdependent world, which does not represent an end to the nation state, or some kind of new imperial force located in Brussels—the threat that is so often conjured up on the Opposition Benches—but rather is a pooling of sovereignty for specific purposes by nation states, which in my view, and I believe that of the Government, is in our interests. There is a clear dividing line—not so much between my hon. Friend and me, but between the Labour and Conservative parties.

The institutions of the European Union have to evolve with its changing nature and, particularly, its changing size. I was surprised by the vehemence with which the right hon. Member for Richmond, Yorks attacked what I have always seen as an immensely commonsensical proposal for a European Council president whose term would last two and a half years rather than six months. It seemed to me and most commentators that that was essential as the European Union enlarged.

Let me, for once, pay tribute to Margaret Thatcher, who as Prime Minister championed the enlargement of the European Union to include the countries of central and eastern Europe that had so recently escaped from the dominance of the Soviet Union. I have no doubt that all of us who supported that enlargement should now be supporting the changes in the workings of the EU, in particular the creation of a new Council president, that so many of us believe are essential if an enlarged EU is to work effectively.

A further point is that the creation of that presidency is not only essential in respect of enlargement, but will enhance the power of member states by enhancing the power and effectiveness of the Council itself. I prefer not the view taken by the right hon. Member for Richmond, Yorks, but that taken by one of the very eminent advisers appointed by the leader of the Conservative party. I refer, of course, to Dame Pauline Neville-Jones, a member of the senior expert group, which has concluded:

"The creation of the post of the President of the European Council, making the European Council an institution in its own right"

amounts

"to an increase in the power of the Member States within the EU's structures."

That view is also shared by a former Conservative Foreign Secretary, Lord Howe.

Mr. Hendrick: Does my right hon. Friend agree that given the economic, political and military rise of countries such as China, India, Russia and Brazil, having a Council president and a Europe that speak with one voice is that much more important if we are to enhance our influence in the world?

Ms Hewitt: I entirely agree. My hon. Friend makes an extremely important point. Whether on climate change or on a whole range of economic issues, the largest single market in the world needs to be able to operate effectively—and, when there is agreement, to speak with a single voice—if we are to have the influence that we need, not only on the United States but on China, India and other emerging countries.

In this debate, much has already been made about the extension of qualified majority voting. It is absurd for the right hon. Member for Richmond, Yorks to complain that we have not secured an end to the rotation of the European Parliament between Brussels and Strasbourg—I entirely agree on that point; we should get rid of the nonsense of the Strasbourg sittings—while opposing the extension of qualified majority voting. Applying QMV to the location of the Parliament would be the only way in which we could get rid of the sittings in Strasbourg.

When I was Secretary of State for Trade and Industry, I spent many happy hours representing the United Kingdom within the World Trade Organisation; there are national representations as well as the EU's at the WTO. I am not proposing that the WTO should be reformed along the lines of the European Union—it is a different organisation with different purposes, although its reform is clearly needed. However, an organisation that operates on the basis that no decision can be made except through the unanimous decision of every single one of its members finds it increasingly

difficult to arrive at any decisions at all. We are finding that out, to the great detriment of developing countries, in relation to the Doha development round.

I entirely agree with the point made by the hon. Member for Esher and Walton (Mr. Taylor), who is no longer in his place. Qualified majority voting forces member states to rely on argument and persuasion rather than on veto, and in practice it enables us to overcome the protectionist instincts that, unfortunately, still exist among some of our European colleagues. Frankly, overcoming those would be greatly in all our interests. In most cases, the treaty's extension of qualified majority voting relates to procedural, bureaucratic and technical matters, but it also relates to important issues such as energy policy. Given that, under the reformed voting procedure, the United Kingdom will have a greater share of the votes within the Council of Ministers, the treaty's provisions are wholly in our national interest.

I should like to make a brief point about national Parliaments. The treaty's requirement that the Commission submit its proposals directly to Parliaments when they are submitted to the European Parliament and the Council is immensely helpful, and I look forward to the debates in this House that will make full use of that provision. The treaty gives more power to national Parliaments, member states, the United Kingdom and—through the power for petitions—to the public of our own country and of the rest of the European Union. The Conservative party opposes all that, confirming that it is irredeemably the party of the past and not the future. If that was not bad enough, it compounds that grave error by threatening to reopen the treaty even if or when it is ratified by every EU member state. It calls for a completely different treaty on which it has no support across the European Union.

Mr. Harper: On a point of order, Mr. Deputy Speaker. Given how difficult your job is and how important it is to the workings of the House that the House should operate in order, will you give me guidance on whether it is in order for a right hon. Member to question decisions of the Chair—indeed, to call them an outrage—outside this place?

Mr. Deputy Speaker: I am not sure what immediate relevance that has to our proceedings, but any question or criticism of the Chair can be done only on a substantive motion.

6.28 pm

Jo Swinson (East Dunbartonshire) (LD): I am delighted to follow the right hon. Member for Leicester, West (Ms Hewitt), who has been a frequent attender of these debates. She outlined well the bigger picture of what we are discussing and the successes of the European Union in the past 60 years or so.

I am a pro-European, but the European Union is certainly not without its faults. For too long, power has been concentrated—

Mr. Harper: Will the hon. Lady give way?

Jo Swinson: I should like to make a little progress, but then I am sure that I will not want to miss out on an intervention from the hon. Gentleman.

For too long, power in the EU has been concentrated among those who are appointed, not elected. The structures of the EU have often proved cumbersome to say the least, at times even making this House look modern and streamlined by comparison, which is no easy task. I therefore welcome the opportunity to discuss the Lisbon treaty's proposed changes to the institutions of the EU.

Mr. Harper: Will the hon. Lady give way?

Jo Swinson: In one or two minutes, I certainly will.

I was pleased to be here for what surely must be a first in one of these debates. I refer, of course, to that elusive thing: finding a bit of the treaty that the Conservatives agree with—the provisions on the Council of Ministers team presidencies and fewer Commissioners. It is a shame that my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) was not here to hear that, because he might think that I am joking when I tell him later, but at least I will be able to prove it to him in *Hansard*.

Mr. Harper: On the subject of agreeing with colleagues, can the hon. Lady tell the House whether she agrees with the right hon. Member for Sheffield, Hallam (Mr. Clegg) that the Speaker's decision not to select the amendment for debate was an outrage?

Jo Swinson: I certainly find it incredibly disappointing that we are not able to debate the amendment that stands in the name of my right hon. Friend. We feel very passionately about this, as is evidenced. However, I must return to the amendment that has been selected.

Ms Gisela Stuart: Does the fact that the Liberal Democrats were unable to have their amendment debated mean that they will vote for the other amendment, which asks for a two-question referendum?

Jo Swinson: I am sorry to have to disappoint the hon. Lady. Fortunately, we have had at least one occasion on which to test the House on this matter; it is just a shame that so many hon. Members, particularly those who would like us to leave the EU, decided not to vote for a referendum that would enable us to do that, no doubt disappointing many of their constituents.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Will the hon. Lady give way?

Jo Swinson: I will give way again shortly; I should like to make some progress.

The current six-month rotating presidency is clearly not a sensible system for the European Council. It means that the body lacks direction and consistency. Like many Members, I was pleased to see the focus that the UK Government gave to the Make Poverty History campaign during the last UK presidency of the European Council. While some progress was made on that front, I believe that much more could and should have been achieved. A longer presidency with proper time to set an agenda and follow through on issues is therefore a good idea. In the context of the extension of the term for this role, we were all very entertained on

[Jo Swinson]

Second Reading, and then a little again today, by the right hon. Member for Richmond, Yorks (Mr. Hague) and his imagery of a supreme president Blair—perish the thought. Although he paints a very memorable picture, away from fantasy land the reality is that the president of the European Council proposed in the treaty does not gain additional powers and the role will remain the same as it is now, but with a slightly less frantic turnover of occupants.

There are genuine concerns about how the president of the European Council, the President of the Commission and the new expanded high representative role will interact. I understand those concerns and would like to hear more from the Minister about how those roles will be clearly defined and made to be complementary to one another rather than in constant conflict.

Let me turn to the Council of Ministers. The moves towards qualified majority voting in this respect are arguably less significant than in the Maastricht treaty. As we have heard, 16 areas will not apply to the UK or are areas for which we have negotiated opt-ins, 14 are purely procedural, and the rest are clearly in the UK national interest. We have heard in previous debates about the British entrepreneurs who will be helped by facilitating self-employment in other member states, the British businesses that will benefit from better co-ordination of intellectual property rights, the advantages in making EU humanitarian aid operations more streamlined, and the energy liberalisation aspect. In those cases, the move to QMV helps the UK by reducing the likelihood of such welcome measures being blocked by states that are perhaps less enlightened and less committed to market liberalisation. As we heard from the hon. Member for Preston (Mr. Hendrick), the changes to the way in which QMV is calculated in the Council are also clearly in the national interest because the power of the UK's vote will go up from 8 to 12 per cent. Given the general dislike on the Tory Benches of anything being decided in Brussels, even on clearly trans-national issues such as climate change or cross-border crime, I wonder why they do not welcome that stronger voice for the UK in these discussions.

Mr. Clappison: The hon. Lady is making a valiant performance in the course of her somewhat lonely vigil on her Benches. On cross-border crime, can we take it, then, that it is Liberal party policy to opt into the justice and home affairs provisions?

Jo Swinson: We certainly want to ensure that cross-border crime is dealt with swiftly, and in measures relating to that the UK must examine any of the proposals that come forward and decide on them on their merits—it is as simple as that. To take the opposite view and say that there is never any point in co-ordinating with our international colleagues could place us in a situation whereby we were unable to tackle drug trafficking, people trafficking and the horrendous crimes that need to be tackled.

On the European Commission, there is an old maxim, with which I am sure Members are familiar, that a camel is a horse designed by committee. I am sure that those of us with experience in politics know that that can be true and that the larger the committee, the more unwieldy it becomes. With 27 member states, the Commission faced that very problem, and it is eminently sensible to move to reduce its size. Indeed, even the Conservatives have agreed that that is a welcome move. This morning, I attended a debate about the western Balkans where many Members said that it would be welcome to see other Balkan states gaining accession to the EU. That issue will clearly become more important as the number of member states increases.

Mr. Stewart Jackson (Peterborough) (Con): The hon. Lady seems to be an erstwhile expert on the Conservative party's policy on Europe. Does she agree or disagree—a straight answer is what I require—with the position taken by the hon. Members for Portsmouth, South (Mr. Hancock), for Somerton and Frome (Mr. Heath) and for North Devon (Nick Harvey), who have implored their constituents and their own party to vote for a referendum, which was agreed in the hon. Lady's manifesto in 2005? Are they right or wrong?

Jo Swinson: I think that the hon. Gentleman is putting words into the mouths of my hon. Friends, but I certainly do not agree with the position that has been outlined in some cases, and I make no apologies for that.

On the European Parliament, one of the biggest criticisms of the European Union has been that the balance of power is weighted in favour of those parts of it that are appointed instead of directly elected, such as the Commission and the Council of Ministers. More co-decision between the Parliament and the Council is therefore welcome, as is the stronger role that the Parliament will have in appointing the President of the Commission. We would like major reform in areas such as the common fisheries policy, which we have heard about from Scottish nationalist Members, and the common agricultural policy, and they will benefit from the additional parliamentary scrutiny that will result. It is not easy for the European Parliament to be seen as close to voters, particularly with MEPs covering such large constituencies. Indeed, I do not envy my colleagues who are MEPs in Scotland and whose constituency is the entirety of Scotland. As a Member of this House, I find it enough of a challenge to ensure that I represent 65,000 electors. Nevertheless, the European Parliament is closer to voters than the alternatives, which are unelected and therefore less accountable, so these moves are welcome.

I also welcome the idea of the citizen's initiative, enabling 1 million people to petition the Commission to take action on a specific issue. Time will tell how much that is used—

Mr. Harper: Given that the hon. Lady is so keen on citizens' initiatives, does she think that it would be an initiative to give citizens in her own constituency a referendum on the treaty, as she promised?

Jo Swinson: As we saw earlier—other people in the Chamber may not have been asleep when it happened—the Liberal Democrats would like to have a referendum on the major issue of whether we are in or out of Europe. I also say to the hon. Gentleman that I have had a total of nine representations from my constituents on this, so it is clearly not the top issue in my mailbag. In fact, I

consult my constituents on a wide range of matters, and I welcome the fact that the House is doing so by trialling lots of new modernisation procedures such as more e-democracy, petitioning and the excellent work of the education unit.

Mr. Graham Stuart: Will the hon. Lady give way?

Jo Swinson: I have been very generous—*[Interruption.]* I will give way to the hon. Gentleman because he was on a Select Committee trip with me—that is the only reason.

Mr. Stuart: I am extremely grateful to the hon. Lady, who is, as ever, most gracious.

The hon. Lady has explained why she thinks that her constituents should be given an opportunity to vote in a referendum on whether we are in or out of Europe and why that is, in her party's view, the substantive question. However, given that that has not found support in this House, she has not explained why she none the less wants to remove her constituents' right to vote in a referendum on the treaty—the policy of her party on which she stood when she was elected to this House.

Jo Swinson *rose—*

Mr. Deputy Speaker: Order. There is a limited amount of time for this debate. I suspect that the hon. Lady is being sidetracked into issues that are not strictly relevant to the motion that is before the House, so I hope that she will not be tempted too much by the hon. Gentleman.

Jo Swinson: I will certainly try to resist that temptation, Mr. Deputy Speaker.

I will just say that the two things are very different for the following reason. The constitution would have abolished all the preceding treaties: Rome, Nice, Amsterdam, Maastricht and the Single European Act. Therefore, a vote on the constitution would have been a de facto vote on in or out, so an in-or-out referendum would actually be on the substantive issue. We support such a referendum; we will continue to campaign for it and hope that it will find favour in this House. I also welcome the citizens initiative idea, which may need to be developed or changed. Time will tell how much it is used, but the principle of trying to connect better with the electorate is a good one.

Extending the time for national Parliaments to consider legislation is obviously a good idea. There are many practical difficulties, such as different parliamentary timetables, recess dates and so on, that make six weeks inadequate. Is eight weeks enough? We will have to see, but it is certainly a step in the right direction, and it could be the subject of further review. We also heard about the yellow card, which is an important innovation for the protection of subsidiarity, and one that Conservative Front Benchers felt minded to agree with.

Last Wednesday, during the foreign policy debate, we discussed in more detail the role of the high representative, and without going over that ground again, let me just say that it is sensible to have one set of offices, rather than two, working on the EU's external relations, with one individual responsible. That removes confusion and strengthens the voice of the EU where there is unanimity, and it therefore amplifies the view of the UK on such issues.

A legal personality for the EU is not the huge move that the Tories would have us believe. Many organisations have legal personality, from the United Nations to the Universal Postal Union, and indeed the European Community that preceded the European Union also had such status.

Despite the scaremongering we have seen on the passerelle clause, there is a secure triple lock that will, importantly, enable the reduction of EU powers. In any case, before any change is made to voting arrangements, the European Parliament, Council and national Parliaments must all agree, so this House will retain the final say.

Finally, new article 49(a) in the Maastrict treaty, or the treaty on European Union, explicitly sets out how a member state would go about withdrawing from the EU. For most of our constituents, this article gets to the nub of the debate they are having about Europe—to the extent that they are engaged in such a debate at all. What is Britain's future? Is it as a strong voice in the EU, with more global influence, or is it outside, weak and isolated? It would be welcome to have such a debate in the country, and as you know, Mr. Deputy Speaker, I am disappointed that we will not be voting on that issue today.

I know that there are many members on the Conservative Benches who subscribe to the Better Off Out campaign, and as much as I disagree with them, they are entitled to their views. I find it only a little strange that they are by and large opposing moves in the treaty that set an explicit framework for countries to be able to leave the EU should they wish. That seems a bit of a strange position.

The changes will help the EU to work better. Although the Union will still obviously be far from perfect, they are a step in the right direction. Therefore, we will not support the amendment that has been selected. It is a shame, however, that we will not have the opportunity to vote on the amendment in the name of my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg).

6.42 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): It is a great pleasure to follow the Lib Dems, who I am sure will still be basking in the glory of getting the headline that they were thrown out of the Chamber for demanding a referendum. I just wish that they had demanded one on the real question, which is whether we agree with this treaty.

I want to confine my comments to national Parliaments. I went to Brussels in February 2002 and rather foolishly agreed to represent national Parliaments at the Convention on the Future of Europe. I confess that if I had imagined I would still be talking about it six years on, I would have chosen a different job, but there we are. I want people to think back to the debates we had on the role of national Parliaments. Front Benchers keep saying that the treaty gives more power to national Parliaments, but that is based on an interesting definition of what amounts to power.

[Ms Gisela Stuart]

There are three different strands to the debate. Do I argue that national Parliaments should become a separate institution within the institutional framework of the European Union? No, I do not. We should have the Commission, the European Parliament and the Council of Ministers representing Governments. I am not an advocate of a system whereby national Parliaments—ours or any other—habitually arrive at a different view from their own Governments. That does not mean that such an outcome should be precluded, but a system in which it is seen to be the function of Parliaments to oppose their own Governments would seem rather absurd.

There is, however, a role for national Parliaments to scrutinise and to monitor a principle that seems extraordinarily important: the principle of subsidiarity and proportionality. When the working group on national Parliaments was first set up, and the issue of subsidiarity was brought up, an old hand who was a legal adviser during the Maastricht negotiations muttered to me, "Oh, that's the dud they sold to Major." John Major returned from the Maastricht negotiations saying, "We have negotiated a protocol on subsidiarity and proportionality; we should keep the two together. This will mean that Brussels will never have any influence on anything that is not appropriate at EU level." He confidently predicted that 25 per cent. of the legislation coming from Brussels would be rescinded because it breached that principle. Whitehall looked at the matter, but nothing happened. I thought something similar was going on when the two working groups were split so that one considered only subsidiarity. That group came back with the idea of the yellow and orange card, but rejected our proposals on the red card, which would have had some significance. National Parliaments were dealt with by a separate group, so there was a division.

During the negotiations, the Commission started saying that subsidiarity is very important and, mysteriously, the figure of 25 per cent. came up again. Again, nothing happened. When we inquired whether the Commission could come up with a single example of when it had withdrawn a proposal because it breached the principle of subsidiarity, it could come up with only one—in 10 years. It was one of the bright ideas put forward during a UK presidency, when we proposed an EU zoo directive, which would have regulated the water temperature for sealions. Even the rest of Europe thought that that was slightly wacky, and it was thrown out. One example in 10 years does not suggest to me that this is an important, meaningful or effective mechanism.

Mr. Duncan Smith: I was present during the Maastricht debates, and I did not believe any of that at the time, which is why I voted against—and why I voted for a referendum, by the way. The key point is that the right hon. Member for Rotherham (Mr. MacShane), who loves all this stuff, was absolutely right earlier on. From the outset, the institutions were set up with one purpose in mind, which was centralisation, and taking powers from the nation state. It is impossible to reverse that process at any stage.

Ms Stuart: I am not quite so gloomy. If the Commission were to take the principle of subsidiarity and proportionality seriously, it would change the way in which it legislates. Currently, we put a statement on our Bills saying that they comply with the Human Rights Act, for example. I would like every Commission proposal to start with a preamble, saying, "The following measures cannot be achieved at the nation state level because. . ." I would change the presumption. Rather than national Parliaments having to say that there were breaches of subsidiarity, the Commission would have to prove its observation of subsidiarity.

Ms Hewitt: Does my hon. Friend accept that what she proposes is exactly what is set out in the protocol on the application of the principles of subsidiarity and proportionality? Article 5 of the protocol says:

> "Draft legislative acts shall be justified with regard to the principles of subsidiarity and proportionality. Any draft legislative act should contain a detailed statement making it possible to appraise compliance...The reasons for concluding that a Union objective can be better achieved at Union level shall be substantiated by qualitative and, wherever possible, quantitative indicators."

It seems to me that she achieved exactly what she wanted, albeit not at the Convention, but in the treaty.

Ms Stuart: With the greatest respect, I disagree with my right hon. Friend. At the moment, the treaty tells us that something can be achieved at Union level without breaching the principle. I would like it to be the other way round. I would like it to determine whether something cannot be achieved at national level. The presumption would be changed, and when it is proved that something has to be done at European level, such as in the case of the environment and certain other things, I would be perfectly content to give the Union more power and say that something must be done at that level because we cannot do it. But the presumption is the wrong way round.

Similarly, as we are talking about institutional arrangements, the Commission should, like Parliament, follow a five-year mandate, and anything that has not been achieved within the lifetime of one Commission should fall, instead of having negotiations that drag on for five or 20 years, when things get negotiated to death.

Mr. MacShane: My hon. Friend will know about the German Reinheitsgebot, which states that one cannot brew beer unless it contains water and pure ingredients. Under that law, every other beer is illegal and unacceptable in Germany. That is a clear breach of the single market. If her proposal had been included on the front of every directive, the Bundestag would never have voted to do away with the Reinheitsgebot. Consequently, no beer from outside Germany would be on sale in that country.

Ms Stuart: That is a genuine problem for me. As a Bavarian brewer's granddaughter, I would be happy to drink only German beer. However, that is not the point. I was making a wider point, as hon. Members know. With some matters, such as the single market, we have different rules, but as we expand we should change the presumption, whether we are dealing with health or

shared competences and so on. If the single market is so important, why have not we fully implemented it? However, I am digressing.

I want to consider the role of national Parliaments. I do not want them to be completely separate institutions, but proper guardians of subsidiarity. The current system does not work. I know that through chairing meetings of 27 countries, which sent representatives of their national Parliaments to Brussels. The only thing about which we could agree was that, if it was Tuesday, we were in Brussels. We could sometimes agree about whether it was raining. However, trying to get two thirds of representatives to agree on a matter in eight weeks is impossible. Everything is out of synchronisation.

If we are serious about the role of national Parliaments, the House must change the way in which it operates. It is not a matter of strengthening the European Scrutiny Committee or providing more information, which would simply cause even more confusion. The role of the Minister for Europe needs to be changed. We need a Minister for Europe who is not based in the Foreign Office and who comes to the Dispatch Box regularly to answer questions about negotiations in Brussels and the deals we have made—whether on health, trade and so on. That person needs to fulfil the political function that UKRep currently performs. It is incredibly powerful and not accountable at the Dispatch Box. If that were changed, hon. Members would routinely come here and ask questions.

I object to the provision in the treaty on the people's petition. It was included deliberately to keep the Germans happy. They felt that, without that provision, the Green party, which was a coalition partner at that point, would demand a referendum. The provision was included because their constitution allows for a referendum. I object to it because national Parliaments do not have the power to petition the Commission. Everybody furiously protects the Commission's right to be the only initiator of legislation. Yet we say that a significant number of people should have the right of initiation. That is wrong and undermines this place even more.

When the Minister talks about more power for national Parliaments, will he please not only focus on more information but take note—that also applies to the Deputy Leader of the House, who is sitting next to him—that the House is currently failing in its duty to make European decisions accountable? Even outside the treaty, we can make significant changes that give genuine power to national Parliaments. So far, we have not done that.

6.53 pm

Mr. Bernard Jenkin (North Essex) (Con): I congratulate the hon. Member for Birmingham, Edgbaston (Ms Stuart), who is the best sort of Eurosceptic. Not only is she genuinely European, but she approached the process, which started six years ago, in good faith. Her frustration with, for example, subsidiarity, is purely the result of her experience, not of any prejudice that she brought to the matter. I made a special study of subsidiarity when the Maastricht treaty was considered in the House. The problem with it is that it does not attack the doctrine of the occupied field or question the powers and competences that the European Union should have. It was always a charade and if she worries at the question for much longer, she will prove to herself that one cannot push water up a hill.

I intend to speak about EU institutions and EU decision making about defence, and the impact that the decision-making arrangements are likely to have on the EU's relations with NATO and on the defence policies of member states. It is typical of Ministers to say that defence is entirely governed by unanimity. That is not true and I will demonstrate how qualified majority voting now permeates decision making in EU defence, and will ultimately compromise the independence of the defence policies of member states and undermine NATO primacy in th defence policies of EU members of NATO.

First, the European Defence Agency becomes an institution of the Union. That has a wide-ranging remit including not least,

"defining a European capabilities and armaments policy".

Such a policy will inevitably become a general obligation of EU membership. I will remind hon. Members of what those obligations entail. The treaty spells them out. Article 3(a)(3) states that the Union and member states shall

"assist each other in carrying out tasks which flow from the Treaties."

Article 11 mentions

"the achievement of an ever-increasing degree of convergence of Member States' actions.

The Member States shall support the Union's external and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity and shall comply with the Union's action in this area... They shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations."

Those are far more burdensome obligations than membership of NATO requires of us.

Mr. Clappison: Does my hon. Friend realise that his drawing attention to the important incremental change in the wording of the treaty about convergence of actions constitutes the first time that that serious change has been discussed in the House, and that the time for debate on security policy has passed?

Mr. Jenkin: My hon. Friend is right. The change is significant and represents a general obligation that has entered into the treaty without qualification.

There is no obligation for a member state to participate in the European Defence Agency, but the EDA's statute, seat and operational rules are subject to QMV in the Council. According to the EDA's statute, the steering board also makes decisions by QMV. If a member state participates, it does not have a veto. Obviously, if it does not participate, it does not have a veto. The policies that flow from the EDA are policies of the European Union that must be observed "actively and unreservedly".

Mr. Gerald Howarth (Aldershot) (Con): How does my hon. Friend think that the EU would react to a member state that sought to flout the suggestion that it should support EU policy unreservedly?

Mr. Jenkin: That member state would be in breach of the treaty. Let us be clear: there is no remit for the court in those matters—at least, that is the way in which I currently interpret the treaty—but that member state would be in breach of international law, which would be a serious matter. If we think that that is likely to happen, we should not sign the treaty.

Let us consider the other major innovation in defence in the Lisbon treaty. It is called "permanent structured co-operation". Again, I submit that, over time, it will become the framework in which all member states have to conduct their defence policies.

Article 42(6) of the consolidated treaty states:

"Those Member States whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions shall establish permanent structured cooperation within the Union framework."

That refers to a small group of states that gets together to go further and faster than their counterparts.

Article 46(2) makes it clear that

"the Council shall adopt a decision establishing permanent structured cooperation...by qualified majority voting".

Permanent structured co-operation is therefore established by QMV. The obligations on member states are shown in the second protocol to the treaty. They are onerous. The protocol refers to a member state undertaking

"to develop its defence capacities through the development of its national contributions and participation, where appropriate, in multinational forces".

Let us be clear: the commitment of forces is a matter for unanimity, which is what the Government keep stating. However, paragraph 4 of article 46 of the consolidated texts says:

"If a participating Member State no longer fulfils the criteria or is no longer able to meet the commitments referred to in Articles 1 and 2 of the Protocol...the Council may...act by a qualified majority"

to remove that member from the structured co-operation. With the conjunction of those double qualified majority votes, the European Union's policy is effectively removed from the scope of a single member state's veto. It is therefore completely untrue that unanimity is the rule in defence, as the Government keep insisting.

Let us step back from the detail for a minute. From defence being barely mentioned as a possibility at Maastricht, there is now a clear direction, with the introduction of the new decision-making mechanisms and institutions in the Lisbon treaty. First we had the St. Malo agreement. The then Prime Minister insisted at Amsterdam that the Western European Union should not become another EU institution, but he allowed that to happen at Nice. The Government opposed the whole principle of permanent structured co-operation because, as the then Minister, the right hon. Member for Neath (Mr. Hain), said, it would

"undermine the inclusive, flexible, model of ESDP that the EU has agreed";

but here it is in the treaty, and it is easy to see the risks of allowing such an institution into the EU treaties.

Permanent structured co-operation is the new defence decision-making mechanism in the Lisbon treaty, which, to quote from the protocol, claims to herald

"a new stage in the development of the European security and defence policy".

The provisions are therefore not just a tidying exercise; they are a big step forward. We know that the French intend to make defence a major priority of their presidency. The Government say that the provisions of title V remain intergovernmental in character, but the House must be aware that the term "intergovernmental" is not a precise term. NATO represents classic intergovernmentalism, but EU intergovernmentalism involves an altogether more fluid and dynamic structure, reflected in the mechanisms for decision making that I have described. The all-important relationship between NATO and European security and defence policy remains, however, ill defined and paralysed by technical disputes, with no certainty about who does what in the event of an international crisis, as the Secretary-General of NATO himself said just a year ago.

The Lisbon treaty institutions and decision making will relegate NATO primacy to the status of a constitutional monarch: largely ceremonial and largely irrelevant to the day-to-day functioning of defence policy in the European Union. We would do well to recall Bismarck's adage:

"I have always found the word 'Europe' on the lips of those...who wanted something from others...which they dared not demand in their own names".

The real security threats to the European Union that European militaries should address lie far from our shores. Afghanistan is the most immediately pressing security issue currently facing the European Union. If the new EU institutions and decision-making mechanisms were seriously going to help Europe in, to quote the treaty,

"fully assuming its responsibilities within the international community",

its members would be actively fulfilling the combined joint statement of requirements for the NATO mission in Afghanistan and not leaving the bulk of the fighting to NATO's Anglophone members.

Michael Connarty: Will the hon. Gentleman give way?

Mr. Jenkin: I am not going to give way, as I am just concluding my remarks.

While Europe fiddles with the ESDP, NATO burns in Afghanistan. While the Government scratch their head over how to persuade other NATO members to widen burden sharing, the EU continues to support EU defence institutions and decision making, which has reinforced the idea among most European nations that somehow Europe will provide the defence that they are not willing to pay for themselves.

7.4 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): The interesting thing about the speech that the hon. Member for North Essex (Mr. Jenkin) just made is that he highlighted an aspect of the discussion that is in danger of being lost. When people want to take over power, they do not just change the institutions and the voting patterns; they extend the work of those who are in control of the Secretariat and, over and above that, look for other reasons to extend their power. In many

ways, the institutions of the EC are not so much confrontational as made up of oozing material that gently finds its way into the cracks.

What we should do is very simple: follow the money. Politicians, particularly those of us in democracies, are always wise to follow the money. Where is it going? How is it being used? What is its purpose? Over the past 10 years, there has been a clear and material programme of removing powers, particularly in transport, from the House of Commons to European institutions. Let us not think that we are talking about something unimportant. The annual budget in 2008 for major transport policy areas, projects and agencies is £22 million for the European Aviation Safety Agency, which we never felt the need for before, £33 million for the European Maritime Safety Agency and £7.91 million for transport safety.

The list goes on, and includes the ubiquitous Galileo, which we are told is not needed by a European institution; indeed, we certainly must not have Galileo, because—heaven help us—we might have a defence use for it in a European army. Nevertheless, we must continue to follow its development, which includes a programme of £670 million in the next year and a supervisory authority costing another £7.9 million, which contribute to a total budget of £803.82 billion.

Why is that important? It is important because, no matter which aspect of transport we consider, we see how European regulations are increasingly taking over control. We find that we have packages in railways, for example. We have four packages in railways—we are launching forth on the fifth—although the contents of the first package have not been put into operation. We see the movement in European aviation from British institutions, whether they are for checking the safety of aircraft in the air or the training of engineers in the aviation industry, to European institutions.

We also see the changes in the "grands projets" such as Galileo, which are taking many hundreds of thousands of pounds from our transport budgets. Let us be quite clear: if we contribute at the rate of 17 per cent. of that budget, on the basis of transport alone, we are giving up the right practically to fulfil a whole list of projects that are desperately needed in the United Kingdom. However, we are constantly told that we should not be arguing about that, because we influence such matters only through joint co-operation.

What we are debating today is, in a sense, a done deal. We are talking about powers that have already been leached away and powers that will continue to be leached away. When we talk about national Parliaments, we should accept that if we in the House are not very careful, we will give up even more powers to those who will take decisions not on the political grounds that are acceptable to our electorate, but on the grounds of a spurious European general interest.

When someone enters politics, the first important concept that they come across is the concept of "them". Whether a person starts at the council, county or Government level, "they" are of concern to their constituents. "They" take the decisions, "they" are responsible and "they" are spending our money. Every elected member of a body has to take account of that concept and explain not only who "they" are, but when "they" are "we". The difficulty with the Bill is that "they" are not "we". "They" are not elected and not representative, and "they" are creating a highly complex set of machinery that is moving further and further away from elected representatives and basic national Parliaments. The result, in all circumstances, will be disastrous for the future of the United Kingdom.

7.10 pm

Bill Wiggin (Leominster) (Con): I should like to talk about competences, and about marine biological resources in particular. Instead of having a debate about the levels at which marine biological resources and the marine environment are best managed, and clarifying those responsibilities in a directive or treaty that would hand more powers back to the UK, we are being forced to accept EU "exclusive competence". I fear that, once this power grab—which is codified in articles 2B and 2C of the Lisbon treaty, and is identical to the provisions in the EU constitution—has taken place, it will be difficult ever to reverse or amend the problem in the future. Most importantly of all, however, the measures will not materially benefit our marine environment, and will damage our conservation efforts.

In the past, we have seen the EU frustrate our efforts to protect the marine environment, which in the UK includes more than 44,000 animal and plant species. French pair trawlers are able to operate up to six nautical miles from our coast, crushing, wounding, drowning and killing porpoises and dolphins, which are supposed to be protected under EU law. The Government banned our fishermen from using this harmful practice, but the European Commission rejected their proposal to make this ban effective for all vessels fishing within the 12 nautical mile limit.

The Fisheries Minister, the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Chatham and Aylesford (Jonathan Shaw), said:

> "We banned pair trawling in the western channel. We do not have the ability to ban French vessels...We presented our argument in Europe and we took unilateral action to ban pair trawling—that constitutes taking an effective measure."

Now, he is not a bad chap and he had the decency to blush a sort of salmon pink on the top of his head as he went on:

> "We argued our case and we were unable to persuade others, but we are taking action ourselves."—[*Official Report*, 31 January 2008; Vol. 471, c. 456.]

Well, I say tell that to the families who might have the misfortune to find a dead cetacean washed up on the beach. That really is not good enough at all. Given the Government's admission that the EU has already blocked our domestic efforts to protect our marine mammals, can it really be trusted with exercising "exclusive competence" in this matter?

Kelvin Hopkins: I strongly agree with the hon. Gentleman. Is not the only real solution to withdraw from the common fisheries policy and re-establish larger limits for our own fisheries?

Bill Wiggin: Tempting though that proposal might be, that is absolutely not what I am going on to conclude, so I am afraid that I cannot agree with the hon. Gentleman.

We should be seeking to ensure that we can take action to protect our marine environment—action that

[Bill Wiggin]

can make a real difference and that my opponent, the Fisheries Minister, can say has worked, rather than leaving him blushing and admitting that once again the Government have been thwarted by the EU.

Angus Robertson: What explanation can the hon. Gentleman give for the fact that the fisheries sectors of Norway, Iceland and the Faroe islands are vibrant and successful, while fishing within the European Union is a complete disaster? Why is that the case?

Bill Wiggin: It would be so simple to put that down to the fact that they are single-species fisheries, but I believe that they also manage their fisheries very well. We have a separate set of problems with mixed fisheries such as the North sea. Now I really must hurry on.

The Department for Environment, Food and Rural Affairs says that it has appointed itself the

"UK policy custodian for the marine and aquatic environment",

committed to delivering

"clean, safe, healthy, productive and biologically diverse oceans and seas."

Well, not any more. How can it be the "policy custodian" for our seas when the Government are surrendering all powers in this area to Brussels? The Lisbon treaty refers to

"marine biological resources under the common fisheries policy",

but it is uncertain whether that provision could extend to covering most of the marine environment.

The Government have already admitted—for example, in the 2004 strategy unit report "Net Benefits", and in the discussions over the marine strategy directive—that the present marine management arrangements between the EU and the UK are unclear. However, they have refused to take action to elucidate them. If given "exclusive competence", what action could the EU take to protect the pink sea fans in Lyme bay, where there is a conflict between conservationists and scallop dredgers, or to protect the sea bed that is so important to those corals?

During the marine Bill consultation, more than 90 per cent. of respondents believed that existing measures to protect marine species were not adequate. What a damning indictment of EU and Government policies. This year, the draft marine Bill is expected to be published, but Ministers have already conceded that any marine conservation zones and protected areas implemented under the Bill would have no legal force over vessels with historical fishing rights between our 6 and 12 nautical mile limits. There could be many more occasions like the discussion on the pair trawling ban, when Ministers stroll down to Brussels, make their case and desperately plead with the Commission's pen-pushing bureaucrats, only to have their ambitions torn apart and thrown out, and then return to Britain defeated and without the necessary protection for our marine environment.

The development of marine spatial plans could be affected by discord between Brussels and the UK. Brussels could also interfere in sea-bed mining and dredging, in the interests of upholding

"the conservation of marine biological resources."

Before the much-promised marine Bill has even been presented to Parliament in draft form, the Government have already acted to dilute the Bill's contents and benefits by accepting the Lisbon treaty. They have accepted that

"more needs to be done to better manage and protect our seas",

but they can hardly take decisive action if they need to run off to get permission from Brussels.

Just 0.001 per cent. of UK seas benefit from the highest level of protection, namely the 3.3 sq km Lundy marine nature reserve. That is an area equivalent to the size of Kensington gardens. Sir David Attenborough has stated:

"As an island nation, I find it astonishing that we have protected less than a thousandth of one per cent of our seas from fishing and all damaging activities."

It is indeed ridiculous. At present, there are two types of protected marine area for nature conservation. The first are the marine nature reserves, of which there are just three—Lundy, Skomer and Strangford lough—and the Government have no intention of designating any more. If the plan envisaged in the treaty goes ahead, I doubt that they would be able to do so, either. The second are the European marine sites, of which there are more than 100 in the UK, but they cover a very limited range of habitats, such as

"sandbanks which are slightly covered by sea water all the time",

where fishing, dredging and other activities continue. For example, the Fal estuary, a protected European site, is being damaged by scallop dredging.

The public want to see more of our seas protected. A survey last year found that 78 per cent. of the public thought the UK's seas were important, and that 94 per cent. rated as important the health of the marine environment. We have to ask why the Government did not use the Lisbon treaty as an opportunity to bring powers back to the UK for environmental benefits, and to strengthen out ability to protect our seas. We need to ensure that our forthcoming marine Bill can actually offer the protection that we all want it to provide.

7.17 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): We have heard a number of pleas from the heart about defence policy, for transport and, now, for fishermen. I recently met someone from the former fishing community of Great Yarmouth, who told me that there was now only one boat in the harbour where there used to be a thousand. That should worry us all.

I welcome the Minister for Europe's earlier response to my questions on subsidiarity and other matters. I do not criticise his caution on the structures of procedures, or on the relationship, involvement and consultation between the House and the other devolved Administrations. That caution signals that it is part of a deep process that is trying to reassess our relationship with the devolved Administrations in the other parts of the UK, and the relationship between the Government in the Council and this Parliament. That reassessment will be beneficial. If that caution is just a smokescreen, however, and this all ends up being rushed through in a way that we cannot influence, I shall be deeply disappointed.

I am surprised that those on the Opposition Front Bench are expressing so much anxiety about the

institutional changes, because the one thing that I would have thought that the Convention required was a change to the institutions. Those changes should be welcomed by the people of the UK and by Members of the House, if only for the simple reason that the European Parliament will now elect a president of the Commission. That in itself is a great innovation. It will involve a parliamentary vote, which is important and the process will be separate from the Council. That means that the presidency will become part of the democratic institutions for which my constituents have been asking for years along the lines of "When are we going to have a democratic institution in the European Parliament, and not just the Council and the Commission?"

As for the role of the president of the Council under article 15 of the treaty on the functioning of the European Union, it is quite clear who the president will be and what he will do. It is equally clear that that person will not be a member of the Commission, but a member of the Council, but I have to say that there is still some mystery about the source of the candidate, because it does not say that a president will be appointed, which suggests someone from outside, but that he will be elected, which suggests someone from inside. It might be someone who is a Prime Minister. If that person then becomes the president does it mean that the country in question will have to find another person to take up the role of Prime Minister? The wording of article 15 remains quite confusing.

Under the proposed process, the president is elected by the Council through qualified majority voting. It was established through some of our interventions that the presidency will be based in Brussels, whereas the vice-presidency—and the people who will chair the sectoral councils dealing with the business of the departments of government—will be taken on by a new country every six months. I welcome that. I was worried at the idea of the entire Council meeting continually in Brussels and being sucked into the machine of the Commission and the bureaucracy. Moving it around will help to engage Parliament after Parliament and Government and after Government, which will maintain a sense of continuity. If that were to be lost, it would indeed be a significant loss for us—and not just when it became our turn every 27th time it came round—because that change and flexibility affects our ability to engage with people in their Parliaments and influence them as they influence us.

The European Parliament will be much strengthened by the new arrangements, which must be welcomed. Let us look at part six of the consolidated treaty, particularly articles 223 to 234 of the treaty on the functioning of the European Union, under which co-decision making becomes the "ordinary legislative process". It has got to be a good thing that an elected Parliament—not necessarily the present one, but one that should have more and more respect and strength—will have a real say in the final stages of legislation, which will then need to be implemented at the local level. That Parliament will also have extra budgetary powers over both budgetary processes and laws.

Under article 229, the European Parliament will have the power, on a vote of 25 per cent. of its members, to set up a committee of inquiry. Would not that be a wonderful innovation for our own Parliament if 25 per cent. of Members could set up a special committee of inquiry into how laws are being carried out by Departments of Government? That might well be something to bring back home for use here. The European Parliament is also able to elect a European ombudsman, to whom people can refer cases of EU maladministration, which is another great innovation. Article 234, furthermore, provides for the ability to sack the Commission—not just the president, but the Commission, separately, on a two-thirds majority. That is very attractive to me, as it moves democracy forward. I would have thought people would welcome that; I had hoped that people would focus on those positive aspects of institutional change.

We have heard much talk about qualified majority voting and I certainly accept that QMV has been more beneficial to the UK than to any other Government and it will become ever more essential for us to use it to get things through in the face of growing national obstruction to the single market. We will need to use that mechanism again and again. When we have a double majority vote, I do not understand why that cannot be not welcomed throughout the House. It is the case that 55 per cent. of members of the Council, representing at least 65 per cent. of the populations, will be able to vote to carry something on double majority voting. Under article 238, where the Council is not acting on a proposal from the Commissioner or the high representative on foreign affairs, 72 per cent. of the votes under QMV are required before it can be carried. That represents 65 per cent. of the population. All those provisions are very beneficial. Furthermore, 35 per cent. of the populations voting through their representative in Council can act as a blocking minority, which makes me wonder how many safeguards the Opposition want before they realise that such QMV will be beneficial to us.

I have some concerns about a matter that I have seriously examined, as it has been raised by members of the European Scrutiny Committee, which relates to the aims of EU institutions as provided for in article 13(2). It states:

"The institutions shall practise mutual sincere cooperation".

That has been cited as if it were some sort of conspiracy. However, if we look at article 13(1), we find that it states, and it is worth reading into the record:

"The Union shall have an institutional framework which shall aim to promote its values, advance its objectives, serve its interests, those of its citizens and those of the Member States, and ensure the consistency, effectiveness and continuity of its policies and actions."

I view that as a counter-conspiracy clause, because it stresses that the interests of member states must be at the heart before anything further is added by any other part of the treaty. I would hope that we all commend that.

7.26 pm

Mr. Mark Francois (Rayleigh) (Con): It is a privilege to follow the hon. Member for Linlithgow and East Falkirk (Michael Connarty), the Chairman of the European Scrutiny Committee. As usual, he spoke with considerable authority on these matters. He knows that I like to quote him from time to time, particularly when he said on the "Today" programme of the Government's red lines that they would "leak like a

[Mr. Mark Francois]

sieve"—a very important quote, which bears frequent repetition when we are debating the treaty of Lisbon.

I will refer briefly to the amateur dramatics that we saw earlier from the Liberal Democrats. They are making great play of this "in-out" referendum. All I will say, and very briefly, Mr. Deputy Speaker, is that there was no reference in their manifesto to an in-out referendum; indeed, they argued for a referendum on the EU constitution, so they have no democratic mandate for the stunt that they pulled in the House this afternoon.

Today's debate has considered some of the core issues of the treaty: the new EU president, the new definition and distribution of the EU's powers, the single legal personality, the abolition of more than 50 vetoes, the expansion of the European Parliament's powers and the ratchet clause. Yet the debate has had a slightly surreal quality because many of the decisions about how the new institutions will work in practice have yet to be taken.

The House has been asked to discuss and scrutinise what amounts to a pig in a poke. To take one example, the European external action service is one of the most important institutional innovations in the treaty, but we are in ignorance of answers to crucial questions. As one former German ambassador to the EU put it:

"What will be the share of member states"

within the EEAS,

"I don't know. These are all open questions".

Those are, in fact, vital questions, to which Ministers do not have answers. I think that that is a shame and the fact that the Government have allowed such a position to arise provides an example of how little they care about their duty to be accountable to Parliament, let alone the British people.

There can be little doubt that, taken as a whole, the treaty is the most fundamental change to the EU's structure since its foundation. The intergovernmental nature of decision making on criminal justice and policing, where direct national democratic accountability is vital, is fully absorbed into the Community system, the Commission having the main right of initiative, co-decision with the European Parliament and full jurisdiction by the European Court of Justice. That is a fundamental change, as the chairman of the European Scrutiny Committee—if he can bear me quoting him twice—has previously said. As my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) has also explained, the new president of the European Council will transform the way in which the European Council is run. This process is also an example of how the treaty does not end institutional debate in the EU, but sets new dynamics in train.

As we repeatedly mention, because it bears repetition, the relationship between the proposed president and the new high representative—the Foreign Minister under another name—has not been worked out. As Brian Crowe, deputy director of Chatham House and former director general for external and politico-military affairs in the Council of the European Union, argued in a recent article and parliamentary brief, the president

"is to represent the EU 'at his or her level', which is one thing for attendance at EU summits with third countries, quite another if (as will always be the temptation for former heads of government who are likely to get the job) he seeks to cut a figure on the world stage competitively with the EU High Representative."

Who could he have been referring to, we wonder, when he made that comment? It is exactly right.

Mrs. Dunwoody: He alleged that Angela Merkel had said "Of course, it could not be a Briton in charge."

Mr. Francois: I think that the former Prime Minister has enough problems wondering whether he can secure the support of the current Prime Minister, let alone the Chancellor of Germany, but the hon. Lady's point has been put firmly on the record.

One would have thought that after so many years of careful consideration, the new treaty produced by the Convention on the Future of Europe and mulled over numerous time by Europe's Heads of State and Heads of Government would be a seamless web, clear in its outcomes and bringing new rationality to the EU's structures. The fact that, after all that, the document gives us unknown outcomes and inter-institutional strife is surely a strong case for the argument that it is fundamentally flawed.

In his opening speech, the Minister for Europe claimed that this country's voting weight would increase as a result of the treaty. In purely simple terms that is true, but in practice the country's ability to influence European legislation would be diminished, because it would become harder to form blocking minorities. That is the key point. Of course in some circumstances it could work in our favour, but given the difficulty that the Government have had in holding together a sufficient blocking minority on the working time and agency workers directives, it would be foolish to underestimate the damage that the shrinking of our voting weight might do to our ability to protect vital national interests such as the preservation of a flexible labour market.

Mr. Henderson: Will the hon. Gentleman give way?

Mr. Francois: I am short of time, but I will allow the hon. Gentleman to intervene briefly.

Mr. Henderson: I shall be very brief. Does the hon. Gentleman not agree that what he has just said is at the nub of the Conservative position, which is always that Britain should be outside, that Britain is better on its own, and that Britain should not co-operate with others, rather than that Britain should use the new reforms to bring British views into line with those of others and form majorities? As the hon. Gentleman knows, that is the reality in European Council meetings.

Mr. Francois: If that is the case, why have the Government been struggling so hard to retain blocking minorities on those two directives? I am afraid that is a question that he has not been able to answer.

In relation to qualified majority voting, the treaty marks a major shift in the EU's way of working. For the first time, the system whereby the Commission proposes legislation and the Council votes on it in co-decision with the European Parliament becomes, in the words of

the treaty, the "ordinary legislative procedure". As the Chairman of the European Scrutiny Committee has also said—I follow his words very closely—the fact that co-decision with the European Parliament under the treaty will now apply in some 95 per cent. of cases represents another "fundamental, massive change". He is right, and it is because of such fundamental changes that the treaty has an importance that merits the referendum we were promised.

My right hon. Friend the Member for Richmond, Yorks referred to the language in which the treaty sets out the EU's competences, which is copied almost word for word from the EU constitution. Let me develop one point further. As my hon. Friend the Member for Leominster (Bill Wiggin) observed, it is an innovation for the conservation of marine biological resources to be set out as an exclusive competence in the treaties. Such an entrenchment of case law is, in this instance, an illustration of the failure of what is described as the "EU reform treaty" to tackle areas in which the EU needs to undertake real reform. So far, the common fisheries policy has been less an area of EU competence than one of EU incompetence. Far from conserving marine biological resources—or fish, as they are usually called in English—the common fisheries policy means that our seas have fewer of them. The direction of policy travel should be the opposite direction.

Let me end by making some observations about the passerelle or ratchet clauses. We shall have further opportunities to discuss them next week, but the new, almost all-embracing simplified revision procedure marks one of the treaty's most important innovations. I think it is a sign of the draftsmen's intent that it makes it so easy for the EU to get rid of remaining vetoes in this way. It must be a matter of regret that there is no comparable simplified revision procedure to reverse the ratchet. There is such a provision, incidentally, in the new ordinary revision procedure, for which we have the Czech Government to thank—which I do—but the hurdle is very high. If the House is to exercise any real control over the development of Britain's future in Europe, it is therefore vital for us to have the safeguard that the simplified revision procedure, or ratchet clause, cannot be used without primary legislation. Important Committees of the House have argued for that in examining the treaty, and we support their contention wholeheartedly.

The treaty does not make the EU more efficient, or improve the quality of decision making. It sets institution against institution, and diminishes the role of member states. It fails to respond to the EU's crisis of the democratic deficit—the crisis which, as those with long memories will recall, the whole treaty process was launched to address at the Laeken European council meeting in December 2001. Throughout that process the Government's approach has been reactive, not proactive, favouring damage limitation over strategic vision. How often the Government have tabled amendments that have been defeated, and then described them to the House as searching questions. Why did they not search further, and insist that those amendments be made?

Instead of real change, we are offered an intensification of existing centralising tendencies. It is for those reasons that the treaty should be rejected and, ultimately, put to the British people in the referendum that they were so solemnly promised in the first place.

7.35 pm

The Deputy Leader of the House of Commons (Helen Goodman): We have had an excellent debate on matters that are central to the Lisbon treaty. It is a great pleasure to follow the hon. Member for Rayleigh (Mr. Francois), who gave his usual robust performance.

The aim of the treaty is to reform and streamline the enlarged EU's institutions and decision making. The preamble to the treaty states that the 27 member states drew it up

"to complete the process started by the Treaty of Amsterdam and by the Treaty of Nice with a view to enhancing the efficiency and democratic legitimacy of the Union and to improving the coherence of its action".

The right hon. Member for Richmond, Yorks (Mr. Hague) began by speaking to the Conservative amendment, which purports to criticise the expansion of the

"power of EU institutions at Member States' expense".

That proposition is fundamentally mistaken. As my right hon. Friend the Member for Leicester, West (Ms Hewitt) pointed out, the United Kingdom is stronger in a strong European Union. The United Kingdom can influence global issues for the better as a major player in the Union, and effective decision making in the EU enables us to pursue our agenda in Europe.

The right hon. Member for Richmond, Yorks criticised the proposal to introduce a president of the European Council. He suggested that a comparison could be made between that new permanent, or semi-permanent, presidential role and the role of the Prime Minister in this country. Of course, he omitted to refer to some very significant differences. For example, the Prime Minister makes appointments to the rest of the Government, whereas the president of the European Council will be appointed by the Council. Furthermore, the president of the European Council will have no vote when it comes to making decisions in the Council, and will operate on a mandate. There is no discussion in the Lisbon treaty, or in any of the surrounding documentation, of direct elections for the position. The right hon. Gentleman has put up a straw man and knocked him down.

We were given a far more realistic and positive picture of the president's role by the hon. Member for East Dunbartonshire (Jo Swinson) and my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty). They both understood that the role of the full-time president broadly reflects the functions that the presidency already performs. The full-time president will chair the European Council, drive forward its work, ensure its preparation and continuity on the basis of the work of the General Affairs and External Relations Council, and facilitate cohesion and consensus. The current twice-yearly rotation causes problems with continuity, as anyone who has ever been involved with Europe will know.

The hon. Member for East Dunbartonshire asked about the interrelationship between the president of the European Council and the new high representative. The treaty makes it clear that the full-time president will perform his or her representational responsibilities at his or her level, and without prejudice to the powers

[Helen Goodman]

of the high representative of the Union for foreign affairs and security policy. There is provision for two quite distinct roles. The high representative will chair meetings of the Foreign Affairs Council.

Mr. Harper: Will the Deputy Leader of the House give way?

Helen Goodman: No.

The right hon. Member for Richmond, Yorks made much of changes that he would have liked to see since 2004.

Mr. Harper: I thank the Deputy Leader for giving way. She has referred to many references in the treaty to the various powers and how the institutions work. Has she actually read the treaty in detail?

Helen Goodman: Yes, of course I have.

The right hon. Member for Richmond, Yorks made much of changes he would have liked to see since 2004, but he omitted to refer to the successes this Government have had in their negotiations over the last three years, such as in inserting the yellow card and in removing obligations on national Parliaments.

Many Members have mentioned national Parliaments. My hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) spoke with the benefit of her long experience and asked why we did not have regular question sessions on European matters. The answer to that was given in the debate we had on European scrutiny three weeks ago, when I explained to the House that we would be perfectly prepared to have questions on European matters in Westminster Hall after every significant European Council—*[Interruption.]*—but, as is evidenced to my hon. Friend, Opposition Members rejected that.

National Parliaments will for the first time have a right to challenge a draft legislative Act if they believe that it does not comply with the principle of subsidiarity, and if one third of national Parliaments prepare a reasoned opinion they can raise the yellow card. Under the orange card procedure, if a majority of national Parliaments contest the draft measure, the Commission can maintain, amend or withdraw the proposal; but if it maintains it, the Commission's reasons as well as the reasoned opinions of the objecting Parliaments must be sent to the Council and the European Parliament. Either institution may kill off the measure, by a majority of 55 per cent. of the members of the Council.

Opposition Members asked what structures would be set up to operate the orange and yellow cards. It will be for Parliament to decide how these powers are exercised. We will work with both Houses to ensure that there is an effective mechanism, and we will also ensure that there is an opportunity for a decision before the Lisbon treaty comes into force. It will probably make most sense if we look at this at the same time as we review the new scrutiny arrangements that we established last month.

Opposition Members have also not taken account of the other significant powers that national Parliaments get: a specific power to monitor Eurojust and Europol; another specific power to veto Council decisions proposing a move to QMV and co-decision for aspects of family law; and the significant new power for our Parliament, set out in clause 6, which will give Parliament prior control over whether to move to unanimity in any further areas.

Opposition Members spoke about the move to QMV. The maintenance of unanimity—of which Members have made so much this evening—does not, of course, apply only to the United Kingdom; it applies to all member states, and with 27 diverse members it is a recipe for dither and delay. Under the new QMV system of double majority voting, not only must 55 per cent. of member states agree, but so must 65 per cent. of the populations represented. That puts larger countries such as the UK in a stronger position. The hon. Member for Rayleigh suggested that it was more difficult for us to achieve a blocking minority. That is absolutely untrue. In addition to the increase in our votes from 8 to 12 per cent., our share of the blocking minority will rise from 32 to 35 per cent.

My hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) and the hon. Members for North Essex (Mr. Jenkin) and for Leominster (Bill Wiggin) spoke of their concerns about the changes in competence. The Lisbon treaty expressly classifies these for the first time. In every case Members raised, the competence was already well established either in earlier treaties or in case law. As the Law Society has said of the five areas where the Commission has exclusive competence:

"None of these is new to the Treaty of Lisbon."

Our aim is to secure Britain's national interest. Britain is a modern European country, so we do best through having an effective EU. The Lisbon treaty provides the Union with a stable and lasting institutional framework and completes the process of institutional reform. So many issues affecting Britain are global in nature and we can best influence them as a major player in Europe. It is therefore absurd for Opposition Members to argue for weak European institutions. The EU and Britain need this treaty. It allows the EU to move on to focus on issues that truly matter: energy security, climate change, and tackling terrorism and organised crime. The Lisbon treaty will allow us to do that, and I commend the motion to the House.

It being three hours after the commencement of proceedings, MR. DEPUTY SPEAKER *put forthwith the Question already proposed from the Chair, pursuant to Order [28 January and this day].*

Question put, That the amendment be made:—

The House divided: Ayes 170, Noes 299.

Division No. 097] **[7.46 pm**

AYES

Afriyie, Adam	Blunt, Mr. Crispin
Ainsworth, Mr. Peter	Bone, Mr. Peter
Ancram, rh Mr. Michael	Boswell, Mr. Tim
Arbuthnot, rh Mr. James	Bottomley, Peter
Atkinson, Mr. Peter	Brady, Mr. Graham
Baldry, Tony	Brazier, Mr. Julian
Baron, Mr. John	Brokenshire, James
Bellingham, Mr. Henry	Browning, Angela
Benyon, Mr. Richard	Burns, Mr. Simon
Beresford, Sir Paul	Burt, Alistair

Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Conway, Derek
Corbyn, Jeremy
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Drew, Mr. David
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hollobone, Mr. Philip
Hopkins, Kelvin
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Rifkind, rh Sir Malcolm
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Ruffley, Mr. David
Salmond, rh Mr. Alex
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, David
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilshire, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Foliett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon

Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Tony Cunningham and Steve McCabe

Question accordingly negatived.

Main Question put forthwith:—

The House divided: Ayes 297, Noes 168.

Division No. 098] **[7.59 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Fiello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara

Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Taylor, Mr. Ian
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Tony Cunningham and Steve McCabe

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baldry, Tony
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Conway, Derek
Corbyn, Jeremy
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Drew, Mr. David
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hollobone, Mr. Philip

Hopkins, Kelvin
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Rifkind, rh Sir Malcolm
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Ruffley, Mr. David
Salmond, rh Mr. Alex
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, David
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunt, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilshire, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Jeremy Wright and James Duddridge

Question accordingly agreed to.

Resolved,

That this House approves the Government's policy towards the Treaty of Lisbon in respect of provisions concerning the effectiveness of the EU institutions and EU decision-making.

Orders of the Day

European Union (Amendment) Bill

Further considered in Committee.

[7TH ALLOTTED DAY]

(Any selected amendments to clause 2 relating to the effectiveness of the EU institutions and EU decision making)

[SYLVIA HEAL *in the Chair.*]

Clause 2

ADDITION TO LIST OF TREATIES

8.11 pm

Mr. William Cash (Stone) (Con): I beg to move amendment No. 82, page 1, line 12, after 'excluding', insert—

'(i) Article 1, paragraph 5, inserted Article 3a TEU relating to relations between the Union and Member States; and

(ii) '.

The First Deputy Chairman of Ways and Means (Sylvia Heal): With this it will be convenient to discuss the following amendments:

No. 83, page 1, line 12, after 'excluding', insert—

'(i) Article 1, paragraph 6, inserted Article 3b TEU relating to the competences of the European Union; and

(ii) '.

No. 277, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 27(c) adding a new sentence to Article 16 TEC (TFEU) on a new legal base for the European Union to establish the basic principles and conditions of service of general economic interest; and

(ii) '.

No. 121, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 12, new Title and new Articles 2A to 2E TEC (TFEU) relating to categories and areas of European Union competence; and

(ii) '.

No. 222, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 12, new Article 2B TEC (TFEU), paragraph 1(d), relating to the conservation of marine biological resources under the common fisheries policy; and

(ii) '.

No. 124, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 17, inserted Article 5a TEC (TFEU) relating to matters to be taken into account in defining and implementing European Union policies and activities; and

(ii) '.

No. 131, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraphs 46 to 49, amendments to Articles 32, 36 and 37 TEC (TFEU) relating to agriculture and fisheries; and

(ii) '.

No. 225, page 1, line 12, after 'excluding' insert—

'(i) Article 2, paragraph 49(c) 3, amendment to Article 37 TEC (TFEU) relating to the adoption of measures on fixing prices, levies, aid and quantitative limitations and on the fixing and allocation of fishing opportunities; and

(ii) '.

No. 38, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 150, inserted Article 176D TEC (TFEU), relating to administrative co-operation; and

(ii) '.

No. 186, page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 289, replacement Article 308 TEC (TFEU) relating to action within the framework of policies defined in the Treaties where the Treaties have not provided the necessary powers; and

(ii) '.

No. 192, page 1, line 12, after 'excluding', insert—

'(i) the Protocol on the Application of the Principles of Subsidiarity and Proportionality; and

(ii) '.

No. 31, page 1, line 13, after second 'to,' insert—

'(i) the categories and areas of EU competence; and

(ii) '.

Mr. Cash: I am glad to have the opportunity to start the debate. It has already been covered to some extent by our discussions on the general principles. We now have the opportunity to consider the specific questions through amendments. Of course, that is what we should really have been doing all afternoon, but that battle has now been conceded as far as the Government are concerned.

The meeting in Laeken in December 2001 said, among many other things, that the question at issue was:

"A better division and definition of competence in the European Union".

The reality is that these arrangements are extending competence, despite what we heard from the Deputy Leader of the House in her winding-up speech, when she seemed to be suggesting that the treaty was simply a repetition of existing competences. That is not the case. I accuse the Government of a form of appeasement in relation to such questions. Despite their objections to those arrangements, which were expressed in the Convention and on a number of occasions, they have allowed the European Union to go ahead after all.

In reference to the right hon. Member for Neath (Mr. Hain), I suggested in an intervention on my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) that we needed a list of the provisions. I asked the Minister to give me a list of those matters where the European Union was being given new powers and to demonstrate the extent to which areas were left to our national Parliament and our voters. That is the key question. Of course, he could not answer it; he gave me a few examples, such as defence and foreign policy. However, in terms of the range of matters that are being taken over by the European Union under the treaty and the accumulated functions that have been generated by the secret negotiations, we in this Parliament are increasingly like the smile on the face of the Cheshire cat. Bit by bit, we are vanishing into a vacuum that is being enlarged by the EU.

The EU is centralising, and I believe that the effect of that, curiously and ironically, will be increased tensions in the EU. That is exactly the opposite of what it is seeking to achieve. It will claim that it is trying to introduce greater harmonisation, greater peace and greater stability as a result of the consolidating functions. I firmly believe that what is happening will generate more tension and less harmony as the member states jostle, through the general elections in their respective countries, to try to maintain the respect of their voters and their electorate, who will demand things that they cannot be given.

8.15 pm

The one thing that the treaty does by centralising and by increasing the exclusive and shared competences is diminish the room within which the respective national Parliaments can legislate. The voters will come up against their Parliament's inability to respond to their wishes—the Parliaments will simply have to turn around and say, "We cannot legislate in this field because it has been handed over to the European Union, which, as we know, is remote, bureaucratic and undemocratic." When that happens, the tensions in the member states will tend to increase.

With the potential for problems with running the economy, an increasing possibility of higher unemployment, the failure of the Lisbon agenda and the difficulties of matching people's aspirations—which is inconsistent with the Laeken declaration's words about being closer to the citizen—a vacuum is being created. No one seems to realise that in the pursuit of those abstract ideologies, the seeds of the destruction of the EU are being sown. The people will not stand for it when things go wrong.

Another problem is that because the acquis is set in concrete and cannot really be amended except through a formula such as that which I shall develop tomorrow in relation to new clauses 8 and 9, which I understand have been selected, there is no way in which the powers can be repatriated unless individual member states are prepared to take unilateral action and to get it right after proper negotiation. I do not believe in unilateral action without discussion or negotiation.

The parliamentary channel is the only place where these matters are being discussed. I know that as I speak what I am saying is going out live on the parliamentary channel.

Mr. Austin Mitchell (Great Grimsby) (Lab): You're sending them all to bed.

Mr. Cash: The hon. Gentleman says that they can all go to bed; if they wish to do so, let them.

It would not be a bad idea if those watching the parliamentary channel—as they listen, if not to me, then to others—were to express their views to the authorities, the media and the national newspapers, which are not covering what is going on in the House as it legislates, through the Government's iniquity, to deprive the people of this country of the right to express their views in general elections. That is what is happening, and it is extremely dangerous to our democracy.

Angela Browning (Tiverton and Honiton) (Con): Does my hon. Friend agree that when we hear this talk about being closer to citizens and about citizenship, it does not refer to the citizens of the nation state? The treaty compounds the ever-rolling forward programme of giving democratic legitimacy to the citizens' representation through the EU Parliament, thereby bypassing more of their representation through their national Parliaments.

Mr. Cash: I completely agree, and I strongly suggest that viewers of the parliamentary channel write to the BBC to ask that these debates be covered a bit more comprehensively. Similar letters should be sent to the national media, as people are able to hear what is being said tonight only if they tune in to the parliamentary channel. That is how I would get around the block that has been placed on our ability to be heard outside the House by the Government's handling of our timetabling and procedures.

Mr. David Drew (Stroud) (Lab/Co-op): May I offer the hon. Gentleman a practical example of how limited our national veto has become? He may think my example is trivial, although it is not trivial to me. I am referring to genetically modified organisms. The views expressed by this House, and by this Government, about whether to accept GMOs are becoming increasingly irrelevant, as all such decisions are taken in Europe. For many people, that is a total negation of their right to object to the introduction of GMOs. It is a perfect example of what he is talking about.

Mr. Cash: It certainly is. In fact, the breadth and depth of Europe's intrusion into the process of decision making that should take place in this House mean that the right to decide about ever more vital matters is being removed from voters. That is the message: whatever people think and do, they will be able to make no real difference to the decisions taken in Europe.

Moreover, I hope that no one will say in response that everything will be all right because the democratic deficit has been catered for in the Council of Ministers. The use of qualified majority voting and the removal of this House's legislative power through shared or exclusive competences mean that the people are being deprived of their right to be consulted in a meaningful way at general elections.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Will the hon. Gentleman give way?

Mr. Cash: I shall certainly give way to the hon. Gentleman, as he was at one time a member of the European Scrutiny Committee with me.

Mr. Hendrick: I am grateful to the hon. Gentleman for giving way. Does he agree that democratic legitimacy is improving and increasing? Directly elected Members of the European Parliament now have more say about what happens in the EU, as more matters become subject to co-decision. Also, we should accept the principle of subsidiarity. We have common interests in many matters, such as the environment or the single market, both of which apply across Europe. Surely it makes sense to reach common decisions about them.

Mr. Cash: I am afraid that the hon. Gentleman is merely repeating the theory of subsidiarity. I attended a school very near Preston, where we were taught about subsidiarity as a theological concept. There is a hierarchy in religious matters that cannot be challenged, but the political environment is completely different. In secular matters, the accountability of the central authority should always be challenged. Nothing is ever set in concrete—unlike the acquis communautaire, which is the basis of the European legal system. Its supporters believe that it cannot be challenged, although I believe that this Parliament can reverse any decision, and that it must continue to do so.

The democratic deficit is not filled by generalisations such as those that the hon. Member for Preston (Mr. Hendrick) has put forward on behalf of the European Parliament. The system does not work like that, as the European Parliament does not have the necessary power. Moreover, it is implicit in the arrangements that we are discussing this evening that it will not be given that power. As a result, the treaty proposals are neither fish nor fowl, but a hybrid that cannot work. On the one hand, the treaty, by neutering MPs in this House, will take away direct parliamentary representation from the people of this country. On the other hand, however, the European Parliament will not be given the powers that it needs to make up for the loss.

Mr. Hendrick: Will the hon. Gentleman give way again?

Mr. Cash: I will give way once more, as the hon. Gentleman is the only Labour Member who seems to be taking an interest in what I am saying.

Mr. Hendrick: I thank the hon. Gentleman for giving way a second time. He is talking about co-decisions, but the European Parliament has powers in many areas. That number will grow once the treaty is ratified, with the result that the Council and the Commission will not be able to get proposals through without the support of the directly elected European Parliament. The hon. Gentleman says that the European Parliament has no power, but it was a consultative body in 1979. It is a co-legislative body now, and that is a tremendous step forward in democratic terms.

Mr. Cash: The problem is that it is all part of the process of greater integration, with more centralisation and less democracy. The European Parliament is involved in certain areas of co-decision, but that only serves to lock down and contain member states' national Parliaments. We are in the ridiculous situation of being invited to congratulate the EU on allowing national Parliaments to be involved. General elections take place on a national basis, but the process of making laws is being handed over to the undemocratic procedure that I have set out.

That is the system in which we are effectively imprisoned. I believe that we should have the guts to make sure that we remedy the problem but, in the absence of a "get out of jail" card such as I propose in new clauses 8 and 9, which we will debate tomorrow, we will not be able to repatriate effectively the powers that have been taken from us.

I do not want to go into detail now, as there will be ample opportunity tomorrow, but the real question has to do with how we can ensure that this Chamber is maintained as the centre of gravity of power in our legislative process. The danger is that that power will be exerted by external agencies such as the European Commission, or that it will be expressed through regulation that does not require legislation in this

House. Another possibility is that legislative power in Europe will be expressed through directives, which means that we will be left to implement the legislation that is passed in our own fashion.

As I said in an intervention earlier on my right hon. Friend the Member for Richmond, Yorks, the word "competence" is a euphemism for power. Power is about authority, and governance. I used the word "appeasement" earlier in respect of the Government's policy, and it applies exactly to what they are doing. They have given in to the systems and fashions of the European Commission and the eurocracy in a way that is nothing short of appeasement.

The Government did not have to give in. I remember the former Prime Minister saying, "Let battle be joined!" I think that I had a little to do with his granting of a first referendum, as I had pointed out the constitutional nature of the repeal process that was taking place. The ESC has said that this treaty is substantially the same as the previous constitutional proposals, but the Government have given in at the first whiff of grapeshot and decided that we will not have a referendum on it.

There has been all sorts of farcical business from the Liberal Democrats today. I was here and I watched it all. They are pumping out press releases all over the media, but they are just absurd. They want a referendum in order to say yes—I have never heard such rubbish in all my life! They want a referendum because they are totally committed to the integration process.

Mr. Drew: Just say no!

Mr. Cash: The hon. Gentleman says, "Just say no!" However, if I were to follow Baroness Thatcher, I would say, "No, no, no!" That is the point, and the Liberal Democrats have achieved nothing this afternoon other than to make themselves look ridiculous.

8.30 pm

Mr. Alex Salmond (Banff and Buchan) (SNP): I was tempted by the hon. Gentleman's remarks. Is he aware that in the context of Scottish independence, the Liberal party in Scotland opposes a referendum because it is not in favour of Scottish independence? That seems to sit uneasily with that party's attitude to the European Union.

Mr. Cash: I am always glad to hear from the First Minister. He has a remarkable facility for hitting the nail on the head. He is completely right: the Liberal Democrats look as ridiculous and as divided within their party as they are in their principles. They are a completely absurd bunch of opportunists, and that is all that there is to it.

The First Deputy Chairman: Order. Perhaps now the hon. Gentleman will get back to his amendment, which I am sure he wishes to speak to.

Mr. Cash: I am glad to do so. I have a list of the newly defined shared competences as they are set out under the new regime—under the new rubric of the European Court of Justice, as extended into this new field. Although the Court has had primacy for some time, its power increases as its functions accumulate. Competence is power. It has not yet been mentioned today, but one of the things on which we need to focus is the asserted primacy of the European Court of Justice in relation to these new and accumulated functions, and the exclusion of national Parliaments, in particular our own, with respect to the shared and the exclusive competences.

Two things are operating in the same direction, but in a contrary manner: the increase by accumulation in power and judicial authority of the European Court of Justice, and the diminution in power of the national Parliaments, which are in direct proportion to one another. We fall straight between the two. Some of us may recall from our history books Dunning's motion that the power of the Crown

"has increased, is increasing and ought to be diminished."

That is exactly what we should say about the European Union, the European Court of Justice and the manner in which the Government are treating this country.

The shared competences are as follows: the internal market; those aspects of social policy defined in the treaty; economic, social and territorial cohesion; agriculture and fisheries; environment; consumer protection; transport; trans-European networks; energy; area of freedom, security and justice; and common safety concerns in public health matters. Those accumulated functions are eating away at the body politic in this country. Furthermore, article 2A of the treaty says that member states can legislate in any area of the shared competences only to the extent that the European Union has not exercised its competence. That will invert subsidiarity. I must discuss subsidiarity, because it was mentioned by the hon. Member for Preston, who has now left his—*[Interruption.]* No, he has moved sideways. He is moving, crabwise, further and further towards the exit.

Mr. James Clappison (Hertsmere) (Con): My hon. Friend is making a powerful analysis of how the European Union incrementally seeks more and more shared competences. Is it not also important to examine the areas in which it seeks to establish a bridgehead for future shared competences through future incremental change? One example is that, under the terms of the treaty—I understand that this is a new duty—if an independent nation state acts on its own account where the Union has decided not to act, the nation state nevertheless has the duty to consult the Union and other member states on any matter that might affect their interests. In practice, that could mean anything. It is a duty to consult on any subject where an independent nation state acts on its own.

Mr. Cash: Indeed. I do not feel that I am exaggerating when I say that my hon. Friend's contributions to debates on the treaty, as well as to the European Scrutiny Committee, of which he recently became a member, are considerable. His analysis, given patiently day by day from the corner of the Chamber that he occupies, is a tribute to his perspicacity and tenacity. It is only persistence, tenacity and political will that will pull this country back to its rightful and deserved place. We in the Opposition—this is why I am so delighted as I look at my hon. Friend the Member

[Mr. Cash]

for Rayleigh (Mr. Francois), the shadow Minister for Europe—have managed so far to increase our sense of uniformity and unity on such central questions. They affect directly, utterly and completely the rights of the people whom we represent in our constituencies.

This is as great a battle as has ever been fought in the history of this country. There will be those who will try to deny that, but I say this: the repeal of the corn laws in 1846 was no different in kind, because it was about how power in this country was distributed between the rich and the poor. It is no different from the Reform Acts of 1832 and 1867 or the Act giving women the right to vote in the early 20th century. This is about the status of this House.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I should like to draw my hon. Friend back, I hope not too rudely, to his amendments, and to the point about subsidiarity and how it will play out. We discovered back at Maastricht—it has not really changed—that the concept of subsidiarity is completely alien to how we view our democracy. When it was being sold to us by the then Prime Minister, John Major, as a real breakthrough, none of the other countries translated subsidiarity in the same way. It is a peculiar continental concept that says that where power rests with those at the top, they will give back what they like to those down below. In this country, power is supposed to rest with the people, and we are only meant to borrow it. That has made the difference in how that concept has been interpreted. When Labour Members make ludicrous arguments about subsidiarity, they should read the debates; then they would realise that subsidiarity has been used in exactly the same way, and it has done absolutely nothing to return a jot of power to the nation states or the people.

Mr. Cash: I am grateful to my hon. Friend for taking me back to what I said earlier. He is absolutely right. Subsidiarity is a theological concept, and the European Court of Justice is effectively being given in the political field the kind of doctrine of infallibility that at present is given to the Vatican and the papacy. It cannot be challenged, because there is no appeal except repatriation within the Parliaments. That takes us back to the point that my right hon. Friend made: power must go back to the voter. Similar situations have occurred in the history of this country in which it became necessary, regrettably, for people to take direct action to regain that power. The tensions that the treaty will generate may well prove insurmountable in due course.

Mike Gapes (Ilford, South) (Lab/Co-op): In the last intervention there was reference to the Maastricht treaty; the hon. Gentleman somehow omitted that treaty in his list of great battles of fundamental importance. Is that because he thinks that it is less significant than the Lisbon treaty, or does he agree with the denunciation that the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) made of the former Prime Minister, John Major, and of all those, including his Front-Bench colleagues, who voted for the Maastricht treaty?

Mr. Cash: The only reason why I did not mention Maastricht was modesty, if I may say so. I did not think that it was necessary for me to explain every detail, as I tabled 150 amendments to that treaty. The number of amendments that I have tabled to the Lisbon treaty is of the same order, or a little greater. That is why I find myself leading on this group of amendments. I happen to believe that the Maastricht treaty was one of the critical moments in our history. The BBC recognised that point in a debate that took place reasonably recently. The bottom line is that although Maastricht was enormously important, the treaty that we are considering is even more important; the accumulation of functions since Maastricht has merely demonstrated that we were right at the time. That accumulation is in line with the predictions that we made at the time; that is the point.

Article F of the treaty of European union says that

"The Union shall respect the national identities of its Member States".

The Lisbon treaty, too, refers to a "respect" for

"regional and local self-government".

That is completely misleading. The Union approach has been to pursue a one-size-fits-all policy, with total disregard for national identities, so the extension of the competences actually works in exactly the reverse manner. Moreover, the treaty says that the Union "shall respect" nation states'

"essential State functions, including ensuring the territorial integrity of the State, maintaining law and order and safeguarding national security."

In fact, although national security remains the sole responsibility of each member state, the article does not include important state functions such as conducting a foreign and security policy. Police and judicial co-operation will cease to be intergovernmental, and will be placed under the Community method.

It is very likely that the Union will put forward measures that might jeopardise member states' national security measures. The evidence is contained in the Prüm treaty relating to the collection of personal data, which is being implemented into Union law, so there is a kind of convergence. National security is hugely important, but there are indications of an invasion of it by other means. If we agree to the amendment, we will revert to the status quo, and we will therefore get rid of the problem and retain national security at the heart of our arrangements. I shall give that matter further thought as the debate progresses.

The principle of sincere co-operation is not new. Article 11 of the treaty on European union states that

"The Member States shall support the Union's external and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity."

The treaty operates by reducing in every respect the power of our Parliament, and therefore the rights of our voters.

The position on subsidiarity is simply this: a series of laws are incorporated in the treaty, and the European institutions' attempt to put a gloss on the matter by suggesting that subsidiarity will resolve the problem and to give so-called power to national Parliaments is a complete con trick. That has not happened to any effect on any occasion that I can think of. Subsidiarity does not work, and there is no intention that it should.

It is part and parcel of the artificiality of the arguments that they put forward to try to demonstrate that they are giving some credibility to national Parliaments.

I turn to competences and the European Court of Justice. As I say, competences are about power and law making. The ECJ is about the interpretation of that law. Let me quote the opinion of the Council legal service of 22 June 2007 on the primacy of European law. I suggest that my Front-Bench colleagues listen to this, although I am sure that they will anyway. The opinion says:

"It results from the case-law of the Court of Justice that primacy of EC law is a cornerstone principle of Community law. According to the Court"—

please note that it is "According to the Court"—

"this principle is inherent to the specific nature of the European Community."

There follows mention of the Costa case of 1964, to which the Minister for Europe referred earlier.

The opinion of the Council legal service goes on to say that at that time

"there was no mention of primacy in the treaty. It is still the case today. The fact that the principle of primacy will not be included in the future treaty shall not in any way change the existence of the principle and the existing case-law of the Court of Justice."

The opinion continues:

"It follows . . . that the law stemming from the treaty, an independent source of law, could not, because of its special and original nature, be overridden by domestic legal provisions, however framed, without being deprived of its character as Community law and without the legal basis of the Community itself being called into question."

8.45 pm

There is only one way to get past that judgment by the Council legal service, which is right in one sense only—that that is the assertion made by the European institutions within the framework of the competences that they have granted themselves and have been granted, foolishly, by member states. As that is the basis on which they operate, we cannot and must not allow our own Parliament to assume that what they say is right. We must insert a provision, which I will discuss tomorrow, about the preservation of the supremacy of the United Kingdom Parliament, having regard to the European Communities Act 1972.

I will not go further down that route this evening, however much I may be tempted to do so—which I am. Having resisted that temptation, I shall briefly refer to the other amendments that I tabled. I have already dealt with many of the matters in general terms; they include, for example, the fact that Community common policies will take precedence because of exclusive competences that are being granted; the problems that we have with respect to competition rules; the conservation of marine biological resources; and the common commercial policy. I mentioned yesterday the problems that arise in the context of the development of policy. These demonstrate the manner in which the Union will grab and maintain new areas of exclusive competence. These matters are dealt with under my amendment No. 121.

There is also the matter of the UK Parliament being required legally to submit to the Union if and when the Union acts first. That also arise under amendment No. 121. The United Kingdom would be required to conduct economic policy in the interests of the European Union under instruction of the Council—again, that is dealt with in amendment No. 121. The European Union seeks to direct policy for British industry, health, education, sport, culture, civil protection and tourism. That, too, is covered by amendment No. 121.

Then there is the issue of the European Court of Justice and its ruling—not its guidance and interpretation, but its ultimate jurisdiction over the right of the British people to make their choices in general elections. That is what is taken away by giving such enormous power to the European Court of Justice.

The hon. Member for Great Grimsby (Mr. Mitchell) will speak about fisheries policy. There are further issues such as the granting of aid, the common agricultural policy and so on. The bottom line is that we are giving in to the whole of the European Union without—

Mr. Mark Francois (Rayleigh) (Con): I hope my hon. Friend will not deny the House an exposition of his amendment No. 186, which seeks to remove something of a Henry VIII clause from the treaty. I have read amendment No. 186 and I have seen article 308, which it seeks to remove. I sensed that my hon. Friend was moving towards a peroration, which we do not want to miss, but before he delivers that with characteristic style, will he explain why he tabled amendment No. 186 and why he considers it important? I shall say something about it in my remarks, but it is his amendment.

Mr. Cash: Article 308 follows a line that goes back to the old article 235. It effectively grants a blank cheque, written by the UK and all the member states, in order to allow the Union to create its own powers beyond the treaties in order to pursue Union objectives, because it states:

"If action by the Union should prove necessary"—

that is its judgment—

"within the framework of the policies defined by the Treaties"—

that is in black and white—

"to attain one of the objectives set out in the Treaties",

which is something that is a matter of interpretation, usually for the Court,

"and the Treaties have not provided the necessary powers"—

I ask the question: who is to decide what is necessary and what is not?—

"the Council, acting unanimously on a proposal from the European Commission and after obtaining the consent of the European Parliament, shall adopt the appropriate measures."

I am not the slightest bit taken in by the word "unanimously" in this context, because the whole thing becomes a juridical exercise in which what is necessary, what judgments are to be applied and who is to make the decisions, are all matters that will be presented in order to get to the necessary objectives. The bottom line is that this provision will be used, and has already been used, even when the European treaty has not provided the necessary powers. The article has been misused because on several occasions it has been

[Mr. Cash]

mentioned as the legal base for a proposal that has no connection with the words that were originally used but are no longer in there—

"the operation of the Common Market".

It has been way beyond that over and over again. This is effectively yet another example of a self-amending text. This is the manner in which it intrudes into areas that it would like to be able to grab, which it deems to be necessary, over which we have no control, save only through the European Court of Justice, and the spurious notion of unanimity in this context.

Rob Marris (Wolverhampton, South-West) (Lab): Will the hon. Gentleman give way?

Mr. Cash: No, I will not give way. I have said before that if the hon. Gentleman's constituents had any idea of some of the things that he has been saying he would never be re-elected. He happens to be a good friend of mine in other contexts, but I simply say that he is the successor to Nick Budgen and Enoch Powell, and it astonishes me that he should sit there and say some of the things that he does.

Rob Marris: The hon. Gentleman said "over which we have no control". The very part that he read from article 352 on page 195 of the consolidated text refers to the Council acting unanimously and obtaining the consent of the European Parliament. He then went on to say that that could be used for measures over which we had no control. We do have control; it is acting unanimously. I follow carefully what the hon. Gentleman says—he is very knowledgeable—but he must be careful about the way in which he uses such quotes.

Mr. Cash: I am delighted to follow the hon. Gentleman's injunction, because that is exactly what I did. I said that in the integrationist pursuit of the objectives set out, the unanimity will give way to the pursuit of those objectives, and that is the legal dynamic that is driving forward this integrationist process, which is at the heart of the problem. There is no tendency to repatriate or to think again; it is always towards more and more integration.

I simply conclude by saying that the provision will also apply to all third pillar matters on judicial and police co-operation, so that the Lisbon treaty will confirm the existing European Court of Justice encroachment into that area. This is a very important group of amendments. The extension of the competences is related to the power of the European Court, which deprives the British people of the opportunity to change their mind about matters that are incorporated in the treaties, and that is a good reason for our ensuring that we choose to vote on matters that are dealt with in the group.

Mike Gapes: The hon. Member for Stone (Mr. Cash) made a number of interesting remarks at the beginning of his contribution. He talked about the Cheshire cat and appeasement, and reminded me of some of the bonkers e-mails that I have received from people claiming that what we are discussing is all a popish or German plot to rebuild the holy Roman empire. He also reminded me of the "Carry On" films, in which Kenneth Williams exclaimed, "Infamy! Infamy! They've all got it in for me!"

That seems to be the basis of what the hon. Gentleman, given what he has said, clearly believes is now the mainstream, united position of his party. That was confirmed by the interesting intervention from the former leader of his party, my constituency neighbour the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith). He pointed out that he and the hon. Gentleman were on the same side, fighting against the iniquities of the Maastricht treaty.

Despite the position that the hon. Gentleman has put forward, the reality is that the Lisbon treaty contains provisions that make the European Union more democratically accountable and more effective. He is a Europhobe, so I understand why he does not want the EU to be more effective; that is the consistent position of all those who oppose the EU and want it to fail. If it succeeds, support for it will grow, and if it fails, presumably things will be consistent with what he wants—ultimately, a withdrawal from the European Union. That is the real agenda that is increasingly being publicly exposed by this debate.

Mr. Hendrick: Is it not the case that the amendments are predicated on the supposed illegitimacy of the European Parliament? In fact, it has a great deal of legitimacy; it was John Major who said who and what he felt was illegitimate.

Mike Gapes: I was coming on to the role of democratic institutions. It is important that we recognise that the European Assembly, as was, has evolved since the late 1970s into not a Parliament in a full sense, but a Parliament with more powers than it had 30 years ago. We can raise questions about the legitimacy of that Parliament as long as the turnout at its elections is as low as it is. However, we will be on dangerous territory if we start arguing that too strongly, given that the turnout in our own general elections is as low as the high-50s in percentage terms, as opposed to the 75 or 80 per cent. of 30 or 40 years ago, and that turnout for our local government elections is as low as 25 or 30 per cent. That argument is not strong overall.

There are important changes in the Lisbon treaty. They are modest and incremental but enhance democratic practice. For example, the treaty will ensure that all European legislation is subject to a level of parliamentary scrutiny that exists in no other international organisation. NATO has a parliamentary assembly, of which I have been a member, but it is just an interesting talking shop. The Organisation for Security and Co-operation in Europe has a parliamentary assembly; again, that is a talking shop, although it is not as interesting as the NATO one.

Mr. Duncan Smith: If my near neighbour does not mind my saying so, his are pointless comparisons. The institutions that he mentions do not have a body of law that exists alongside them. Please, let us stay on the real subject, which is the European Union looked at for itself—not in comparison with NATO, for God's sake.

Mike Gapes: In the United Nations system, there is, of course, no democratic parliamentary body of a

global form. We have the parliamentary network for the World Bank. We have various parliamentary bodies, but they are not real parliaments. The European Parliament is a parliament that has real, and increasing, powers.

9 pm

Under the terms of the Lisbon treaty, European legislation will be submitted for a process of dual approval, in equal terms, by the Council, which represents the member states and is composed of Ministers from the democratically elected Governments, who are accountable to their national Parliaments, and by the directly elected Members of the European Parliament, who come from the different political groupings and different countries. It is a dual process of accountability to directly elected Members of the European Parliament and to indirectly appointed Ministers who are indirectly accountable to their national Parliaments. The dilemma for those of us in national Parliaments has always been the inability to get to grips with the accountability of our Ministers when they have gone from our national Parliament to a supernatural body—I mean supranational—*[Interruption.]* It would be if the right hon. Member for Chingford and Woodford Green had his way; of course, those who live on other planets do believe the same thing.

There is a need for much greater accountability, and in many ways we are still grappling with that in our own Parliament. When the Foreign Affairs Committee or the European Scrutiny Committee considers these issues, we are frustrated about how Ministers can be properly accountable to this House in our scrutiny of European legislation and in respect of dealing with these matters when they go to meetings of the Council of Ministers. The situation is not satisfactory at present. The current arrangements do not work well, and we must find ways to improve them.

The directly elected European Parliament also has an important role. The prior scrutiny of national Parliaments must be reinforced by a change whereby we receive all European legislative proposals directly, in good time, so that we are able to discuss them with Ministers prior to the adoption of common European positions within the EU Council and not, as at the moment, in a rather inadequate way.

Mr. Peter Bone (Wellingborough) (Con): The hon. Gentleman is making another powerful speech in favour of centralisation of the European superstate. Just to make sure that I understand, may I ask whether is he saying that, because the European Parliament is being strengthened, it is all right to take more powers from the national Parliaments?

Mike Gapes: That is the complete opposite of what I am saying. At the moment, power rests with the Commission or the inadequately accountable Council of Ministers. The real question that we have as parliamentarians is how we can make the Commission and the Council of Ministers more accountable to Parliaments in the 27 member states and in the common European Parliament. It is not about centralisation or taking powers away from Parliaments; if anything, it is about taking power away from unelected bureaucrats and civil servants.

Mr. Clappison: I appreciate the point that the hon. Gentleman is expressing, but I do not know how he can take it seriously given the experience that he has had as Chairman of the Foreign Affairs Committee, and that members of the European Scrutiny Committee have had, in trying to scrutinise the negotiations that led up to the treaty as regards our Government and those who were drawing up the constitutional provisions. What does that experience tell us about the real attitude in Europe towards scrutiny by national Parliaments?

Mike Gapes: What it tells us is that last year the German presidency took through a procedure for bringing the draft mandate before the intergovernmental conference, which, as the Foreign Affairs Committee said, was not sufficiently accountable to national Parliaments or to the European Parliament. That process was inadequate; it was not sufficiently transparent, and we said so in our report. That does not in any way negate my point, which concerns the need then, now and in the future for greater parliamentary accountability. The problem with Conservative Members' position is that they want greater parliamentary accountability in theory, but in practice they would remove one of the legs of that process: accountability of the European Parliament.

Mr. Hendrick: I would like to add to what my hon. Friend is saying. Directly elected Parliaments, whether we are talking about the House of Commons or the European Parliament, contain the representatives of the people who are closest to the people. In the European Union there is currently a move towards intergovernmentalism, away from powers residing with the Members of Parliament; it applies to Ministers, whether in the Council of Ministers or exercising their rights with commissioners to prevent them from having that power.

Mike Gapes: We also have to deal with what is happening in the Council of Ministers, as my hon. Friend says. First, there is a modest proposal for meeting in public, which will not make a great deal of difference in practice, but it will nevertheless allow national Parliaments and members of the public in all 27 member states to see how Governments work within the Council meetings.

Secondly, and more importantly, there is the change to qualified majority voting, which will mean a switch to a double-majority system of states and populations. A majority under that system will require a minimum of 55 per cent. of states, representing 65 per cent. of the population of the European Union. That system is much fairer and more beneficial to the United Kingdom. It means that Britain's share of votes will increase from 8.5 per cent. to 12 per cent., but presumably Conservative Members, when they vote against this treaty, will be against that, too. They are voting against an increased share of votes for our country, which seems a perverse logic, but then again, coming from the modern Conservative party, that does not surprise me.

Angela Browning: What about the legal personality? Through qualified majority voting, we can be bound to international treaties that will not even come in front of this Parliament. Where is the accountability in that?

Mike Gapes: The current situation with regard to international treaties is that the Government sign the treaty, and after the event, Parliament is informed that the Government have signed the treaty. We do not have

[Mike Gapes]

the system that some Scandinavian countries, such as Denmark, have, where Parliament is involved in that process at an earlier stage. I am not sure what the hon. Lady is arguing. Is she happy with the current situation and just wishes to—

Angela Browning: This is a treaty, and we are debating it.

Mike Gapes: We are debating the Lisbon treaty, yes, but it has already been signed. If the hon. Lady is saying that the current situation is not satisfactory, I agree. It would be great if the Foreign Affairs Committee and other Select Committees were able to conduct prior scrutiny of international treaties, instead of there being a one-and-a-half-hour debate on a statutory instrument, or some other mechanism under which prior scrutiny does not happen. There are important proposals in the treaty that should be adopted and supported.

I referred to qualified majority voting, and I shall briefly move on to one or two other areas.

The annual budgetary procedure will require the Council and the European Parliament to approve all European Union expenditure, which changes the current arrangement, whereby agricultural spending, which has historically accounted for the majority of European Union spending, is ring-fenced and separate. Previously, there was the own resources spending addition and inadequacy in the European Community's dealing with the agricultural spend, but at last, for the first time, we have proper parliamentary accountability for that, which is important.

The Commission is and has been far more powerful than it will be. A new system of supervision by the European Parliament and the Council of Ministers will enable either institution to block decisions on delegated legislation to which they object. The treaty gives the European Parliament and the Council the right to revoke the delegation of powers. Again, it restricts the Commission's powers.

The President of the Commission will be elected on a proposal from the European Council but by the European Parliament, taking into account elections to it. That clearly means greater accountability in the choice of President, whoever that person may be.

As we know from our previous debates on the foreign policy aspects of the treaty, the high representative for foreign and security policy will be accountable to member states through the Council and, as a member of the Commission, subject to questioning and scrutiny in the European Parliament. Again, that means more accountability and scrutiny than currently exist.

How do we assess the overall consequences of the proposals? I referred at the beginning to two aspects: more democracy and greater effectiveness. The European Union will become more effective by adopting the Lisbon treaty. I accept that things that Governments, meeting in Council, decide through qualified majority voting will increase. However, in an organisation of 27, including some very small countries, one has to have a mechanism whereby decisions can be made so that the organisation is effective. If we do not do that, Luxembourg could, for example, stop moves to examine specific financial issues in the EU single market. Tobacco producers in Greece could lobby effectively to stop reform of the common agricultural policy. Some countries could prevent measures to increase co-operation on climate change, general environmental policy or energy policy simply because of some small national interest—*[Interruption.]* I refer to a small national interest that would be contrary to the interests of the larger states, including ours. *[Interruption.]*

The First Deputy Chairman: Order.

Mike Gapes: If the amendment is accepted, the European Union could not act collectively and countries with populations of 60 million, such as the United Kingdom, France and Italy, or 80 million, such as Germany, could not work together to gain the support of the European Union, which could not move forward on economic issues.

There are safeguards for the foreign policy aspects of the treaty, which have been tackled elsewhere. They are dealt with on an entirely intergovernmental basis. Nevertheless, on the questions of the single market, energy, the environment, dealing with the big global challenges that we in Europe face and—*[Interruption.]* Of course, the Europhobes on the Conservative Benches are not interested in these questions. They simply believe that somehow we have to rerun the battle of Agincourt or somewhere else.

9.15 pm

Mr. Cash: On a point of order, Mrs. Heal. Could the word "Europhobe" be included in the litany of terms that are regarded as unparliamentary?

The First Deputy Chairman: I ask all hon. Members to remember the common-sense way of debating. Let us have a bit of taste and decency. However, I am not considering extending any lists of unparliamentary language.

Mike Gapes: I am sorry that the hon. Member for Stone is so sensitive to the language that I use. I could have called him many other things, but I will not go down that route. I could have called him a pro-European. I could have called him—

The First Deputy Chairman: Order. I hope that we will not call any hon. Members anything but debate the amendment before us.

Mike Gapes: I take your advice, Mrs. Heal. *[Interruption.]*

The First Deputy Chairman: Order. May we conduct this debate in an orderly manner?

Mike Gapes: The Lisbon treaty does not lead to the centralisation of power or the creation of a superstate, as has been alleged. In fact, it allows the European Union to operate more democratically and more effectively. The treaty allows the European Union to move away from the introspection and navel gazing of the past few years and start to focus on the real agenda, which includes business, efficiency and how to deal with the environment, climate change and the challenges of globalisation.

Mr. Mark Harper (Forest of Dean) (Con): I am grateful to the Chairman of the Foreign Affairs Committee for giving way, despite the injunctions of others not to take an intervention. He seems to be arguing two contradictory things. At one point he told us that we should be proud that the UK's voting share was increasing, thereby making us more capable of creating a blocking minority. However, he then told us how appalling it was that things would be blocked and that it was important that the EU should become more efficient. Those two positions are opposites, but he has argued them in the same speech.

Mike Gapes: I am afraid that the hon. Gentleman has misunderstood, so I will repeat myself for his benefit. The move towards more qualified majority voting in those areas where it is necessary is in our national interest, because that is where we will be in the mainstream and able to secure the reforms that are needed in the European Union to deal with globalisation and the other challenges that we face. However, there are also important safeguards. In those areas where the process is not necessary, such as foreign and defence policy, we retain the entirely intergovernmental decision-making arrangements.

It is therefore necessary to support the treaty, because it is in our national interests. It gives us an increased share of the vote, reduces the size of the Commission, gets rid of inefficiencies and duplications, gets rid of the External Affairs Commissioner, and replaces two jobs with one in foreign policy. The treaty also means that the way the European Union institutions work is more accountable to both national Parliaments and the European Parliament.

Rob Marris: Does my hon. Friend agree that the intervention by the hon. Member for Forest of Dean (Mr. Harper) precisely highlights the differences between the position that my hon. Friend and I hold, and that of many on the Conservative Benches? When we talk about voting and about the United Kingdom going up from 8.5 per cent. to 12 per cent., many Conservative Members immediately think that we are talking about a blocking minority. They take a wholly negative view of the European Union, rather than turning the issue round and asking whether the measure will make it easier for the United Kingdom to build a coalition of other member states under QMV on issues that are in the interests of our country. The EU is not a negative thing, although it is to the Conservatives; it is a positive thing.

Mike Gapes: I agree; my hon. Friend is absolutely right. The whole tenor of the remarks made by the hon. Member for Stone, who is no longer in his seat, was that it was "they" who were doing this to us, not that we were part of the European Union. We are part of it, and we must make a big impact within it. Our effectiveness will be judged by how we wish to contribute to the process, not by our opting out or withdrawing from it. The real agenda behind the amendments—and, no doubt, others to come—is that the Conservatives would rather not be part of the European Union; they want to say, in the words of the hon. Member for Stone, "No, no, no." It is unfortunate that we have not had the opportunity to put to the test the Liberal Democrat amendment that was not selected, because it would have been interesting to see whether the Conservatives voted for it. However, we shall not have that opportunity—today, at least.

I shall conclude—[Hon. Members: "Hear, hear!"] It is nice to be so popular. I shall conclude by saying that the essence of this debate—as with many others—is the fundamental choice of the way forward. The Conservative Front Bench has been captured by what was once an insurrectionist minority—*[Interruption.]* The former leader of the party, the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) is now waving his hands at the back. I remember the debates on Maastricht, and the debates in 1992 and 1993—

The First Deputy Chairman: Order. The hon. Gentleman might very well be able to remember them—I suspect that many others do, too—but may we now concentrate on the amendment?

Mike Gapes: I hope that the Committee will reject the amendment and vote, as it did on the Maastricht treaty, to support the Lisbon treaty.

Jo Swinson (East Dunbartonshire) (LD): Perhaps surprisingly, I find myself in agreement with the hon. Member for Stone (Mr. Cash), who is just coming back to his place, on one issue: I do not believe that we have enough time to debate all the amendments this evening. We have four groups in front of us, so hon. Members will be pleased to know that I intend to keep my remarks fairly short.

Despite agreeing with the hon. Gentleman on the lack of time for our debate, I cannot support his amendments. I shall not repeat the points that I made in my earlier speech, but I believe that stating the competences of the EU that already exist is an eminently sensible move that will clarify the situation. We might disagree on whether shared competences on energy and other matters are a good thing, but I believe that they are. I will therefore not be able to support the amendment.

Angus Robertson (Moray) (SNP): May we have some clarification on the position of a variety of representatives of the hon. Lady's party who represent coastal communities? Whether MPs or MSPs, in Orkney and Shetland, they are quite happy to traduce the common fisheries policy but, in this House, they are apparently in favour of it. What is the position of the Liberal Democrat party on this policy?

Jo Swinson: The hon. Gentleman anticipates me; I was about to come to marine biological resources, or fish, and to talk about his amendment No. 222. I hope that he will have a chance to put his points on that this evening. My hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) is not here at the moment, but I know that he—and, indeed, the relevant Members of the Scottish Parliament—share many of the hon. Gentleman's concerns about the common fisheries policy. Indeed, many of my right hon. and hon. Friends who represent coastal constituencies—and landlocked constituencies such as mine—share the hon. Gentleman's concerns.

Angus Robertson: Where are they?

Jo Swinson: We have problems with the common fisheries policy, but the reason we cannot support

[Jo Swinson]

amendment No. 222 is that, even if it were passed, it would not change the current position. The European Court of Justice ruled in 1979 on marine biological resources—so in effect the EU already has exclusive competence— saying that the

"power to adopt measures relating to the conservation of the resources of the sea has belonged 'fully and definitively' to the community".

Mr. Salmond: Will the hon. Lady give way on that?

Jo Swinson: Will the right hon. Gentleman first let me pursue the point further? There would be no change to the current situation, even if the amendment were passed. We want to see change because the current position is inadequate, so we will continue to argue for root and branch reform of the common fisheries policy. Decisions must be made locally, but fish move, so it is sensible to have some co-ordination of fish stocks at the European level. That is not to say that it is impossible to have much more devolved local decision making. I also welcome the new scheme, which means more control over cod stocks in Scotland through conservation credits, which provide a different way forward.

Mr. Salmond: I happily accept the endorsement of the wonderful work of the Scottish Fisheries Minister, Richard Lochhead. May I ask the hon. Lady about Elspeth Attwooll, a distinguished Liberal MEP, who on 24 November 2004 supported a motion saying that the Fisheries Committee

"considers that, within the context of the often exclusive competences of the EU which are detailed in the draft Constitution, the inclusion of the conservation of marine biological resources is anomalous and unjustified"?

When did the Liberal Democrats change their mind, and why?

Jo Swinson: The right hon. Gentleman quotes from a European Parliament document issued three years ago, but the Liberal Democrat position is incredibly clear. Exclusive competence is currently set out in EU legislation, and should recognise that, as I have already said, even if his amendment were passed tonight, nothing would change. This is pure political posturing by his party.

With that, Mrs. Heal, I would now like to let other Members speak, but I am afraid that I will not be able to support these amendments.

Mr. Austin Mitchell: It is delightful to rise after the hon. Member for Stone (Mr. Cash) has roused the House to a sufficient crescendo of excitement to allow me to introduce my amendments, although they have already been denounced in a rather long speech by my hon. Friend the Member for Ilford, South (Mike Gapes) before I have had the chance to put my case before the Committee. It was effectively argued that to come out of the common fisheries policy is to come out of Europe. That is supposed to be what is really behind the amendment, but what nonsense my hon. Friend spoke.

I wish to speak to my amendment No. 225, which the cream of the Labour party support. It is designed not to withdraw from Europe, but to add to the exclusions from the treaty of Lisbon, which the Government have decided to accept on common foreign and security policy, the Council's powers on a proposal from the Commission to adopt

"measures on fixing prices, levies, aid and quantitative limitations and on the fixing and allocation of fishing opportunities".

The amendment would remove that provision from the treaty.

In other words, the amendment knocks down the basis and the worst parts of the common fisheries policy. Those worst parts are seen in the treaty powers on the fixing and allocation of fishing opportunities. In Europe, of course, they are fixed and allocated by quotas. The North sea and areas around the British coast comprise mixed fisheries where quotas inevitably lead to discards. If a vessel catches a fish that it has no quota for, it simply dumps it back in the sea. It effectively kills it, making no contribution to conservation. It is a ruinous system. The smaller the quotas become, the greater the discards become. It is an automatic process. My amendment would knock out that provision, thus eliminating the discards problem.

9.30 pm

The amendment would also knock out the power to give aid. Although that power has not given much aid to the fishing industry in this country, it has given massive amounts, financed by our contributions, to countries such as Spain—enabling it to rebuild and re-equip a fleet that is already far too large, and to use it to fish our waters for our stocks and loot the grounds of developing nations—and Morocco, where the Community buys, with our money, quotas for the Spanish fleet to catch, usually smashing up local boats and ruining local stocks in the process.

The other powers that the amendment would remove have made the common fisheries policy undoubtedly the worst fisheries policy in the world. I can think of no fisheries policy that is worse than the common fisheries policy, which has decimated stocks all around the British coast, especially in the North sea. It should be struck out. It is amazing how few people want it. I have heard no one support it, apart from the occasional Liberal Democrat. We have just heard one speak in favour of it.

Jo Swinson *rose—*

Mr. Mitchell: Oh, is the hon. Lady not in favour of the common fisheries policy?

Jo Swinson: If the hon. Gentleman checks the record tomorrow, he will see that I was arguing for genuine reform of the common fisheries policy. It is nonsense to suggest that passing an amendment tonight would change the future of fishing in the European Union, but of course we should ensure that decisions are made more locally. A great deal of change is needed; I do not support the policy as it is now.

Mr. Mitchell: That raises the question of the Liberal Democrats' proposals for a referendum. Incidentally, if those proposals were applied to Scotland they would require a referendum not on devolution, but on the

1707 treaty of Union. The question to ask about the common fisheries policy is: does the Liberal Democratic party support it, as a whole, or does it not?

Jo Swinson: It needs reform. I do not think I can be clearer than that. We do not think that it is a good idea as it is at present.

Mr. Mitchell: There is a word called yes and there is a word called no. Which would the hon. Lady use in this context? Will she tell us? Very well: she cannot tell us whether the Liberal Democrat party supports the common fisheries policy or not. In any event, very few people want it, and only those Liberal Democrats who say yes—which presumably includes the hon. Lady—support it.

All my hon. Friends regard the common fisheries policy as a disaster. They are all embarrassed by it, and they all want to change it. However, they tend to view it as part of the package. If you like Europe, you must like the common fisheries policy. Well, my amendment allows them to dissociate themselves from it and to say "We like Europe and we will accept the treaty, but we are going to exclude the common fisheries policy." That is the sensible thing to do. It gives us a real power to choose. It is not necessarily part of the package: it can be taken out, and it would be taken out by my amendment.

However, I tabled the amendment not just to knock out the faults in the treaty that I have enumerated, but to prevent the coping-stone of the words in the treaty from being incorporated in the arch of the common fisheries policy. I intended to prevent a rather messy, anomalous policy, which no one likes but everyone feels obliged to support for different reasons, from being a requirement of the treaty. If we ratify the treaty unamended, the common fisheries policy will remain as an essential policy, sanctified and upheld by the treaty, from which we cannot deviate. That policy should not be part of the structure. Indeed, it was only fiddled into the structure by means of a very devious approach. There was no fisheries policy in the treaty of Rome, the founding document of the European Union—it simply was not mentioned. That treaty provides for a common market in respect of trade in agricultural products including, it is stated, the products of fisheries, or fish. There is nothing about a policy of controlling catches, regulating quotas and providing aid for vessels, or about what species can or cannot be caught. All that is mentioned is internal trade in fish. That is how the arrangement rested from 1956 until 1970, which is a long time not to have a policy.

Then Britain entered negotiations to join the Common Market, as did Norway. Those nations had among the richest fishing grounds in the world, and certainly the two richest fishing grounds in the Common Market if they were to enter it. It was therefore thought necessary to cobble together a policy to get access to the fishing grounds of Britain and Norway. Negotiations started in June 1970, and they quickly resulted not in a policy, but in a statement that there should be equal access to a common resource. That was all that there was to the basis of the so-called common fisheries policy—just equal access. European vessels would have equal access to our fishing grounds and those of Norway, and to all our waters.

That was in fact a negotiating gambit, not a sine qua non, but Edward Heath took it to be compulsory. He thought that that proposal had to be accepted if he was going to get entry to the Common Market, and he was desperate to get entry because he had no other strategy. Therefore, he regarded fisheries in the way set out in the documents in Scotland. I ask the right hon. Member for Banff and Buchan (Mr. Salmond) to remind me of the phrase.

Mr. Salmond: The quote the experienced hon. Gentleman is searching for comes from the civil service. I can paraphrase it fairly accurately. It said that in light of Britain's wider European interests, they—the Scottish fishermen—were expendable.

Mr. Mitchell: Expendable: that is what the fishing industry was in 1970. The shameful policy of equal access to a common resource was put together, regardless of the interests of fishing, and particularly those of the inshore fishermen who opposed the whole business—the distant-water fishermen were making rich catches in Iceland at the time, so they did not care much and were not bothered about European or British waters. Effectively, the interests of the British and Norwegian fishermen were expendable under this system. Therefore, without an attempt to renegotiate it and to say that it could not be part of the treaty, and without an attempt to say we must make other provisions when we extended our territorial limits, the Prime Minister at the time, Edward Heath, shamefully accepted the common fisheries policy. Geoffrey Rippon, then a Minister, told the House that these were just transitional arrangements that automatically ceased at the end of a fixed period. That is what he said. Lady Tweedsmuir in the Lords got it slightly wrong, because she assured the other place that the whole business would be renegotiated in 1892; but although she was 100 years out, she too indicated that it would be renegotiated. On the basis of that, we accepted the common fisheries policy and Ted Heath sold the fishing industry down the river, as the fishing industry saw it at the time and has seen it ever since. Norway did not accept that, and it stayed out for that very reason—it had no intention of being sold down the river.

As the common fisheries policy was not really a policy at all, it had subsequently to be written into the Maastricht treaty to give it a post hoc legal basis. That was done: an attempt was made to put it on a legal basis by writing it into the treaty. That was then taken further by Giscard D'Estaing's abortive constitution. The British Government had not had the guts or the gumption to challenge its legality. It is clear, however, that the Commission was worried about that legality, which is why it got the policy written into the Maastricht treaty and tried to write it in further in the constitution.

The constitution stated that it would give the Commission exclusive competence of

"the conservation of marine biological resources under the common fisheries policy".

That was an historic first: it was the first time that fish were included in any constitution and it was the first time that marine biological resources, which presumably include seaweed, dolphins and presumably anything that goes into marine areas, were included as a crucial part or arch of a constitution. I suggested at the time

[Mr. Austin Mitchell]

that had the provision been written in some of the magnificent language of the American constitution, it would have said, "We, the marine biological resources and fish of the Union, regard these truths to be self-evident. We are a common resource and may be caught by any country. That is a basic right for us and for them."

The wording from the constitution has just been transferred into the treaty of Lisbon; it is almost identical. The Government tell us that it is a treaty and not a constitution. I believe them implicitly to be wrong, because it is de facto a constitution—it defines the way in which the European Union will work. Writing provisions into the treaty is more effective than entrenching them in a constitution, because a constitution with entrenched rights will need some way to dig those rights in and ensure that they cannot suddenly be reversed by a small majority in the House of Commons. That does not need to be done with a treaty because once provisions are in a treaty they are entrenched for ever. They can be modified or removed only by another treaty, which must have the support of 27, 28, 29, 30, 31, 32 or 33 member states—however many are in the Union at the time. That approach is more effective than constitutional entrenchment, and it is the one that we are taking if we allow the current words to remain in the treaty of Lisbon.

Mr. Salmond: I knew that I was missing something about this place—it was the hon. Gentleman's speeches.

Rob Marris: You are never here to hear them.

Mr. Salmond: Well, there are things to do north of the border. So many towns in England are clamouring to join us—it is unbelievable.

The view of the Heath Government in 1971 was that fishing was expendable. Does the hon. Gentleman think that remains the view of those on the Treasury Bench?

Mr. Mitchell: I think that the occupants of the Treasury Bench find it difficult to defend the interests of the British fishing industry, because each time a fisheries Minister goes to a negotiation in December, the Government have other fish to fry. They might want a concession on this or to move forward on that, and the fishing industry is always expendable. It is always the area where the Government can make concessions and improve relations with Europe to secure a gain in another direction. That is the sort of process that goes on. Fishing is never regarded as a front-line interest and something to be defended. *[Interruption.]* Fishing is an important industry that makes a contribution to the national economy, so it is irresponsible of hon. Members to giggle at the mention of fishing as being important. They presumably support the inclusion of fish in the constitution and they then laugh at them—the poor fish. That is a cruel approach to take to a vital national resource.

If provisions are entrenched in the way that I have described, we would be lumbered for ever with a common fisheries policy that is not working. It has not protected the stocks and it has ruined the British fishing industry, because that industry has never been allowed to rebuild behind its own waters, which should be behind the 200-mile or median line. Every other country has managed to do that. I look at the prosperous industries that have been built up in New Zealand, Norway, Iceland, the United States and Canada. Those are examples of fishing industries that have been rebuilt behind limits, because only nation states have an interest in conserving their own stock to hand on to the next generation of fishermen. They do not want just to loot them as an expendable resource—

Rob Marris *rose—*

Mr. Mitchell: My hon. Friend presumably wishes to intervene to tell us that fish do not recognise boundaries.

Rob Marris: No, I merely wished to say that although my hon. Friend has given examples from around the world, and he is much more knowledgeable about them than I am, to suggest that the Canadian industry has been rebuilt behind national boundaries is complete and utter nonsense. I say that as a Canadian citizen. The cod stocks in the Grand Banks collapsed about 15 years ago. They have not been rebuilt and now the west coast salmon industry is about to collapse.

9.45 pm

Mr. Mitchell: The Canadian fishing industry is making as much money out of catching shellfish—including crabs and lobsters—as it was out of catching fish. My hon. Friend must not attribute the consequences of climate change to a lack of national control over fishing resources—

The First Deputy Chairman: Order. Perhaps the hon. Gentleman could now return to the subject of his amendment.

Mr. Mitchell: I detoured on to the subject of other fishing grounds.

Mr. David S. Borrow (South Ribble) (Lab) *rose—*

Mr. Mitchell: If my hon. Friend does not want to talk about Canada, I shall give way to him.

Mr. Borrow: At the beginning of my hon. Friend's contribution, he said that his amendments were ones that people who supported the treaty and the European Union could vote for, because they would repatriate powers relating to the common fisheries policy, if we thought that that was important. As a pro-European who is broadly in favour of the treaty, I am somewhat tempted by his argument. I am also aware that were that to happen we would need to renegotiate the treaty to ensure that that clause was included when we approve the treaty, which may happen next year. How confident is my hon. Friend that other member states would go along with that?

Mr. Mitchell: I am grateful for my hon. Friend's support, although I am doubtful about his querulous fears about what would ensue if my amendments were passed. They would just delete the common fisheries

policy. We would be saying that that was no longer a central policy of the European Union, no longer part of the constitution and no longer an issue that has to be dictated from Brussels. We would be saying that we could replace it with either a national policy, which I would prefer, or with agreements between the coastal states that actually fish in the waters concerned, rather than allowing a whole host of vessels in from areas that have no interest in those waters except catching the fish and getting it home as quickly as possible.

The amendments would open the way to change, and should therefore have wider support. Certainly the common fisheries policy has prevented the British fishing industry from rebuilding in the way in which it would logically have done after it lost Iceland's waters—by concentrating on our own territorial waters and rebuilding fishing there. At the moment we cannot do that because our waters are open to access by other vessels. Only the nation state has the interest in its own territorial waters, but we could come to agreements with other states on exchanges of catches or quotas. The point is that we would decide our own policy, instead of having it imposed by agreements from Brussels that involve other nations with no interest in fishing or in our fishing stocks. That would also contribute to a more sensible common fisheries policy.

We all want to see the European Union widened. I want to see it become wider and shallower, not wider and deeper. It would be desirable, for example, to bring in countries such as Iceland and Norway. We could never bring those countries into the European Union at the moment because fishing is crucial to them—far more crucial than it is to us. They cannot allow access to their fishing grounds on the scale that would be required by the Common Market and by Europe. That stopped the Norwegians from entering in 1972 and stopped them from adhering in a subsequent referendum. It certainly keeps out Iceland. There can be no way of broadening Europe by bringing in those nations as long as we keep the common fisheries policy, because that would mean that every country would want access to those nations' fishing resources. They would be insane to allow that.

Let me conclude by pointing out that the policy has not worked and is not working. It is time for us to end it, and amendment No. 225 provides us with the opportunity to do so. I hope for a vote, although of course that is at your discretion, Mrs. Heal. My tellers are ready, my troops are armed and I think that the amendment is a rather better way of dealing with the issue than amendment No. 222. I hope that we can have a vote on it.

Bill Wiggin (Leominster) (Con): I rise to support amendment No. 222. Ministers and bureaucrats in Brussels may well argue that the treaty is merely putting into words what is happening in practice. Indeed, we heard that from the Deputy Leader of the House when she summed up earlier. In previous written answers about the constitution, Ministers have stated:

"Existing Community competence over marine biological resources under the common fisheries policy derives from article 102 of the UK treaty of accession."—[*Official Report*, 2 March 2005; Vol. 431, c. 1159W.]

No other treaty is this explicit, however, about taking away member states' powers over their marine environment and biological resources. It is certainly not that clear or explicit in article 102 of the accession treaty, which states:

"the Council, acting on a proposal from the Commission, shall determine conditions for fishing with a view to ensuring protection of the fishing grounds and conservation of the biological resources of the sea."

I recognise that the legal arguments on the extent to which the article divides responsibility for fisheries between Europe and the UK have been raging for years. However, instead of taking the opportunity to clarify the arrangements and set clear red lines, enshrined in a treaty, the Government have stood back and are letting it slip away. Action to defend British interests could have been taken earlier, because the dangers had been recognised by the European Parliament, scientists and Labour MPs. Even the Government expressed concern over exclusive competence.

When pressed in the European Scrutiny Committee by the hon. Member for Moray (Angus Robertson) on whether the UK Government were happy to see marine resources as an exclusive competence of the EU, the former Minister, the right hon. Member for Neath (Mr. Hain), stated:

"No, we are looking at this."

Perhaps his mum wrote that bit; I do not know. Brussels tried to take more powers from the nation state in the marine strategy directive. During the European Standing Committee debate on that subject two years ago, the former Minister responsible, the hon. Member for Exeter (Mr. Bradshaw), said:

"One thing that we are worried about, as I have said, is that the draft directive appears to be a power grab by the Commission in terms of competences and what could or could not be done. That is completely unacceptable."—[*Official Report, European Standing Committee*, 14 February 2006; c. 7.]

In the Lisbon Treaty, however, the Government are prepared to hand over, perhaps once and for all, exclusive competence over our marine biological resources. That is widely regarded as unnecessary and will not bring benefits to our marine environment.

The European Parliament's Committee on Fisheries has dismissed the proposed power grab, voting against it, stating:

"within the context of the other exclusive competencies of the EU which are detailed in the draft Constitution, the inclusion of the conservation of marine biological resources is anomalous and unjustified."

I think that the quotation given earlier was the same, and it is very helpful. The committee expressed further concern

"at the attribution of exclusive competence for the 'conservation of marine biological resources' under Article 12 of the 'constitutional treaty'...since it will tend to marginalise the competence of national and regional authorities which have in the past succeeded in preserving resources which are now under threat and whose protection is sought."

We also hear Ministers talk about taking a science-based approach to the marine environment, but that can have no credibility when they ignore the Royal Society of Edinburgh's recommendation that

[Bill Wiggin]

"Ministers should reconsider their position over the EU exclusive competence for the conservation of marine biological resources, with a view to getting this deleted from the proposed EU constitution so that the principle of subsidiarity may apply to fisheries, as it does to other matters."

The same report also recommended that Ministers should endeavour

"to have the existing 12-mile limits made permanent instead of being subject to renewal every ten years."

That is something that the Lisbon treaty would put in jeopardy.

The hon. Member for Great Grimsby (Mr. Mitchell) chairs Labour's Euro-Safeguards campaign. In an article in his weblog, he notes the change from common fisheries policy to "exclusive competence" over the

"marine biological resources of the sea".

He goes on:

"We are told that most of the Constitution is already in earlier treaties. Much isn't and it also builds new powers on the back of earlier provisions...These and many other major changes are being presented as tinkering and 'tidying up', too unimportant for Parliament to discuss. This legislative confidence trick is unworthy of a government which should listen to the views of Parliament and people and allow full and free debate in Parliament before any referendum or surrender of parliamentary sovereignty or British laws and freedom. You can't win wholehearted consent by confidence tricks, half truths and closing down debate."

The hon. Gentleman is absolutely right. I have read his articles in *The House Magazine*, and I hope that I have not got him in trouble with Tommy the Whip or his wife—whoever he is more frightened of. However, I liked what he said earlier, and I apologise if I have got him into a pickle. He is right to say that we should co-operate with our European partners in improving the overall health of the marine environment and fish stocks, when possible—but the provisions in the treaty, left unamended and in their entirety, go much further.

When the Environment Secretary was asked in a written question what the effect of the proposed change would be, the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Chatham and Aylesford (Jonathan Shaw), decided to defer the answer to a later date. If there is to be no change, or if the proposed changes were merely "tidying-up" exercises, why are Ministers unable to respond to what is essentially a straightforward question?

We need clarification of the responsibilities of the nation state and the European Union. The provisions in the treaty do not do that; instead, they potentially leave the door open to further powers being slowly sucked away from Britain by directives, regulations, European judges, and stealth.

One of the biggest problems with the EU and the CFP has been discarding, as the hon. Member for Great Grimsby noted earlier. Under the strict total allowable catch regime, it is estimated that between 40 and 60 per cent. of fish caught are thrown back into the sea, dead. Discard rates for the UK fisheries are high. The discard rate for North sea cod caught by English and Welsh vessels in the North sea stood at 43.8 per cent. in the last three months of 2006. Between April and June 2006, 42.2 per cent. of west of Scotland haddock was discarded by Scottish vessels. In total, 62.7 per cent. of west of Scotland saithe and 83.5 per cent. of west of Scotland whiting were discarded by Scottish vessels between July and September 2006. That means that a total of 246.3 tonnes of fish were discarded, but only 48.6 tonnes were landed—or that about 5 tonnes of fish were discarded for every tonne landed. That cannot go on.

Such data are collected and sent to the Commission by this country, but other countries, notably France and Spain, do not provide the necessary information. Moreover, the European Commission does not appear to be taking action against those countries, and its discard atlas appears to have been kicked into the long grass.

So what is the point of the EU wanting to give itself "exclusive competence" over

"the conservation of marine biological resources under the Common Fisheries Policy"

when it is not taking adequate responsibility for its existing powers and authority? Europe has got to get to grips with tackling discarding: under this treaty, that position will not change, and it could be made worse.

Nor will this treaty guarantee greater fairness for our fishermen. For example, we have seen the Commission penalise British crews for over-fishing herring and mackerel, and subsequently they have had to "pay back" the extra fish over five years. Yet the French over-fished bluefin tuna—which is an endangered species—by 40 per cent. in 2005 and by 30 per cent. in 2006, and the Commission did nothing except waive EU penalties and negotiate an international amnesty.

That is not providing adequate protection to marine biological resources. The opportunity to improve the management of fish stocks and the marine environment has been wasted. More powers will go to Brussels; it is enshrined in the treaty. The Government have ignored the Opposition, Labour MPs, the European Parliament and scientists. Our marine environment is not in safe hands. The provisions will do nothing to improve the situation. Therefore, we should accept the amendment.

10 pm

Mr. Hendrick: I oppose amendment No. 82, as it is certainly clear from many speeches made by Opposition Members that the role of this amendment and indeed many others is to block the competences introduced by the Lisbon treaty. Today the President of the European Parliament starts his official visit to the United Kingdom. As a former MEP and someone who is proud of this Parliament, I take great exception to many of the comments made by Opposition Members regarding the legitimacy of the directly elected European Parliament in both its current and its proposed form, which would include many improvements made by the Lisbon treaty.

At the moment, the European Parliament has 785 directly elected Members. That figure will be made more manageable for a European Union of 27 member states by being reduced to 751. Limitations will be made at the bottom end—no country will have fewer than six MEPs—as well as at the top end: no member state will have more than 96. That will make the European Parliament much more effective than it is and, given the other changes, which I shall mention shortly, much more legitimate in the eyes of the European peoples.

Mr. Nigel Evans (Ribble Valley) (Con): Does the hon. Gentleman accept that Hans-Gert Pöttering told the Council of Europe last year that the constitutional treaty before us is virtually the same as the constitution rejected by France and Holland?

Mr. Hendrick: I thank my neighbour from Ribble Valley for that contribution. I will be having lunch with Hans-Gert Pöttering tomorrow. Although many of the things that were in the constitutional treaty are in the reform treaty, a good deal are not.

Mr. Evans: They are virtually the same.

Mr. Hendrick: Well, they say that the DNA of certain species is very similar to that of human beings, but that does not make those species human.

The UK will gain one extra MEP, making a total of 73. Although we currently have 78, that number would have fallen under the terms of the Nice treaty to 72. In terms of representation in the European Parliament, Britain will have more under the new treaty than it would have had otherwise. That is a gain and a good achievement for the United Kingdom.

To bring about the extra legitimacy warranted by the European Parliament, the new treaty will extend democratic accountability by making co-decision the standard legislative procedure; it has been renamed the ordinary legislative procedure. Co-decision, which will give the European Parliament the same power in certain competences as the Council, was introduced by the Maastricht treaty with the support of many official Opposition Members and of Mrs. Thatcher. I wonder what Mrs. Thatcher would think if she were in the Chamber today, given the contributions of many Opposition Members.

Mr. Evans *rose—*

Mr. Hendrick: No, I will not give way again. The hon. Gentleman has only just arrived at this debate, and many of us have been here for hours.

Co-decision will not be extended everywhere. As many Members have pointed out, the key policy areas requiring national control and national Government—typically foreign and defence policy—will remain in national hands. In addition, co-decision will not affect the ability of the Commission, acting with member states in the Council, to provide protection from threats to animal or human health. I am confident that co-decision will not block common agricultural policy reform and common fisheries policy reform, despite the many comments that we have heard, particularly from nationalists and from one or two Labour Members.

Overall, the treaty will expand member states' influence by giving them greater say over all parts of the EU budget. When I served in the European Parliament, we had no control whatever over agricultural spending, but the Lisbon treaty will introduce that innovation.

Kate Hoey (Vauxhall) (Lab): My hon. Friend spoke about having more control over the budget. Is there anything in this treaty-cum-constitution that will in any way lead to the European Union having its accounts signed off properly?

Mr. Hendrick: There is nothing to stop those accounts being signed off properly now. It is just that the will to sign them off is not there among the auditors responsible.

Mr. Bone: As a chartered accountant, I declare an interest. The suggestion that an accountant would sign off accounts when they knew them to be fraudulent is quite preposterous.

Mr. Hendrick: I am sure that many Government members and MEPs would say that, in a good many cases, the reason why accounts are not signed off is not fraud but because the level of detail and the care with which many of the budget lines are spent.

The Lisbon treaty will mean that all EU legislation will be subject to a level of parliamentary scrutiny not seen before. I have visited a number of legislatures in the European Union, and apart from the Danish legislature—the Folketing—the European Scrutiny Committee here in the House of Commons is probably one of the best means of providing that scrutiny. Under the Lisbon treaty, the Commission will give us sight of proposed legislation for national Parliaments, the European Parliament and the Council long before our Ministers go to Europe and do deals, contrary to what happened in the past. I am a former member of the European Scrutiny Committee, and there have been times when I have questioned members of my Government on the stance and positions that they took. The introduction of the new procedures will allow national parliamentarians to do that with much more ease, as they will be aware of proposed legislation much earlier.

Democratic control and the exercise of delegated legislation powers by the Commission will be reinforced through a new system of supervision by the European Parliament and the Council. That will enable either of them to block decisions on delegated legislation. That cannot happen at the moment. The Commission can, through delegated legislation, take many decisions that cannot be stopped by the Council or the European Parliament. The treaty will change that situation for the first time.

MEPs will be given separate votes to approve the President of the European Commission and the college of Commissioners. The European Council, in nominating a Commission president, must strongly take into account the position of the European Parliament, which is a directly elected body.

On reform, after the 2009 European elections there will be a new MEPs' statute. The statute will reform salaries, providing a standard base across the Union. The standard MEP's salary across Europe will not affect the UK tax system. That will ensure that UK MEPs' net salaries remain equivalent to UK MPs' salaries. The question is whether the new budgetary procedure will enhance Parliament's say on spending. Will it block the budget review? Will it put the UK's rebate at risk? The treaty will expand member states' influence by giving them a greater say on all parts of the budget. Again, that is a move away from intergovernmentalism to give member states more say, as their Parliaments will be able to speak out much more loudly on the budget. It will also enhance member states' say on the overall size of the EU annual budget.

[Mr. Hendrick]

The distinction will be removed between compulsory expenditure—I have already mentioned agricultural spending—and other areas of expenditure over which the European Parliament has the final say and which is the larger and increasing share of total EU expenditure—for example, expenditure in relation to structural funds, from which my region has benefited greatly. The ceilings on EU expenditure are set by the seven-year financial perspectives. Those multi-annual financial frameworks will continue to be decided strictly by unanimity in the Council.

The Council, not just the European Parliament, will take decisions on all subjects covered by the budget review. There can be no changes to the UK's budget abatement without the UK's agreement. The Lisbon treaty will not change that.

We have gone from being a European Parliament that was composed initially of appointed Members on a purely consultative basis to a modern electronic Parliament which, as a result of the treaty, is a legislature that can flex its muscles and which, in many more areas, carries weight equal to that of the Council. We are seeing the development of a Parliament that Europe can be proud of.

I am proud to be a Member of the House, and I was proud to be a Member of the European Parliament. Having both those Parliaments working well and parliamentarians working hard for the constituents whom they represent is important in bringing power and law-making closer to the people. I see the treaty as a genuine development which moves away from intergovernmentalism and gives the people of Europe more say over the things that affect them.

Angus Robertson (Moray) (SNP): I am delighted to speak to amendment No. 222 in the name of my right hon. and hon. Friends, and to signal that if we have the opportunity we will press it to a Division. We are delighted to have received indications of support from across the House, not least from the official Opposition.

I shall speak in a moment about the matter of concern, the exclusive competence of the European Union in relation to marine and biological resources, which has already been raised, but by way of introduction I should like to make a point that is very important to me. I take part in the debate not as a Eurosceptic, but as somebody who supports the European Union. I believe that it is an important institution. In a time of extraordinary change on our continent, it is vital that we live in peace, with security, open borders, open markets and hope for so many, in particular for the new nations of central and eastern Europe. Independence in Europe is the norm for most nations. It is the preferred model to share sovereignty where that is essential, but retain important decision-making powers at home for vital areas.

I speak as a friend of the European Union to point out that when there are gross failings, they need to be addressed. The greatest failure of the European Union is the common fisheries policy. That is not just a Scottish issue. We heard an impassioned contribution from the hon. Member for Great Grimsby (Mr. Mitchell). The policy impacts on the English fleet, the Northern Irish fleet and the Scottish fleet. We on the Scottish National party Benches appreciate that the anger about the policy is felt in all coastal communities.

Amendment No. 222 gets to the root of the problem, which is the exclusive competence that is ascribed to the CFP in the treaty. It is exactly the same wording as was to be found in the draft constitution. There has not been a single change.

It should be obvious why this matter is of such importance to Scottish nationalist Members, Scotland being one of the great maritime nations of Europe with over 11,000 km of coastline and 70 per cent. of its population living within 10 km of the sea.

10.15 pm

Kelvin Hopkins (Luton, North) (Lab): Is it not unacceptable that a large number of landlocked nations with no interest at all in maritime affairs, with no fishing, vote on matters concerning the fish that swim round our shores?

Angus Robertson: Nations such as Slovakia, Austria, Hungary, the Czech Republic and others may have had intermittent maritime histories, but they certainly have none now, and the notion that their Agriculture Ministers—they do not even have Fisheries Ministers—turn up at Council of Ministers meetings and have more say over the Scottish fishing industry than my right hon. Friend the Member for Banff and Buchan (Mr. Salmond), the First Minister of Scotland, who has responsibilities for fishing in Scotland, shows what nonsense the CFP is.

I return to the importance of this industry. I may have misinterpreted the laughter earlier, but this is a serious issue for coastal communities. It is about the existence of towns, jobs, their lifeblood, just as it was for those towns that suffered during the miners' strike when people were faced with the closure of their pits and were looking into the black hole of their future. It needs to be understood in urban centres that that is why the CFP is such a controversial policy, and one that needs to be addressed.

More than 5,000 fishermen are employed around the coast of Scotland, and for every job at sea there are an estimated five more fisheries-dependent jobs onshore. In 2006, £390 million-worth of fish was landed in Scotland, two thirds of the UK total, and Scotland accounts for 70 per cent. of all fish landings into the UK. Ironically, when the Council of Ministers discusses these fisheries, the UK Minister who represents only 30 per cent. of the industry has the lead role over the Scottish Minister who represents 70 per cent. of the industry—another anomalous situation that is unsustainable.

Kelvin Hopkins: Is it not unacceptable that fish taken out of what were British fishing waters by foreign fleets amount to a net loss of £2.5 billion to our economy every year?

Angus Robertson: The UK Government are happy to have that situation based on case law enshrined in the treaty, and they would have accepted it as the status quo in the previous draft constitution. That is completely unacceptable. I note with interest that recently the United Nations Food and Agriculture Organisation maintained that fish stocks are best managed not through intergovernmental organisations

such as the EU, but through exercising national jurisdiction over natural resources, and further warned that at an international level, governance arrangements are inadequate and do not result in effective management of fisheries.

Amelioration is possible. My friend who represents the same constituency as me in the Scottish Parliament, Richard Lochhead, the Scottish Fisheries Minister, has worked hard to seek changes within the present set-up. It is a tremendous improvement on the previous regime, as was recognised by the European Parliament, which adopted a report that praised the SNP Scottish Government for implementing sensible measures to conserve fish stocks and encouraged other member states to follow the Scottish scheme. Therefore it is possible to make improvements, but we need a quantum leap in approach to this policy, not the smaller managerial steps that are possible with the CFP as constituted.

The UK Government support a policy that allows literally millions of perfectly edible healthy fish to be thrown overboard, and that is outrageous—not that we have heard anything from those on the Treasury Bench about how advantageous it is. Throughout all these days of debate in this House, not once has anybody from the Treasury Bench got up to say how great a policy it is. Of course they cannot—it is indefensible.

Mr. Frank Field (Birkenhead) (Lab): Before the hon. Gentleman finishes, will he comment on the loss of not only the stocks that are thrown back, but our sovereignty over the whole of our fishing stocks? They used to provide important nutritious meals to poorer people in this country, but their relative price has changed so much that they are now not on the menu.

Angus Robertson: The right hon. Gentleman makes a good point, which underlines the fact that this unsustainable policy needs to be addressed seriously. Yet nothing seems to have been done.

The relative positions of the fishing industries in neighbouring countries have been mentioned a number of times in interventions and speeches. Why are the fisheries of Norway, Iceland and the Faroe islands infinitely more successful and sustainable than the situation within the EU? If the CFP was such a good thing, surely the Norwegians, the Icelanders and the Faroese would be queuing up to join because of that. Not in a month of Sundays will they do so, because they know that that would mean the end for their fishing industries.

Mr. Cash: Has the hon. Gentleman considered the question of salmon fishing in tidal waters, for example? Although the issue may seem to be outside the territorial boundaries of a particular part of the United Kingdom, including Scotland, is it not possible that Scottish salmon fishing could be at risk under the proposals?

Angus Robertson: The hon. Gentleman makes an important point; I hope that he will join us in the Lobby tonight, if we are able to press amendment No. 222 to a Division.

I was trying to make a point about the fisheries industries in neighbouring countries. Why in the past 10 to 15 years, during which extraordinary pain has been felt among the fishing fleets of the United Kingdom, have we seen an increase in the power and tonnage of the fishing fleets of those other countries? We are told that fish do not respect borders. That is very interesting—of course they do not. Why, then, are the fisheries policies of those neighbouring countries infinitely more successful than those within the European Union?

In preparing for this debate, I looked at some interesting correspondence that I received a few short years ago from the Prime Minister of the Faroes. He wrote:

> "You are certainly correct in your assessment of the Faroese position on membership of the EU in relation to the Common Fisheries Policy. Indeed fisheries are of such overwhelming importance to our entire nation that membership of the European Union was unanimously rejected by the Faroese Parliament in 1974, and has not been on the political agenda since."

If the people of Norway, Iceland and the Faroes wanted to join the European Union, I would like the idea that they could. However, unfortunately the UK Government have signed up to a treaty enshrining fisheries as an exclusive competence, and that will make it impossible for those neighbouring nations ever to join. That is a travesty.

Let us consider how the issue has progressed. I would like to point out certain important realities for the record. The Scottish National party's position on this point, and others, has been consistent through the whole process of first the draft constitution and now the treaty. My friend Professor Sir Neil MacCormick, former MEP, was the only democratically elected member on the Convention that drew up the constitution. He raised the problems with the draft as it was emerging. The problems were reiterated in the Standing Committee on the Convention on the Future of Europe debates that brought together Members from the House of Commons and those from the other place. They were raised repeatedly. They were raised in the European Scrutiny Committee and in meetings that my right hon. Friend the Member for Banff and Buchan (Mr. Salmond) and I had with the then Foreign Secretary, the right hon. Member for Blackburn (Mr. Straw).

The UK Government have known that the issue is a red-line one for the Scottish Government. Despite that, they have ignored it from day one. The consequences are that the treaty is unacceptable. As a pro-European, I could live with 95 per cent. of the treaty as it stands. However, because this issue has been pointed out from day one and because the UK Government could have sought an amendment but did nothing, the treaty has been made completely and utterly unacceptable.

Mr. Siôn Simon (Birmingham, Erdington) (Lab): The hon. Gentleman started off by telling us what a good European he is, but he will have noticed throughout his remarks, which are very impassioned and some of which I do not disagree with—I am not sure that if I represented a coastal community I would be keen on the common fisheries policy either—that all his friends in the Chamber are very strongly not friends of the European Union; indeed, they are very bad enemies of the European Union. The bottom line is that he cannot have it both ways—he cannot have the amendment and the treaty.

Angus Robertson: The hon. Gentleman does not have the benefit of eyes in the back of his head, which would enable him to see his colleagues on the Labour Benches agreeing with our criticisms of the common fisheries policy. That applies not only to Labour Members in this House but to socialists in the European Parliament, not least in the Fisheries Committee, where there was a vote of 23 to zero—there were four abstentions but no votes against—saying that exclusive competence over fisheries is a bad thing. That is exactly what the SNP amendment would expunge.

As the hon. Member for Leominster (Bill Wiggin) said, the Royal Society of Edinburgh has sought to encourage us to delete exclusive competences—and not just the Royal Society of Edinburgh, august as it is. All hon. Members representing Scottish constituencies were contacted over the weekend by the Fishermen's Association Ltd, which said:

"We urge you to stand up in the national interest for our fishing industry and fishing communities.

While we were disappointed that the UK Government did not make this a red line issue at the time of negotiating the Lisbon Treaty, it is not too late".

It then asks hon. Members to support the SNP amendment.

The common fisheries policy is a failed policy. Discards are obscene. The idea that communities are horse-traded in the middle of the night at annual Brussels negotiations is completely unacceptable. The UK Government have failed to address the issue and failed to listen to the Scottish Government. For them, fishing is still expendable. A Conservative Government made a mistake in the early 1970s that a Labour Government are repeating now. That is why we will seek to press the amendment to the vote. Members of all parties in this House stood on manifesto or policy commitments to let the people decide on the treaty, and that is what should happen. The SNP has supported a referendum from day one, not least because of the disastrous common fisheries policy.

Rob Marris: I do not know a great deal about fisheries—

Mr. Christopher Chope (Christchurch) (Con): Sit down, then.

Rob Marris: If the hon. Gentleman had been here from the start, he would know that there are about 12 amendments before us, only two of which deal with fisheries, so there are other things to talk about.

Nevertheless, what I would say about fisheries is that it is clear that the current policy is not working. It is clear to my constituents, I think, that part of the reason why it is not working is the presence of foreign vessels in UK waters, which, as far as I know, bought quotas from UK fishermen. It is also clear that when the United Kingdom discusses the common fisheries policy in the European Union, it is often the case, as is reported, that the UK is asking for higher quotas than the EU thinks are applicable to preserve fish stocks in UK waters. That suggests to me that fish might be better off with the European Union, because stocks continue to decline in UK waters.

The treaty will help to improve scrutiny of European Union legislation in this place. We need to go further in our scrutiny of legislation from the EU that may be implemented in domestic law. I am pleased to hear that the Government are making progress in that regard, and I hope that further progress can be made. I served on a Committee scrutinising European legislation—I cannot remember which one. The Minister was on it; he may remember; he was a very able Whip then. We served on Committee A or B for about two years, which conducted ex post facto scrutiny, and it was always an all-or-nothing affair. We need to improve decision making in this House, as the representative of this country in terms of the European Union.

10.30 pm

Some hon. Members will know that I have been here for the majority of every day's debate on this Bill. This is my eighth day considering it, including the time spent on the business motion, which was thrilling. Looking at the aspects of the European Union brought into focus by the treaty, it has become apparent that quite a lot of Members in this House—they are mostly but not exclusively confined to the Conservative Benches—seem to see, given the tenor of what they say, a conspiracy by some of the other 26 member states to boss around the UK and tell us what to do. They seem to see the provisions in this treaty, and our relationship with other member states in the European Union and with the Union itself, as a one-way street. *[Interruption.]* Indeed, someone says from a sedentary position that it is.

I think that those Members are profoundly wrong. With regard to the single market, it is not just a question of nasty foreigners coming over here, selling their goods and services and blocking us out. The provisions in this treaty and elsewhere enable UK business to have better access to 26 other markets in the EU. It is a two-way street in that regard.

Kelvin Hopkins: My hon. Friend talks about a two-way street. The fact is that we have a gigantic trade deficit with the rest of the European Union. We import everything from it, and it imports very little from us. It might take a bit of fish.

Rob Marris: Hyperbole does not help my hon. Friend's case. Yes, there is a deficit, but to say that the EU imports nothing from us is quite frankly ridiculous, given the figures.

This is a two-way street, but the attitude I describe has become apparent not only with regard to the single market, to which my hon. Friend refers, but to energy. When we debated energy, the tenor of several Conservative Members' contributions concerning emergency energy provisions was that those nasty foreigners would come here and nick our energy supplies. The idea that we might need help from other states with our energy supplies in the United Kingdom—perhaps because the interconnector went down—did not occur to them and they would not accept that possibility when it was pointed out by others and myself in that debate. It was all a one-way street.

Mr. Desmond Swayne (New Forest, West) (Con): The hon. Gentleman should be aware that the amendments concern the institutional arrangements. In that respect,

we are talking about a one-way street, on the basis of the occupied field—the acquis. It cannot but be a one-way street.

Rob Marris: One of the key things we are discussing with regard to the amendments is competences—who does what. That brings to light our role in the European Union, whether we should be in it and what we should be doing.

It was clearly apparent when we discussed criminal measures that some Members felt that there was a one-way street. When I pointed out to the right hon. Member for Wells (Mr. Heathcoat-Amory) that his constituents might get into difficulty with the criminal law in another member state and that minimum standards provided for under this treaty and the competences specified therein might therefore be a good thing for his constituents, the flavour of his reply was that his constituents would not be travelling to the continent and would never get into criminal trouble there.

Mr. David Heathcoat-Amory (Wells) (Con): The hon. Gentleman totally misrepresents my response. My point was this: why should I give up 100 per cent. of the powers to represent the interests of my constituents in my own country in exchange for a residual and hopeful right to influence some laws affecting those of my constituents who might travel to the continent? That is a very bad deal.

Rob Marris: That is a bad piece of hyperbole. Giving up 100 per cent. of rights on the one hand and possibly gaining some rights on the other is not the position. The right hon. Gentleman's constituents are not being asked to give up 100 per cent. of their rights. Indeed, the treaty refers to minimum criminal standards in states throughout the European Union. That is helpful.

Mark Pritchard (The Wrekin) (Con): On energy and the one-way street, is not it the case that there is no single energy policy for Europe and that the Germans and the French refuse to liberalise their energy markets, which means that energy security is a fantasy for most European partners?

Rob Marris: I am glad to hear that the hon. Gentleman will vote with the Government on the treaty because the single market provisions give the United Kingdom greater leverage, which is the two-way street, on liberalising energy markets—the very issue to which he refers.

Mr. Clappison: The hon. Gentleman makes his case with conviction, but will he face up to the fact that it is neither his constituents nor people in Greece or Germany who want to harmonise criminal law? That is being driven by the Commission and those who have a federal point of view about the European Union in looking for ever more matters to integrate. It is not driven by the people.

Rob Marris: The hon. Gentleman knows the treaty better than I do. The provisions on harmonisation—he used the word "harmonise"—do not relate to minimum criminal standards, which are a different part of the treaty. The treaty does not propose harmonising criminal law.

Mr. Clappison *rose*—

Rob Marris: If the hon. Gentleman wants to point out the reference to me later, he may do so.

Charles Hendry (Wealden) (Con): I was not in the Chamber when the hon. Gentleman began speaking, but I have just been made aware of his comments about last week's energy debate. On that occasion, we said that we objected to the European Union having the power to divert energy supplies from one country to another when it judged that it was a time of crisis. We did not say that it was a one-way trade. I specifically said that it was wrong for French gas reserves to be diverted to Britain, just as it would be wrong for British gas reserves to be diverted to France. In the light of that, I hope that he will withdraw his remarks.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): Order. The Committee must not be tempted to have another debate on energy, which we have already dealt with.

Rob Marris: I am grateful for that guidance. Let me say briefly—we are not rehearsing last week's debate—that my recollection of the treaty is that it refers not to diverting supplies, but to assistance.

Yesterday, we had a debate on international aid, and previously we had a debate on foreign policy. There is an overlap between those subjects, although they are separate, and that overlap was part of the debate. The idea that those nasty foreigners will tell us what to do on the international stage about aid or foreign policy is completely off the mark. To use the noun that I employed yesterday, the proposals mean "leverage" for the United Kingdom. To use an expression from the earlier debate on foreign policy, they can mean an each-way bet as opposed to a one-way street. If we are alone on an issue, the treaty will allow us to stand alone in terms of the competences, decision making and allocation of powers, because foreign policy has to be held in common and determined by unanimity. If we agree with the other member states, we have leverage.

When the hon. Member for Forest of Dean (Mr. Harper) intervened on my hon. Friend the Member for Ilford, South (Mike Gapes) about qualified majority voting and the blocking minority—I intervened subsequently—he presented the position negatively, as if it were always a question of how we could build a blocking minority—the unspoken sentiment in brackets being, "How can we stop those nasty foreigners doing things to the UK?" That is such a negative perspective. We should consider ways in which we can work with other member states when QMV covers the competence to build a coalition to get what we want for our country and our national interests in the European Union.

Mr. Harper: It was the Chairman of the Foreign Affairs Committee who boasted about our increase in the share of the vote. He referred to a blocking minority, and the only Member who has talked about "nasty foreigners" is the hon. Member for Wolverhampton, South-West (Rob Marris).

Rob Marris: It should be quite clear to the hon. Gentleman and others that I am paraphrasing the flavour

[Rob Marris]

and tenor, as I see it, of many of the contributions of those on the Conservative Benches. I am not quoting and have never claimed to be quoting. However, we are talking not just about the blocking minority—that is what sprung into his mind—but about the increase in our voting power from 8.5 to 12 per cent. Sometimes—I hope in a minority of cases—that would be used to form a blocking minority, but I hope, too, that on most occasions it would be used constructively to build a coalition to get what we want in the world, in our national interest, through the European Union.

Kate Hoey: My hon. Friend has spent a lot of time going through the treaty. He is so positive about every angle of it, so why is he afraid of having a referendum, so that the people can give their views on it and share or perhaps not share his confidence?

Rob Marris: I am not going to get into a big debate on the referendum, because it is raised endlessly in this place. What I am trying to put forward is what I see as the many positives in the treaty, of which I have become more convinced as we proceed. Without wearing rose-tinted spectacles—of course there are problems with the European Union—[HON. MEMBERS: "Whoah!"] Opposition Members exclaim as though that were a big deal. The European Union is an organisation encompassing, in round terms, 400 million people. Of course there will be problems with it. Do we walk away from those problems or do we stay in there and do what is in our country's interest by increasing our influence on the continent and in the world?

In some ways, the European Union is one of the most successful international bodies in the world. *[Interruption.]* There is laughter from Opposition Members, some of whom really ought to know better, because they are of an age to. Until we had the European Union, we had centuries of war in western Europe; since then there have been no wars between major states in western Europe. Cause and effect may or may not be involved, but that is not something on which I would wish to take the gamble. To be a member of that club, we have to give up—yes, give up—certain powers, and in exchange we get other powers. That is to do with negotiations and building our influence in the world.

I shall give an example of where some other countries think that we are going broadly along the right lines: it relates to Mercosur in Latin America. Although Mercosur has a slower and much more difficult process, because of the relative poverty in Latin America and the disproportionate size of Brazil, it has a political project as well as an economic project. Those in Mercosur derive great knowledge and experience from the European Union and they think that we are doing a good thing. The fact that they hold that view does not necessarily mean that we are doing a good thing, but it shows that having the European Union is not an anomaly.

Members of the official Opposition should have a little more confidence in the European Union and a little more vision, because John Major was right when he lined up—initially with Denmark, but basically alone—to oppose deepening and propose widening. He was right, and he won. He built that coalition and he won. *[Interruption.]* Again, Opposition Members laugh, but membership of the European Union has almost doubled since he took that stance, and it is widening.

Kelvin Hopkins: Many of us supported widening because we thought that it was a way of avoiding deepening, but the treaty is about deepening, not widening.

Rob Marris: My hon. Friend is absolutely right to say that there is some deepening in the treaty, but had John Major not taken the position that I have described, there would have been either a bust-up of the European Union or a whole lot more deepening.

Earlier today, the right hon. Member for Richmond, Yorks (Mr. Hague) talked about constitutional tinkering. I think that "tinkering" was the noun that he used—*[Interruption.]* It may in fact be a gerund I am told. It describes a constant process within a dynamic institution that has expanded greatly in recent years. Many in the House would wish to see it continue to expand. When an organisation expands, it sometimes involves not simply a quantitative change but a qualitative change. With that qualitative change, we need what the right hon. Gentleman referred to as tinkering. We need to change things, and while the treaty perhaps does not get everything to do with the distribution of competences and powers right, it goes a long way towards sorting things out.

10.45 pm

I shall close—[HON. MEMBERS: "Hear, hear!"] There will be more later. I shall close by pointing out that, as some hon. Members know, I spent a lot of my professional life in negotiations. When people negotiate with partners, they often have ongoing relationships, as I did when I was acting for the victims of industrial injuries; I had them with insurance companies, for example, which would come in on one case and then on another the next week. When people have ongoing relationships in negotiations, there has to be give and take. It cannot be a one-way street—take, take, take—which is what the official Opposition seem not to understand about negotiations.

Mr. Francois: I begin my response to this group of amendments by briefly making a point about timing. We have debated important issues such as competences and marine biological resources. Unfortunately, however, yet again, because of the Government's business motion, we shall not touch on three other groups of important amendments on the operation of the institutions, on the European Union constitutional and treaty revision issues and on legislative and decision making procedures. Yet again, the Government's business motion has hampered the line-by-line scrutiny of the treaty that we were promised in lieu of a referendum. That needs to be put on the record again tonight.

I was amazed to hear the hon. Member for Preston (Mr. Hendrick), who is no longer with us, citing the treaty's relationship with the UK abatement as an argument for the treaty. Let me remind the House that, as a result of the Government's miraculous negotiating skills on the abatement—the rebate—they gave

away £7 billion of British taxpayers' money and got absolutely nothing in return. If that is one of the strongest arguments in favour of the Lisbon treaty, it is no wonder that the public overwhelmingly want a vote on it.

I shall now turn to the amendments tabled by my hon. Friend the Member for Stone (Mr. Cash), whom I congratulate on being selected to lead the group tonight. He started by speaking to amendment No. 82, which seeks to remove replacement article 3A. He knows that I have a slight reservation about the proposal, because it would also remove article 3A(2), which relates to national security. In fairness, he touched on that point in his speech.

I have a slight reservation about that, but I am much more comfortable about my hon. Friend's amendment No. 121, which seeks to strike out from the treaty the innovations brought into the categories and areas of Union competence. The amendment would improve the treaty by striking out the innovations to the list of the EU's areas of exclusive competence—in other words, the areas in which the EU alone is allowed to legislate—as well as to the list of shared competences, or areas in which the EU, in effect, has first refusal to legislate. The list of exclusive competences has been extended to include areas that would damage the UK's ability to legislate, such as competition policy—the subject of an earlier debate—and marine biological resources, under the common fisheries policy. That is the subject of specific amendments that I shall refer to briefly in a moment.

Amendment No. 121 would also improve the treaty by striking out from the list of shared competences additions that were opposed by the Government, such as space, trans-European networks and consumer protection. It would also affect fundamentally the nature of the way in which the shared competences are listed in the treaty. It was the Government themselves, in their arguments on the Convention, who made this obvious observation:

> "Shared competences should be a residual category. They should therefore not be listed explicitly. To have an 'indicative list' of some shared competences is the worst of both worlds."

They were the views of Her Majesty's Government, and we agree with them. To list the categories in this way is, as the Government recognised, bad enough, but as they recognised equally correctly, the way they have been set out is not a restatement of the current position but an enlargement of the EU's powers.

Amendment No. 121 would also strike out new article 2A, which attempts to set out the rules for the way in which competences are decided. On that point, the right hon. Member for Neath (Mr. Hain) said of the European Convention, when he was the Minister for Europe:

> "This is an attempt to codify the existing case law and illustrates that to do so may result in oversimplification. So best left for case law. All the caveats that would be required to make this accurate would also make it far too complex for a constitution".

The caveats that were asked for were not given, yet the rules were not taken out of the constitution and have reappeared in the Lisbon treaty as a result. That is another example of the Government's triumphant negotiating position with regard to Lisbon.

I should like to say a few words on amendment No. 186, also proposed by my hon. Friend the Member for Stone. The amendment is designed to remove a new replacement article 308, which gives the EU the power to legislate in the following way:

> "If action by the Union should prove necessary, within the framework of the policies defined in the Treaties to attain one of the objectives set out in the Treaties, and the Treaties have not provided the necessary powers, the Council, acting unanimously on a proposal from the Commission and after obtaining the consent of the European parliament, shall adopt the appropriate measures".

That wording gives rise to an important question, which I know my hon. Friend the Member for Stone will appreciate: who decides whether the action should prove necessary? At best, this wording is, like much of the treaty, ambiguous; at worst, the provision could give the EU a mechanism for legislating outwith the normal channels of legislation. It should not therefore have a place in the treaty.

Mr. Cash: Does my hon. Friend agree, as I explained earlier in some detail, that this is the most pernicious extension of the powers and competences? For the reasons that he has given and I explained, it allows an extension of powers without a treaty and it enhances the powers of the European Court of Justice in respect of accumulated functions under this treaty and these competences. With the leave of the Committee and the Chair, as a result of the pernicious nature of those provisions, I would like to press amendment No. 186, not amendment No. 82, to the vote.

Mr. Francois: I thank my hon. Friend for that contribution. He is quite right about the "pernicious nature" of replacement article 308. I think that he has indicated to the Chair that he would like to withdraw amendment No. 82 and press amendment No. 186.

Mr. Cash *indicated assent.*

Mr. Francois: If that pleases the Chair, Conservative Members would be delighted to follow my hon. Friend into the Lobby to try to take this pernicious clause out of the treaty.

Amendments Nos. 222, 225 and 131 deal with marine biological resources and fishing policy. They would improve the treaty by removing the damaging further extension of the EU's powers into marine policy. For instance, the SNP's amendment No. 222 would improve the treaty by striking out from the list of exclusive competences marine and biological resources. We heard a number of very good speeches on that particular topic, not least from the hon. Member for Great Grimsby (Mr. Mitchell), who combined serious points with humour. If I may say so, we heard a passionate speech from the hon. Member for Moray (Angus Robertson). We do not always agree with everything that his party stands for, as he knows, but he made a passionate and convincing speech on this matter tonight, on which I congratulate him. We also heard a very good speech from my hon. Friend the Member for Leominster (Bill Wiggin), who provided a great deal of detail, not least because he happens to be an expert in this subject.

The Minister was assailed from all sides of the House about fishing policy. The House does not

[Mr. Francois]

support the Government's policy and I look forward to hearing the Minister's attempt to defend it against the criticisms that have been made by Conservative Members, Labour Members and, indeed, by Scottish National party Members. In fact, his policy was so bad that it was also criticised by the Liberal Democrats. That is the kind of problem in which the Minister found himself.

Amendment No. 186 seeks to remove an ambiguous and dangerous provision, and would therefore improve the treaty. I hope that my hon. Friend the Member for Stone will press it to a vote. Amendment No. 222 seeks to remove a dangerous and unnecessary entrenchment of the EU's competence over marine and biological resources, which could hamper the United Kingdom's ability to manage its own conservation and marine policies. I hope that we shall be given a chance to vote on both those amendments, in defiance of the Government.

The Minister for Europe (Mr. Jim Murphy): We have had a good debate. The hon. Member for Stone (Mr. Cash) displayed great passion, if on occasion a lack of precision—although that is a matter of judgment for the hon. Gentleman—in his 43-minute speech, but I had the feeling that I had heard it before. I had, in fact, and I am certain that I shall hear it again tomorrow and next week. The hon. Gentleman reflected on the possibility of a conspiracy between the Government and the BBC, which he said did not report his words. I had assumed that the BBC ran so many repeats nowadays that his speeches were a staple of Friday night coverage.

The hon. Gentleman also claimed that there was a united position in the Conservative party. I think we all accept that he has remained absolutely consistent, apart from what he considers to have been the momentary aberration of voting for the Single European Act, on which he has since recanted. He has stayed in exactly the same place, and his party has galloped rightwards towards him. It is now the only centre-right party in the European Union that opposes the treaty. *[Interruption.]* I hear a Conservative Member ask "What about the Czechs and the ODS?" The fact is that the Czech Republic and the ODS—the Civic Democratic party—are in the Government of the Czech Republic, and they support the treaty and intend to ratify it.

I mentioned a lack of precision on the part of the hon. Member for Stone. There was also hyperbole and overstatement. He described the debate on the treaty as—I think I quote him accurately—"as great a battle as has been fought in the history of this country".

Mr. Cash: Yes.

Mr. Murphy: That was a ludicrous and ill-founded assertion. It is an insult to so many who have given so much for so long in important and genuine battles, in which many friends and families of Members in all parts of the House have been involved over many decades.

Mr. Cash: We shall have an opportunity to consider some of these matters again tomorrow, but let me say this to the Minister. The debate on the Bill and the treaty is about the question of whether the voters of this country will be able to govern themselves. It is about the supremacy of this Parliament, and about the engrossment of the European Union and the European Court of Justice. That is why I say that it is such an important matter.

Mr. Murphy: The hon. Gentleman made a similar point about the Maastricht treaty, the treaty of Amsterdam and the treaty of Nice, and this evening he is wrong about a European treaty for the fourth time.

We also heard from my hon. Friend the Member for Ilford, South (Mike Gapes), the informed Chair of the Foreign Affairs Committee. He spoke in great detail of the increasing power and influence of the United Kingdom as a result of the introduction of double majority voting. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) and the hon. Member for Moray (Angus Robertson) spoke with experience and passion about fishing issues, to which I shall return shortly, while the speech of my hon. Friend the Member for Preston (Mr. Hendrick) reflected his background as a Member of the European Parliament.

I believe that, apart from the hon. Member for Rayleigh (Mr. Francois) and me, my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) has spent more time in the Chamber than any other parliamentarian in any party. His considered reflection—

Mr. Francois: The hon. Member for Wolverhampton, South-West was also alone in supporting the Government, with the exception of the Chairman of the Select Committee, the hon. Member for Ilford, South, and the hon. Member for Preston.

11 pm

Mr. Murphy: One of the amendments tabled by the hon. Member for Stone attacks an important principle by seeking to remove the following provision in article 3b of the treaty on European Union:

"Competences not conferred upon the Union in the Treaties remain with the Member States."

That is an important statement of principle. It clarifies that the EU has only those powers that the member states give it through treaties, and that everything else remains with member states. It sets out the relationship between the EU and member states, making it clear that powers are given to the EU by member states, not the other way around. It makes it clear that member states are the masters of the treaties, as the German constitutional court has put it.

The duty of sincere co-operation that is reflected here—which has excited some Opposition Members—is not new. Britain signed up to that when we joined the European Community, and it is also reflected in the Maastricht treaty.

On the amendments on the categories of competences, the text gives greater clarity than before on what the EU can and cannot do. The treaty also reinforces more than any previous treaty the limits of EU competence, and competences not conferred on the EU remain with member states. The Law Society of

England and Wales—not some foreign threat, or part of any great conspiracy—says in its report on the treaty of January this year that:

"EU law can only be made in those areas in which all EU countries, including the UK, have agreed that it is appropriate for action to be taken at European level."

It also states:

"There are five areas in which the UK and other countries have agreed that the EU alone may pass new laws. None of these is new to the Treaty of Lisbon."

Amendment No. 121 seeks to remove the codification of competences in the treaty. That is a denial of the reality, for the categorisation contained in the Lisbon treaty is not new. It is my strong view that as the treaty has been agreed, the allocation of competences is no longer a one-way street. Just because in the past something was better regulated by the EU than by nation states is not to say that things must remain the same for the next 20, 30 or 40 years, and the treaty makes that clear.

Amendment No. 222, tabled by the hon. Member for Moray, attacks the inclusion in the treaty of a specific reference to the conservation of marine biological resources under the common fisheries policy being defined as an exclusive EU competence. However, it is an exclusive EU competence, as we knew when we joined the EU. The treaty only confirms that. The Lisbon treaty makes no changes to the extent of the competence at European level on fisheries. Community competence over fisheries is shared, except for conservation measures, which have been exclusive since the UK's treaty of accession. That was confirmed by a European Court of Justice ruling in 1981.

Mr. Salmond: As the Minister has said, it rests on court decisions—before 1981, specifically on the Kramer case of 1976. In other words, it is secondary community law. The Minister is acceding to putting it into a constitutional treaty—to consolidating it into a constitutional treaty, as the draft constitution did before it. Why at no stage of any negotiations—such as in the draft constitution or now in the constitutional treaty—did the UK Government lift a finger to take it out, despite the many concerns and reservations that were expressed?

Mr. Murphy: What is absolutely clear is that article 3(d) of the treaty on the functioning of the European Union only has exclusive competence in respect of the conservation of marine biological resources under the common fisheries policy. It is important that we have an international approach to conservation so we can work together and co-operate. Article 4(d) of the consolidated treaty on the functioning of the European Union stipulates that there shall be a "shared competence" on

"agriculture and fisheries, excluding the conservation of marine biological resources".

It is important that that is put on the record.

More widely, there is a need for continued improvement to the common fisheries policy. Such issues continued to be debated, not least by my hon. Friend the Member for Great Grimsby. In the past year, there has been a reduction in the discards of high value fish, such as cod, and a new cod avoidance programme, involving the industry, has been introduced in Scotland. Scientists and fishermen are working together, and Bertie Armstrong of the Scottish Fishermen's Federation is involved in ensuring that those conversations take place.

I believe that 41 Council meetings have taken place since devolution, and the Scottish Fisheries Minister has been involved in each one of those gatherings of fishing Ministers.

Mr. Russell Brown (Dumfries and Galloway) (Lab): As the hon. Member for Moray (Angus Robertson) pointed out, the Fishermen's Association Ltd has written to all Scottish Members. Will the Minister comment on the statement that this

"is the best chance we have to abandon the disastrous CFP"? *[Interruption.]*

The Second Deputy Chairman: Order. We must not have these interventions from sedentary positions across the Chamber.

Mr. Murphy: My hon. Friend the Member for Dumfries and Galloway (Mr. Brown) is right to raise this issue. The hon. Member for Moray heckles the UK Fisheries Minister from a sedentary position, and of course there is a need for further improvement of the common fisheries policy—no one denies that. He is disappointed that Scottish Executive Ministers are just part of a delegation, but that is, and should remain, the position as long as Scotland remains part of the United Kingdom. As someone who is a Unionist and who does not believe in the separation of Scotland from the rest of the United Kingdom, I can say that that is the correct approach.

Amendment No. 124 was tabled by the hon. Member for Stone. It attacks the principle that the EU should take into account social objectives when legislating, which is contained in paragraph 17 of article 2 of the Lisbon treaty's provisions on competences. To what in that provision does he and, I assume, his Front-Bench team take such great offence? It states that account must be taken of

"the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health.".

He and his Front-Bench team seek to remove that provision from the treaty. In opposing amendment No. 124, we make it absolutely clear that we want nothing to do with the agenda that would remove those guarantees of social protection for workers and citizens of our country.

Mr. Cash: I am grateful to the Minister for giving me a few minutes to reply to some of those points. First, much of this discussion is based on the Lisbon agenda, which is a failed project that demonstrates that the European Union has aspirations, but does not work. I described these competences as an aggrandisement of powers, including not only an invasion of the legislative supremacy of this House, but an increase in the powers of the European Court of Justice. They are being pursued tenaciously, and in an iniquitous manner, against the background of the Government in many instances having reached the decision at the Convention that they did not want the powers in the first place. A complete contradiction lies at the heart of

[Mr. Cash]

the Government's position. One of the most pernicious aspects of all this is the extension of the powers and competences of the ECJ without a corresponding new treaty to increase the competences of the European Union under article 308.

Therefore I wish to press amendment No. 186, not amendment No. 82, to a Division. Amendment No. 186 deals with that pernicious extension and it was endorsed, I am glad to say, by my hon. Friend the Member for Rayleigh (Mr. Francois), the shadow Minister for Europe, who has just made an excellent speech. On that basis, I beg to ask leave to withdraw amendment No. 82.

Amendment, by leave, withdrawn.

It being three hours after the commencement of proceedings, THE CHAIRMAN *put forthwith the Questions necessary to dispose of the Questions on Amendments selected for separate decision, pursuant to Order [28 January and this day].*

Amendment proposed: No. 222, in page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 12, new Article 2B TEC (TFEU), paragraph 1(d), relating to the conservation of marine biological resources under the common fisheries policy; and

(ii) '.—*[Angus Robertson.]*

Question put, That the amendment be made:—

The Committee divided: Ayes 175, Noes 285.

Division No. 099] **[11.11 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baldry, Tony
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Corbyn, Jeremy
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Cryer, Mrs. Ann
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Drew, Mr. David
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Dunwoody, Mrs. Gwyneth
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, rh Mr. Frank
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hollobone, Mr. Philip
Hopkins, Kelvin
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Austin
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Rifkind, rh Sir Malcolm
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Ruffley, Mr. David
Salmond, rh Mr. Alex
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
James Duddridge and Hywel Williams

NOES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David

Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and
Mr. Sadiq Khan

Question accordingly negatived.

Amendment proposed: No. 186, in page 1, line 12, after 'excluding', insert—

'(i) Article 2, paragraph 289, replacement Article 308 TEC (TFEU) relating to action within the framework of policies defined in the Treaties where the Treaties have not provided the necessary powers; and

(ii)'.—*[Mr. Cash.]*

Question put, That the amendment be made:—

The Committee divided: Ayes 154, Noes 300.

Division No. 100] [11.24 pm

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnót, rh Mr. James
Atkinson, Mr. Peter
Baldry, Tony
Baron, Mr. John
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Drew, Mr. David
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Rifkind, rh Sir Malcolm
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet

Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salmond, rh Mr. Alex
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David —
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and
Mr. Sadiq Khan

Question accordingly negatived.

To report progress and ask leave to sit again.—*[Mr. Blizzard.]*

Committee report progress; to sit again tomorrow.

Local Government

Motion made, and Question proposed,

That the draft Cheshire (Structural Changes) Order 2008, which was laid before this House on 31st January, be approved.—[Mr. Jim Murphy.]

11.37 pm

The Minister for Local Government (John Healey): Tonight we are considering the draft order to implement the proposal to establish two new unitary councils for Cheshire. The proposal was originally made to us by Chester city council, subsequently endorsed and enjoined by three other district councils—Ellesmere Port and Neston, Macclesfield and Vale Royal. This is not the Government's proposal; it is not the Government's prescription for local government arrangements in Cheshire. It has been made to us by democratically elected and accountable councils, and it has been drawn up by those councils, which have discussed these views in their areas. They believe that it will put in place for the people and the businesses of Cheshire the best form of governance for the future of the area.

Ann Winterton (Congleton) (Con): May I tell the Minister that in fact what he has just said is absolutely untrue in that the people of Cheshire do not want this? What was the Government's preferred option for Cheshire?

John Healey: If the hon. Lady checks the record tomorrow she will find that precisely what I said is correct—that this was a proposal not from the Government but from local councils, that it was proposed by them and that we considered it alongside other proposals, including one from the county council, according to the five criteria that we set out at the very start of the process back in October 2006.

Mr. Stephen O'Brien (Eddisbury) (Con): Is the Minister in effect disowning responsibility for the proposal and saying that he is no more than a delegate of Chester city council in regard to this proposal, rather than a Minister in a Government with a democratic accountability and a judgment that should be scrutinised?

John Healey: Far from disowning the proposal, I come to the House with an order that proposes to put in place the arrangements that have been drawn up and put to us by councils in the Cheshire area.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): Come now!

John Healey: The city of Chester first submitted the proposal; it was enjoined and is now supported by three other district councils and by other bodies that I shall detail in a moment.

Mrs. Dunwoody: The Minister is being disingenuous, to say the least. Why is he not proud of the arrangement that he has made? Six district councils are involved. Why have we suddenly become the whipping boy and handmaiden of Chester? Why does he not say plainly that he and his Department proposed this in the first place and have constantly changed the goalposts to progress this very shoddy matter?

John Healey: Let me be clear. My Department certainly proposed the process and invited councils in two-tier areas across England to submit proposals for unitary arrangements. The minority of areas and councils submitted proposals, and the minority of those proposals have got to the stage of our looking to implement them.

My point is simply this, and I make it first to my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody): this process of putting in place unitary council arrangements is entirely different from the processes established by previous Governments. Those processes were centrally defined and the proposals came from the centre. In this instance, we have assessed what has been put to us. I have come to the House proposing to put this proposal into law because we believe that it and the arrangements offer a form of governance for the people, businesses and communities of Cheshire that will suit the future.

Christine Russell (City of Chester) (Lab): Will my hon. Friend confirm that the bid of January 2007 was submitted by Chester city council on behalf of the six districts of Cheshire? All six districts signed up to it, including—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. Members must cease intervening from a sedentary position. If they want to intervene, they should do so in the normal way so that we can have a sensible debate.

John Healey: Cheshire was in a relatively unusual situation compared with other parts of the country. Not only were two competing proposals submitted under the same single process but, uniquely, both proposals met the five criteria that we established at the outset. That was not the situation anywhere else in the country.

We had to set out a way of making a judgment between the two proposals, and in June we published our arrangements and made clear how we would carry them out. It was to be on the basis of which of the proposals, based on the evidence submitted to us, would deliver to a greater extent the benefits for which we were looking in three principal areas—first, strategic leadership; secondly, the empowerment of local people and local neighbourhoods; and thirdly, quality public services. Those made up our yardstick to try to distinguish between the relative merits of the two proposals.

Mr. George Osborne (Tatton) (Con): The Minister drew a comparison with the ways that previous Governments had handled local government reorganisation. Will he confirm that last time the current Government considered this in the north-west—in relation to what would happen if people voted for a regional assembly in the north-west, which never took place because the Government did not hold the referendum—there was a commitment also to have a referendum question on local government reorganisation? Why have the Government abandoned the practice that they advocated just a couple of years ago? The Minister talks about empowering the people; why has he decided on this occasion not to let the people decide?

John Healey: Because we set out in this process to approach the matter in an entirely different way—to be prepared to entertain proposals that were drawn up by elected councils representing their area and put to us as a Government. The hon. Gentleman is right to say that in 2004, under this Government, there was a question of potentially reorganising local government in Cheshire as part of the consideration of the wider referendum question on an elected regional assembly for the north-west. It was in the mid-1990s, under the previous Government of his party, that Cheshire was subject to potential reorganisation under the Banham proposals. As hon. Members who represent these parts of the county will know much better than I do, this is the third potential local government reorganisation in under 15 years. There comes a point when that continuing uncertainty starts to be a disadvantage, and there is a case for saying that it is important to make a decision and then allow those in the local areas to get on and try to implement it.

Simon Hughes (North Southwark and Bermondsey) (LD): I am obviously not a Cheshire MP, but I was born in Cheshire. Let me express a concern that I sense is felt by many colleagues of all parties. This proposal, yet again, does a further job of breaking up an historic shire community that has already been sliced off at one edge around Manchester and sliced off at the other edge. It absolutely will not create what the Government say elsewhere that they want—a sense of real community cohesion. In that respect, it is the worst option, not the best option.

John Healey: I hope that I will get the chance to come to that a little later. However, that is not the assessment that we have made of the potential for offering local areas a greater opportunity to be involved and to have an influence over decision making. The hon. Gentleman may have been born in Cheshire, but he misrepresents the nature of that unified, integrated, remaining historic shire county. It was the mid-1990s reorganisation that led to the carving out of Halton and Warrington.

Truth be told, the historic county of Cheshire has been broken up into bits previously. The question now is what is the best form of governance for the future within the area that is covered by Cheshire county council. I recognise that several Opposition Members argue for the status quo, but our starting point is that the general case for unitary local government is strong. It is a way of overcoming some of the well- established problems with county and district local government. The public are generally confused. The delivery of services can be fragmented. Local leaderships are sometimes competing. There is often duplication and inefficiency in the way that things are delivered. In the case of Cheshire, without imposing a unitary arrangement, we are close to arriving at a potential set of arrangements that will allow unitary local government for its people, based on the proposal that was originally put to us by City of Chester council.

Robert Neill (Bromley and Chislehurst) (Con): Can the Minister help me on this point? If it is the case that the benefits are so obvious, why did the previous Secretary of State, as recently as July 2006, describe local government reorganisation as a great distraction? If that is the case, what objective criteria—benchmarks and measures—has the Minister put in place against which he can judge the evidence? I think he will tell me, as he has on previous occasions, that it is a subjective process. Is that really an acceptable basis on which to proceed?

John Healey: The prospect of any change can be distracting, disruptive and unsettling. That is certainly the case for those who are intimately involved with, work for, and serve on, councils in the Cheshire area, which is one of the reasons why I am keen that this House and the other place come to a decision on the proposals. People will then know where they stand. If this House and the other place vote to support the move towards unitary arrangements, it will allow everyone involved—as they are already beginning to do, whatever their initial view of the proposal's merits—to begin to ensure that from 1 April 2009 we can put in place two effective unitary councils for the benefit of those in the area.

Mr. Mike Hall (Weaver Vale) (Lab): My hon. Friend said earlier that Opposition Members wanted the status quo. The status quo in Cheshire, which would be the retention of county councils and the district councils, was on offer when five of the six districts in Cheshire said that they wanted to retain it. What stopped the status quo being an option was Cheshire county council's decision to go for a single unitary authority. That is when the districts changed their policy. It is important to note that throughout the consultation, the status quo was never an option after that decision.

John Healey: My hon. Friend has followed this matter closely from the outset, and throughout previous years. He makes a sound point.

It is not just a matter of the potential gains and how we assess them when judging the relative merits of the two proposals that meet the five criteria; it is also a matter of the consequences of making such changes. To that extent, we considered two things. First, we considered affordability. The hon. Member for Bromley and Chislehurst (Robert Neill) looks for harder criteria and better yardsticks. From the outset, we required the proposals that we looked to implement to deliver realistic savings and to have a payback period within five years. I can confirm that our assessment of the proposals shows that the transitional costs of such a change are more than offset by the potential savings. The payback period falls well within the five-year deadline.

Sir Nicholas Winterton (Macclesfield) (Con): There are seven Members from Cheshire who would like to contribute briefly to this debate, which is about Cheshire. I would like to make a suggestion. Would the Minister agree to make a very short introduction to the debate, and then allow Members to express themselves? Hopefully, Members will then allow him sufficient time at the end to make a winding-up speech. That would be a much more satisfactory way of dealing with the debate because it would allow those Members to express their views.

John Healey: Since I got to my feet, I have spent more time dealing with interventions than making the remarks I had originally proposed to make. If the will

[John Healey]

of the House, through any interventions I now take, suggests general assent to that idea, I am happy to take it up. In any case, I will do my best to answer the points raised in the debate. I recognise that the debate is well attended, especially by hon. Members from the area.

Mrs. Dunwoody: At the risk of upsetting the hon. Member for Macclesfield (Sir Nicholas Winterton), may I draw the Minister's attention to the explanatory memorandum? Bearing in mind the fact that several changes have been made to the figures, it cites estimated annual savings of more than £16 million a year and transitional costs of approximately £25 million. Those figures were not in the proposal, which states that the ongoing savings will be £30.1 million and that transitional costs will be £16.6 million. In other words, the Government do not accept the figures that they presented.

Sir Nicholas Winterton: The hon. Lady did not upset me.

Mrs. Dunwoody: I will try harder.

John Healey: My hon. Friend the Member for Crewe and Nantwich makes an important point and helps me to make the next observation. In my view, it was important, when we considered the financial case and whether the proposals were affordable, not simply to take the figures submitted to us by councils that backed specific proposals. We therefore brought in, through the Chartered Institute of Public Finance and Accountancy and the Institute of Public Finance, independent financial experts who gave me, as Minister, advice on the case.

Mrs. Dunwoody: It has not been published.

John Healey: The figures and main conclusions of the independent assessment were set out—my hon. Friend just read them out. They led the independent experts to conclude that the transitional costs on a prudent basis would be higher and the savings would be lower than those in the proposal once the arrangements were in place. Nevertheless, the savings would be £16 million, which is at the higher end of the restructuring proposals that the House has considered and approved in five other areas. We concluded that the pay-back period would be well within five years—we calculated that it would be just over three and a half years.

Let me make a general point about the requirement for a broad cross-section of support. We said at the outset that we were not looking for evidence that a specific proposal commanded majority support, and that we would not allow any group or interest to have a veto over a proposal. The essential judgment that we had to make was whether there was a sufficiently broad cross-section of support to give us confidence that, if we proceeded with the proposal, it had a reasonable chance of being implemented successfully. That was our approach.

I should like to draw hon. Members' attention to the main, although not all, elements of the order. We prepared the order, as we prepared those for other areas, through detailed discussion, with agreement as far as possible and certainly with consultation with all the affected councils—those who proposed the two unitary authorities solution, those who opposed it and those who took no view on the competing proposals.

The order provides that, from 1 April 2009, there will be a single tier of local government in Cheshire. Unlike the five other orders that the House has agreed, there is no continuing authority, but a wholly new start. The order provides for establishing two joint implementation committees, one for Cheshire, East, to be led by the current leader of Macclesfield, and one for Cheshire, West and Chester, to be led by the current leader of Vale Royal. They will serve before the elections in the respective shadow authorities, which we intend to set up this year. The order provides for elections in May on the basis of interim warding arrangements for those councils. It also provides for cancelling district council elections, which would otherwise happen in May 2008.

I accept that the time scale for implementing the proposals by April 2009 is challenging. There are good grounds for believing that that is achievable, not least the strong leadership that local government in Cheshire is providing for the work on implementing the proposals. There is practical co-operation, even from those who opposed the proposals, so preparations are well under way. The nature of the support and involvement that we can offer from the centre is also important.

Finally, the order sets out an approach to the transition that will be as effective as possible, minimise disruption to services in Cheshire, give a good deal to the service users, be fair and equitable to the council staff and, above all, help to lay the groundwork for a form of governance for the people, businesses and communities in Cheshire that will serve them well in the future. I commend the order to the House.

12 am

Robert Neill (Bromley and Chislehurst) (Con): I am conscious of the number of right hon. and hon. Members who wish to participate in this debate and will do my level best to keep my comments short. However, I should like to set out one or two important issues.

The Minister and I have got to know each other quite well in this round of local government restructurings. He knows that I have every respect for him, but when he tried to set out the proposition that the proposal somehow walked through the door of the Department for Communities and Local Government, without any prompting and without his wanting or acknowledging it, he did not do himself justice. The fact is that the Government have set up Henry Ford's consultation: we can have any form of authority as long as it is unitary. The consultation really is as simple as that, and to suggest that the proposal is uninspired by a heavy hint from the Government is, to be as polite as I can be, disingenuous.

Andrew Miller (Ellesmere Port and Neston) (Lab): Will the hon. Gentleman accept from me that Ellesmere Port and Neston borough council's all-party policy has for a number of years been to move towards a unitary solution? The council's original preferred solution was to create three authorities, but it compromised on two.

Robert Neill: I have no reason at all to dispute what the hon. Gentleman says, but since we are dealing with the whole county, it might have been a good idea to seek the whole county's views. That is why it is surprising that, for example, my constituents in Bromley had a say in a referendum when local government was restructured in London, but his do not in this case.

Mr. Mike Hall: The hon. Gentleman has criticised the Government's approach, but what is his solution for Cheshire: the status quo, one unitary or two unitaries?

Robert Neill: Many people would say that if the consultation were genuine, it is surprising that there should have been no option to improve two-tier working. That is rather odd, since the Government have sought pathfinder bids to do exactly that in other contexts. If that was good and acceptable in parts of the east midlands, I do not see why it is unacceptable in the north-west.

Christine Russell: May I tell the hon. Gentleman that in 2002, following a report by the boundary committee for England, all six districts in Cheshire and the county council looked at the viability of two or three unitaries? In 2006, a joint officers working party was established to consider whether to go for two or three options, so the proposals have not been plucked out of the air in the past few months. May I also tell him—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The answer is no. Speeches must be short tonight and interventions must be much shorter.

Robert Neill: I would have thought that the hon. Lady would make my point. If there were such a divergence of opinion, it would have been better to ask the people to start with, rather than imposing the change through worthy bodies on committees.

My point—we have gone through this many times before, but the principles do not change—is simply this. When we consider the large amount of risk, in terms of uncertainty and cost, that inevitably arises in any restructuring in local government—it is not too difficult to unpick the figures that have been quoted in support of the current proposals by citing the work of academics, such as Professor Chisholm and others—it is not unreasonable to say: first, that the onus of proof should be on those who propose change; secondly, that the burden of proof should be high; thirdly, that it should be based on firm evidence; and fourthly, that that evidence should be judged against clear and objective criteria. I am sorry to say that the conclusion, on balance, that this proposal has a more reasonable chance than the other is scarcely the application of any form of evidence to reasonable criteria. This is a suck-it-and-see form of politics, and it is not fair on the people who live in Cheshire or in any of the other affected counties.

The Government have not managed to make their case, which they have based entirely on one set of proposals. They have not explored the important alternative of improved two-tier working.

Mr. Mike Hall: Will the hon. Gentleman give way?

Robert Neill: I want to make a bit of progress. I have let the hon. Gentleman intervene once, but if he will be quick, I will do so once more.

Mr. Hall: I agree with the hon. Gentleman that enhanced two-tier working was an option until Cheshire county council decided to go for a single unitary. Does the hon. Gentleman agree that that is what killed it?

Robert Neill: I am going to let people from the county respond to that one, while I get on with making the simple point that the hon. Gentleman ought to consider the fact that, at the end of the day, we are left with a set of proposals that will reduce the number of councillors across the whole of the county. They do not set out a coherent framework for what exists beneath the unitary level. Nor do they answer the serious questions about the methodology used to make the initial financial case. Finally, they do not demonstrate a groundswell of opinion. I think that the Minister used that term in relation to the earlier order on Shropshire. There is manifestly no groundswell of opinion here. That view is held by Members on both sides of the House.

This is yet another example of the Government tinkering, with what can only be described as partial motives. I wonder what makes anyone think that parts of Cheshire should be treated in a different way from parts of the other counties that surround our major conurbations. There is no consistency in the Government's approach. It is not based on evidence, and they do not have an intellectually coherent anchor on which to hang their case. With respect, they would have done better to listen to Sir Michael Lyons, who is not unacquainted with local government in the north-west of England. He said:

> "It is my opinion that reorganisation is not, in most cases, likely to provide either a theoretical or practical solution to the challenges we face, and there are other approaches that authorities should seek in preference."

I think that Sir Michael was right, and it is a pity that the Ministers did not listen to him.

12.7 am

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): I was astonished at the way in which the Minister introduced this order. Whichever way we look at it, the Department said in 2007 that it was going to look for reorganisation. It is important to understand what it was asking. It said of the bids for unitary status:

> "It is wholly at the discretion of a Council whether or not it responds to this invitation. The Government accepts that it is only in some areas that Local Government restructuring is widely seen as the way forward. It will be from Councils in such areas that proposals are made."

The Department then went on to make it clear that it would take note of local views and expect to consult a vast cross-section of the people involved, and that it would certainly take account of those working in education and social services and in any other areas that would be directly affected by the order.

When it became clear, to people's astonishment, that the council was actually suggesting a proposal that was not supported by the majority of Cheshire ratepayers, there was an enormous attempt to discover exactly

[Mrs. Gwyneth Dunwoody]

what the council had meant in its letter which stated that it was "minded" to put forward this suggestion, and that it would be based on the criteria that had been discussed. The reality is that it was not based on anything of the sort.

We must be quite clear that, in the discussion on the figures that were put forward for the authorities, there has been a constant shifting of the goalposts, and not just by the Department. A bid based on Chester has constantly changed. The savings have changed, the administration costs have changed and it is very clear that the information given to the Government was not strong enough to support their view—otherwise, they would have been quite prepared to support the request made under the Freedom of Information Act for a copy of the assessment and would not have needed to refuse it. If the report vindicates the decision further to change the financial envelope, why does the Department wish to conceal it? There must be a reason.

We should make it quite clear that when the decision to opt for a unitary basis for the whole of the county of Cheshire was made, it was not done for something as simple as the status quo. A great deal of work went into making it clear that we were prepared to consider a county region, that we were aware of the economic and political costs and that we were very clear about Cheshire's ability to attract direct investment flows from all around it. We are all aware of Cheshire's close connections with Liverpool, Manchester, the Potteries and north Wales, which make it unique in its operation.

What is now clear, however, is that no matter whether we look at the independent review of Local Government Futures, the assessments done on behalf of the county or the subsequent assessments by the Department itself, the impact of this reorganisation will be absolutely disastrous. The county will be divided into two, both unitaries will be faced with direct economic problems and they will both lose money.

Under the current needs methodology, the report concluded that west Cheshire unitary would be entitled to £82.7 million of formula grant and east Cheshire £54.1 million; but the proposed two-unitary model, when uplifted to the present settlement figures, allocates only £76.4 million to the west and £60.4 million to the east. The local agreement deprives the west of £6.3 million of formula grant a year—2.5 per cent. of council tax—and the funding is effectively permanently lost in the form of a financial subsidy to the east because in three years' time, the national grant distribution formula will be applied to the two unitaries using their locally agreed allocation. It is totally unrealistic to assume that one authority will agree to provide a substantial financial subsidy to the other. In fact, it may prove to be unlawful and in breach of the authority's fiduciary duties to council tax payers.

Although we looked closely into the economics, it is not just a matter of the amounts of money involved. Almost without exception, the education services wrote to Ministers making it very clear that, whether it be the teams built up to deal with special education or social services, they would all face very real difficulties with the reorganisation that was being pushed through over their heads. What happened? The Minister in the other place, Lord Adonis, wrote to them, saying effectively, "Oh well, we are very concerned about what you say, but don't worry, after you have reapplied for your own jobs you will have to work together". Well, that is brilliant, is it not? First, we will divide you up; then force you to go through an entire reorganisation; then we say, what is really important for the county is that you work together. Some people may not find that insulting; I find it absolutely bizarre.

We want to know exactly how the Government intend to make up the shortfall in finances. We want to know exactly how they imagine that a carefully planned authority, which has just been given an excellent rating—a better rating than it had before—can be expected to tear itself in two and produce a level of change that will meet the needs of my constituents in any way.

In reaching her decision, the Secretary of State took the view that a single unitary authority would not reflect the

"economic reality that many consultees perceive splits Cheshire between East and West",

although she was not able to produce the number of consultees or any evidence about them. The existence of the opposite view, however, was very plain—even on the No. 10 Downing street website, which today bore nearly 2,000 signatures defending Cheshire's status as a unitary whole.

Cheshire is a powerful economy in its own right. It is independent of the surrounding city regions of Liverpool and Manchester, and it requires a strong and coherent strategic approach to development. There is a fundamental misinterpretation of the economic evidence suggesting a split economy in Cheshire, and the decision on the basis of east-west economic flows reveals a simplistic and partial understanding of the economy.

On Monday, the Minister published the results of his Department's stakeholder consultation, which had resulted in 906 responses. There were 27 responses from local government, 64 from town and parish councils, 67 from the public sector, 35 from the business sector and 35 from the voluntary and community sector, as well as 680 public responses. There were 200 further responses which the Department decided to discount.

The Department's report describes overwhelming support for keeping Cheshire together. The county council's proposal was supported by a quarter of town and parish councils, with only a very small number supporting the alternative. Public sector respondents and all the schools were in favour of single unitary status, as were the majority of voluntary and community organisations, and the business community made it very clear that it did not want the change.

I find it extraordinary that although it is clear that only the single-unitary proposal is capable of meeting the "broad cross-section of support" criterion, that fact is to be ignored and we are to be pushed into a "two unitaries" arrangement. The Department has been highly selective in its approach to evidence of stakeholder and public support, which suggests that Ministers were aware that many unitary proposals were unlikely to receive public endorsement. The Secretary of State was entirely wrong not to consult the public directly, especially as the invitation to submit proposals in October 2006 stated explicitly that the Department would undertake consultation before making decisions.

The practical difficulties are such that problems are already being posed to library services for the elderly, to special educational needs teams, to the way in which we plan the development of education for the future, and to children's care services.

Mr. Mike Hall: Tory county councils!

Mrs. Dunwoody: My hon. Friend chooses to ignore the majority of the ratepayers of Cheshire on the grounds that they are all Tories. He may take that view, but it is not reflected in the facts.

Disaggregation of the county council's engineering services will duplicate activities and increase costs, and the waste problem will increase enormously—quite apart from the difficulty involved in dividing the assets. I could go on to describe the problems that will be caused to trading standards and staff, and the real problems involved in disaggregating county-based services.

I have been alone in this, and it has been convenient for some of my colleagues to suggest that I have been seduced by the arguments of a Conservative county council. I have been here for a long time, and it takes a bit of effort for any man to seduce me, particularly when it comes to politics and economics. I reflect the views of those who have consistently expressed to me their anger and astonishment at the way in which the issue has been handled, and their total disbelief that a Labour Government could proceed with a project that is neither affordable nor supported, which does not provide value for money, and which will not fulfil the criteria that were originally set out.

I can only say that I am astounded by this behaviour. I am astounded that we are putting my constituency and those of other Members through the mangle at enormous speed by telling them that they must run for a shadow authority—that they must come up with conclusions, and that they must then go forward to elections to a shadow authority which is not capable of working together and where the two particular committees that have been brought together will find it extraordinarily difficult to come up with any sensible views.

I believe above all that the Minister should have had the guts to say tonight, "We wanted to do this." The Secretary of State wanted to do it and took this decision, and has never given a political or economic reason or any argument that would stand up to examination. I cannot believe that this is going ahead, but if it does, it will not do so with my support.

12.20 am

Dan Rogerson (North Cornwall) (LD): My remarks are to be directed at the issue of time scales, and with that in mind I shall try to keep them brief.

My party is very supportive of the concept of unitary local government where it is appropriate for the area concerned. However, the process that gets us towards that is crucial, and there are a number of issues that we need to bear in mind. The time scales imposed on this particular process have restricted local debate so that consultation has been rudimentary. I welcome the fact that some of the proposals have been discussed for a long time prior to the process, but the time scales set out under the provisions have restricted proper formal consultation.

In many of the bidding processes that have already been debated in the House, one authority has been advancing one case while another has been advancing another, and they have tended to do so in a self-interested way. As time is constrained, the process has not allowed for a more sensible debate, and people have retreated into silos, which is unfortunate. That is a feature of how the process has been set up. Many of the polls, referendums and consultations that have been undertaken have been seen to be flawed and called into question because they have had to be carried out rapidly and there were limitations on what could be achieved.

The short period available to compile bids may lead to having hostages to fortune later on that come back to haunt the people tasked with implementing the bids, when they come to do so. We have also heard that the time scale has influenced some authorities to react to the response of other authorities. For example, a county council might bid, and districts might feel that they have to react in a certain way. That is another feature of the time-scale constraints placed on the process.

What will happen if the order is passed? In contrast with some other areas, including my own area of Cornwall, in Cheshire the proposal is for a shadow council to be elected, instead of having a period in which representatives of existing authorities come together to draw up how things will move forward. There are arguments for and against both those processes. Clearly, where officers are to be appointed, the shadow authority has the electoral mandate to be able to carry that out. However, with two very new authorities, the situation is different from that which pertains in other bid areas where existing authorities cover the area.

Christine Russell: I assure the hon. Gentleman that there are joint implementation teams in Cheshire that include officers and members of the six districts and the county council. They are working together extremely well and constructively and are on target to deliver the two new authorities.

Dan Rogerson: My concern is that these are two new authorities, and some councillors who are elected to the shadow authorities might be inexperienced; we know that many existing councillors will not stand for re-election because they are not happy with the proposals. As a result, some councillors might have to get up to speed quickly, without existing councillors being able to deal with the work.

There is a great deal of disquiet, particularly among those who have been involved in delivering services at county level, that the two new authorities may not be able to deliver services and that the efficiencies will not be delivered because services will be divided rather than brought together. That problem is crucial

What could have been a positive process has undeniably been a negative one in terms of some of this debate. It has become divisive, and whatever the relative merits of having a single unitary authority, two unitary authorities or a two-tier option, the way in which the process has directed people in Cheshire to participate is unfortunate. It is ironic that one of the

[Dan Rogerson]

most powerful arguments for having unitary local government is that it simplifies structures and decision making and means that electors have fewer institutions to deal with when they have to resolve a problem with a particular service, because this process is leading to further misunderstanding among people in Cheshire as to exactly what is being proposed. That remains a problem for the county and an important lesson for the Government. Whenever they consider something like this in future, they must allow far greater time scales, so that proper consultation can take place and people can move forward in a far more positive way.

12.26 am

Andrew Miller (Ellesmere Port and Neston) (Lab): I shall be brief. I want to correct some inaccuracies. A number of hon. Members have said "in Cheshire". Cheshire is, of course, an historic county. As the hon. Member for North Southwark and Bermondsey (Simon Hughes) will recall, its boundaries included Wirral, Stockport and so on. Those areas disappeared off from Cheshire some time ago. In the early 1990s, Halton and Warrington became unitary authorities. When the hon. Gentleman lived up there, Halton was half in Lancashire and half in Cheshire. The notion that this proposal is splitting Cheshire is fallacious, and we should put that on the record once and for all. Cheshire started to change geographically a considerable time ago.

I have received a number of e-mails telling me that I am destroying 1,000 years of history—I am sure that other hon. Members have received similar correspondence. I have been around the political system for a long time. I was around in the 1974 local government reorganisation, when a substantial part of Cheshire was separated off—that was not quite 1,000 years ago—and in the subsequent reorganisation in the 1990s. This proposal does not split Cheshire; it splits the remaining part of Cheshire. For the purposes for which you and I consider counties, Mr. Deputy Speaker, the historic county remains, although Cheshire is a minor county in cricket.

The second misconception is that the proposal splits the county council—it does not. It is about seven authorities becoming two. That is a matter of fact, and the efficiency gains come from it. The third point that I want to make—I mentioned this to the hon. Member for Bromley and Chislehurst (Robert Neill)—is that it has been the policy of Ellesmere Port and Neston borough council, on the basis of a three-party agreement, to support this proposal. I hope that Opposition Members will accept that that is said with absolute sincerity, because it is an all-party position.

The proposal makes sense because economically Cheshire faces two different ways. The west of the county—my part of the county—is part of an economic unit generally called the Deeside hub which is one of the fastest growing parts of the British economy. We have a little local difficulty with the significance of the Welsh boundary and indeed the Merseyside boundary, but they work, and the area works as an economic unit that transcends the local government boundaries. The reality is that that part of the economy faces into north Wales and into Merseyside. Indeed, when I dealing with the Vauxhall Motors case last year, presenting an argument for support from General Motors Europe, I discovered that more than 1,000 people working at Vauxhall travelled in from north Wales. That is a dynamic local economy.

The relationships with Crewe and Nantwich are almost non-existent. The good folk of Crewe and Nantwich work in that area and towards the Potteries and Manchester. The economy faces two ways—*[Interruption.]* My hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) has had her say—*[Interruption.]* I can be even ruder.

There is a fundamental argument in favour of a split somewhere down the centre of the county. I would have preferred it to be slightly more to the west, but that would have been the three unitary solution that was dismissed at a much earlier stage by the county. First, we need to remember the history of the county—this is not about splitting into two, but about seven becoming two. Secondly, there is the powerful argument that the economy faces two ways, which is a sound argument in favour of the proposal. Therefore, I ask the House to support it.

12.31 am

Sir Nicholas Winterton (Macclesfield) (Con): First, I wish to thank the Minister for the courtesy that he extended to me during the consultation period. I am grateful for that.

This latest local government restructuring has been an extremely painful experience. It has set council against council and councillor against councillor. Some of us believe that it is a way for the Government to reduce the number of Conservative councils and of Conservative councillors, so that the Government can take over the Local Government Association, but I am sure that I must be wrong about that.

The process has been painful. I believe that the Cheshire county council and the six borough and district councils should have embarked on a programme to improve the two-tier system. They should have learned from and built on the experience of the pathfinder authorities, and they should have implemented the propositions in "Strong and Prosperous Communities", which was a Government document. The councils should have developed the devolution of real power and responsibilities to parish, town and community councils. Sadly, they did not do that in Cheshire.

The hon. Member for Weaver Vale (Mr. Hall) is right to say that the councils broke ranks. As a result, when it came to the real consultation, instead of being able to negotiate an improved two-tier system of local government—which would have been overwhelmingly accepted in Cheshire—we were left with two options. One was for a single unitary authority, based on the Cheshire county council, and the other was for two unitary authorities—east Cheshire, and west Cheshire and Chester. The Minister and his colleagues decided that the two unitary proposal was their preferred solution to the problems of local government in Cheshire. On 18 December, the announcement was made that Cheshire would have two unitary authorities, based on the three councils in east Cheshire and the three councils in west Cheshire. I personally regret that, but that is the realpolitik.

I sympathise with the passion with which the hon. Member for Crewe and Nantwich (Mrs. Dunwoody)

spoke. In many ways, I share her concern. At the end of the day, I supported the proposal for two unitary authorities because Macclesfield borough council was strongly in favour of it. When the third option of the status quo was removed, and the choice was between a single unitary authority and two unitary authorities, my borough council was strongly in favour of having two. I have to say to the hon. Lady, whose passion impressed me, that I felt obliged to support my council and the people of Macclesfield who—by a majority, if letters in the press and other representations are taken into account—supported the idea that Macclesfield should be part of the east Cheshire authority.

I want to be brief to allow many of my colleagues to get in. I want to say, constructively, that the seven Cheshire local authorities—the six borough and district councils and the county council—have lost no time in establishing joint committees for east Cheshire and for west Cheshire and Chester, as the Minister said. They have also set up related joint implementation teams of officers. That shows a positive attitude. It builds on the preparatory work undertaken by the sponsoring authorities, and is in accordance with the provisions of the draft order that we are considering. The joint committees have met several times informally in advance of the making of the order and a joint liaison committee has also been set up to deal with overarching issues. We cannot always look back on such matters as much as I would personally wish to do so.

The east and west Cheshire joint implementation teams have met weekly since the beginning of this year, with positive and dynamic input, particularly—this will surprise the hon. Member for Crewe and Nantwich—from senior county council managers, who are leading key areas of work, including work in people services, human resources and drafting the implementation plan. Specialists in key services operated by the county council and its partners support that work. In all the arrangements, all seven local authorities and their partners are actively and positively involved with major partners, signalling their desire to be more fully engaged. Good progress is being made.

I regret that the restructuring orders are being introduced. Change is not required, but we were faced with two options. Instead of telling the Government that they would seek to co-operate to achieve a more efficient, improved two-tier system, the six district and borough councils and the county council in Cheshire did not work together. The major part of the county, the county council, broke ranks. As a result, we were faced with the two options. Of those two options, the one that is the subject of the order has my tacit support. I believe that localism in local government is critical. People want to identify with their county councillors—or their councillors, as they will be in the future. That can be better achieved by having the two unitary authorities and a smaller structure, rather than a dramatically large council.

I have every respect for the county council. I have the great honour of being a deputy lieutenant of the county and I want to see much of the tradition of the county retained. Although I deeply regret what is happening, the fact is that we are faced with a fait accompli. Of the two options, I went for the two unitary authorities.

12.39 am

Mr. Mike Hall (Weaver Vale) (Lab): First, I thank the hon. Member for Macclesfield (Sir Nicholas Winterton) for the way in which he has put on the record where we are now in terms of the debate. When I campaigned for unitary local government in Warrington and Halton, Macclesfield should have had unitary status at the same time, and then we might well not have had this debate.

I have been a strong supporter of unitary local government. It brings local government closer to the people, removes the confusion of the two-tier system and places large responsibilities on those authorities that take over. That is the way forward.

I shall be honest with the House: like my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller), I originally favoured the three unitary authority approach for Cheshire. That was the agreed position of the six district councils in the county, but the Government said that it was not acceptable. The districts considered the matter again and, following an intervention from Conservative Front-Benchers—I make no criticism of them for that—five of the six districts said that they would support an enhanced two-tier arrangement.

That was against their better instincts, as the districts wanted unitary local government, but they were told in no uncertain terms that they were to support enhanced two tier. The districts had been in agreement, but what broke the mould was the vote taken by the county council in support of a resolution that Cheshire should become a single unitary authority. It put a huge amount of money from council tax payers into the campaign, and that forced the districts to go back to the drawing board.

The districts came up with the two unitary authority solution—that is, east and west Cheshire—that my hon. Friend the Minister set out earlier from the Dispatch Box. That is the point at which the campaign became difficult. Cheshire county council embraced the campaign for a single unitary authority, but it also began to do some serious scaremongering, saying that the Government were proposing to call the two unitary authorities "Manshire" and "Merseyshire".

That was absolute nonsense, but the county council then claimed that it was campaigning to stop Cheshire being split up. As my hon. Friend the Member for Ellesmere Port and Neston said, the county had 15 local authorities in 1974. They were responsible for delivering local government in the traditional shire county of Cheshire, but all that has changed. The county council has now proposed abolishing itself and the six other local authorities to create two unitary authorities, but its premise was that that would save the county council. That incorrect assertion has been repeated again this evening.

My hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) has taken three positions on this proposal. She was in favour of the status quo, then of enhanced two tier, and then of a single unitary county council. I might not disagree if the option before us was enhanced two tier, and certainly not if the proposal was for three unitary councils to cover the area covered by the county council and the six districts. However, I agree with the hon. Member for Macclesfield, for whom

[Mr. Mike Hall]

I have huge respect, in that I do not want a single unitary authority for the whole area covered by the county council and the six districts.

I turn now to the important question of affordability. The position adopted by the city of Chester was put forward in a report that was backed up by independent accountants. It was that the pay-back period for the two unitary authority solution for Cheshire would be four years, and that money—£100 for each council tax payer affected—would be available to equalise council tax. That is a very important matter, but the report also stated that money would be made available for new services, if the two unitary authorities wanted to spend it. I think that those are fundamental factors in favour of the reorganisation that we are discussing.

I appreciate that other hon. Members wish to speak in this short debate, so I shall end with two final points. The first has to do with how we take the matter forward. An important debate is under way, but Cheshire county council and the six districts have got together and accepted what the Government are proposing. They have not mounted any legal challenge to the order that is before the House: instead, they have got down to working out how to deliver two unitary authorities in the county, and they are doing a fantastic job.

I want to commend two individuals for the work that they have done. It is not often that civil servants get the recognition that they deserve, but the lead two chief executives for the proposed west Cheshire unitary and the proposed east Cheshire unitary have done a fantastic job in taking the agenda forward, and they have not been held back by the debates that have gone on in some parts of the House today. Mrs. Anne Bingham-Holmes, the chief executive of Vale Royal borough council, is a first-class chief executive. She works for a Conservative local authority that is fully behind the proposals that we are debating, and I commend her. Viv Horton, the chief executive of Macclesfield borough council—the council that my hon. Friend the Member for Macclesfield represents—is also a first-class chief executive. She is leading the way for that authority to make east Cheshire a unitary authority. Now is not the time to emphasise our divisions; we should be saying, "This is what we'll do, and what is in the best interests of everybody whom we represent." We should take that agenda forward in a positive way.

12.45 am

Mr. George Osborne (Tatton) (Con): I shall keep my remarks brief because two of my Conservative colleagues and the hon. Member for City of Chester (Christine Russell) want to speak. I do not disagree with much of what was said by the hon. Member for Weaver Vale (Mr. Hall), who has a neighbouring constituency to mine. We certainly want the east and west authorities to work, if the plans for them go ahead. We want the transition to be as smooth as possible, and we want costs to be kept to a minimum. It is alarming that, since the process began, the Government's estimates of the cost have nearly doubled, and the estimate of the savings has nearly halved. I join the hon. Gentleman in paying tribute to the two chief executives that I deal with as a constituency MP, Anne Bingham-Holmes and Vivienne Horton. I wish them well in the task ahead.

The hon. Gentleman is right that when the members of Cheshire county council to say on the issue, it began the process that led to tonight's debate. However, we have an opportunity to stop the process tonight—or rather tomorrow, when we vote using the pink slips. We could stop a process that many people in the county, and many Members present who represent the county, believe is wrong, unwarranted, undemocratic and unsupported by the facts. When the original process began, following the White Paper and the invitation to the councils to submit a bid, the Government said that they wanted any bids for unitary status to command broad support. Indeed, I think that the Minister said something similar to that in his opening remarks.

We are about to proceed with a proposal that was initially supported by only one council group on one district council in one part of the county. That council group lost its position as the leadership group on that council in subsequent local elections. It is true that different district councils—faced with the fait accompli, as my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) put it, of Cheshire county council's decision—then worked on their own proposals for two or three unitary authorities in Cheshire, but let us remember that the proposal that we are being asked to support tonight was originally supported by only one council group on one district council.

Christine Russell: Will the hon. Gentleman give way?

Mr. Osborne: Yes, but briefly, because I want to give the hon. Lady a chance to speak.

Christine Russell: I assure the hon. Gentleman that when Chester city council made its bid in January 2007, there was a Liberal-Labour administration, but the bid was wholly backed by the Conservative group. That group, which took power last May, has had nine months to overturn that resolution, and it has not done so.

Mr. Osborne: As I understand it, a Conservative group on Chester city council made different proposals from those that the previous leadership—[Hon. Members: "No."] Well, we could debate the issue at greater length if we had the time, but sadly we do not, because of the timetabling.

I return to the point that the proposal was not originally supported by a large number of councils in Cheshire. On every attempt to test public opinion in Cheshire, it has not been supported by the public; that applies to the referendum held in Crewe and Nantwich and the opinion survey carried out in the county. The Government have refused to hold a referendum, even though when we discussed local government reorganisation just four years ago there was a proposal for a referendum, not just on regional government, but on the local government arrangements in Cheshire.

The House is left to decide whether to impose on the people of Cheshire a form of local government that has not received any public support. We can make many arguments for and against the proposed changes, but striking warnings have been made by, among others, members of the education system in Cheshire—teachers, head teachers and governors. The concern of the fire authority is striking, and it is also striking that

the majority of Members of Parliament representing Cheshire oppose the local government reorganisation. We can make all these points, but the central point is surely this: in the end, democratic arrangements and local government structures should be based on identities that people have in their hearts, not in the minds of Whitehall Departments.

The current system is broadly supported by local people. There is the identity of Cheshire. Although bits have been chopped off over the past 30 years, as the hon. Member for Ellesmere Port and Neston (Andrew Miller) pointed out, the historic heart of the county remains and there is a county council based on that. Then there are local arrangements, which in my case mean that constituents can look to Macclesfield or Vale Royal borough council. We are about to throw away these arrangements in pursuit of a proposal that does not command public support. That is not the way to conduct our business in a democratic system.

Of course we will try to make the arrangements work if they are voted through tomorrow, and we will do everything we can to ensure that disruption for local people is kept to a minimum, but in the deferred Division that will come later today, we have an opportunity to stop the proposal in its tracks and get on with delivering services such as education, social services and housing, which people want us to be talking about both in Cheshire and in the House of Commons.

12.51 am

Christine Russell (City of Chester) (Lab): In view of the time, I shall make a few quick points that have not been made by colleagues. I hope I have clarified the position regarding the political stance in Chester. When the bid was put in, all three political parties backed it. The party now in charge of the town hall has not overturned that resolution.

The City of Chester has a proud history that dates back 2,000 years. Up to 1974, the borough council—the city—ran all its public services. As hon. Members have said, there was huge disappointment in the city in 1995, when the previous Government, after consulting on local government reorganisation, decided to award Warrington and Halton boroughs unitary status, but left the rest of Cheshire as two tier. I have been involved in politics in Chester since 1980 and I can assure the House that the aspiration of the people whom I represent and have always represented is for local government to be local in Chester.

The proposals in the order before us complement the current delivery pattern for local services. The Western Cheshire primary care trust entirely supports the policies because its boundaries mirror the boundaries of the proposed City of Chester and West Cheshire new unitary authority. Cheshire constabulary has three command units. One covers Halton and Warrington, one covers west Cheshire and one covers east Cheshire. The fire service is organised on similar lines. My constituents and those of my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller) and the hon. Member for Eddisbury (Mr. O'Brien) share most of the same local health services. We have a joint magistrates bench. So the delivery of all those services replicates the proposal before us.

I emphasise how confusing the present system is. I say that from the perspective of the Member of Parliament for City of Chester, where there is a visible landmark, the town hall. County hall is only half a mile away, but is invisible to most people. The assumption is that the town hall delivers the services. It is visible and it sends out the council tax bills. But the reality is that 80 per cent. of local service funding comes from the county council.

The present two-tier system is totally confusing, and I could give many examples of that. People are confused by the fact that the city council collects their rubbish while the county council is responsible for waste disposal, and the city council is responsible for granting planning permissions while the county council is the transport authority. That does not make for good local government. One good example of that is that four years ago, the Government awarded Cheshire county council £4.8 million to provide an extra care facility for elderly frail people but, after four years, those two authorities still have not got their act together. I am led to believe that a site has finally been identified, but the present two-tier system does not work. There is no joined-up working.

As other hon. Members have said, the joint implementation teams are already working well together. I hope that all hon. Members recognise that this is a time of anxiety for the thousands of employees who work for the seven local authorities across Cheshire. It has been suggested that we should defer the decision because there has been insufficient consultation, but I can assure the House that people in Chester have been talking about local government reorganisation ever since the last round ended in 1995.

12.56 am

Mr. Stephen O'Brien (Eddisbury) (Con): I shall be extremely brief in the hope that my hon. Friend and neighbour the Member for Congleton (Ann Winterton) will have an opportunity to make a brief contribution.

It is clear that Cheshire does not want this worst of all options imposed on it, as testified to by five of the eight Members of Parliament from Cheshire who are present today. They are the majority and they are representing their constituents in showing that they do not want this measure to be rammed through. The only way we will defeat the Government is if the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) has done a wonderful thing and managed to persuade enough of her colleagues to sign the pink form at the deferred Division later today to reject the order, or if the Lords defeat it.

Mrs. Dunwoody: I can tell the hon. Gentleman that the measure is subject to a three-line Whip.

Mr. O'Brien: I am downcast and very disappointed.

It is clear that there was no demand for this measure. There has been no identification of anything that has been so bad that it needs to be changed and fixed. Two-tier working has improved over the years and it could have been improved further. According to objective tests, the delivery of services was excellent all round, and education and social services were excellent. Both of those are now at risk because of the confusion of this rammed-through and imposed solution.

Mr. Mike Hall: Will the hon. Gentleman give way?

Mr. O'Brien: I will not give way, given the length of time for which the hon. Gentleman spoke. However, he put his finger on one problem, which was that once anybody admitted that there had to be a unitary approach, not least when the county council voted, the difficulty of maintaining the consistency of the argument for an improved two-tier system was lost. It was a great shame that many people were tempted to support that and fell for the trap that was laid for them by a Labour party, politically driven agenda, which was to halve the number of Conservative activists through councillors in the county, and to ensure that there was a real problem in identifying where there would any kind of local accountability as part of the great aftermath of having lost any ability to impose a regionally elected solution on Cheshire.

This is all part of a political agenda where inevitably no one ever votes for lower pay, lower pay-offs and lower pensions. This will all cost a lot more than the Government are pretending that it will. Therefore, when this happens and the council tax is under pressure, it does not matter who is in charge—I would like to predict that it will be the Conservatives—it will be the Government's fault, and we will be able to say that with truth, because it is the Government who have engineered this expensive, unnecessary solution. We should reject it and take this last opportunity to stand up for our constituents and not fall for this terrible trap set by the Government, who do not like the idea of good, local democracy operating in Cheshire.

12.59 am

Ann Winterton (Congleton) (Con): Most of the major points have already been made, but I should like to say a few words on behalf of my constituents, who ask me, "Why Cheshire? Why can it not be like Derbyshire or Staffordshire and not have to go through this dreadful process in which one part of the county is set against another and one set of councillors is set against another?"

There has been no support for the Government's proposals; most would have preferred the status quo or an improved two-tier system. Frankly, the consultation has been lacking—yes, there is a great long list of so-called stakeholders, but I want to know why the ordinary people have not been consulted. They want to know that too.

A MORI poll revealed that in Congleton constituency, there was 16 per cent. support for a single county unitary authority, only 27 per cent. support for a two-unitary solution, but 55 per cent. support for improved working of the two-tier system. In addition, my council has gone to the High Court about the unlawfulness of the process. It lost its case, but was given permission to appeal. That appeal has been heard and we are awaiting the outcome. We know, of course, that this process will not be stopped.

The cost will be ginormous. When has anyone ever known a reorganisation to cost less? It never has, and that cost will have to be borne by my constituents among other local town council tax payers of Cheshire.

Mr. Deputy Speaker: Order. I shall call Mr. Andrew Stunell if he respects the fact that I need to call the Minister in one minute's time.

1.1 am

Andrew Stunell (Hazel Grove) (LD): I shall take only that minute, Mr. Deputy Speaker.

The financial and community cases do not stand up and the timetable is far too short. My constituents' children go to schools in Cheshire and many of my constituents work there. I lived there for 24 years and was an elected representative there for 12. Having said that, I rest my case.

1.2 am

John Healey: With the leave of the House, Mr. Deputy Speaker, I should like to reply. Tonight, we have heard views from all sides, put with passion, reason and concern in varying combinations depending on the contribution. I should like to correct some significant inaccuracies and try to deal with some important concerns that have come up. The invitation to councils across England was made in October 2006. It asked for both unitary proposals and proposals for pathfinders to improve two-tier arrangements. We received five proposals for improving two-tier working, none from Cheshire.

I should say that we have not disclosed the detail of the independent financial assessment; that was conducted as advice to Ministers and was therefore covered by section 35 as an exemption from freedom of information requirements. However, I have made clear the principal conclusions of the assessment. In the view of the independent experts, the transition costs were certainly greater than those in respect of the proposing authorities, at £25 million. However, the payback comes within just over three and a half years and the annual savings are more than £16 million a year.

Opinion is divided about support, as we have seen tonight. However, there is a cross-section of support, which gives us confidence that if we go ahead we can make a go of the two unitary authorities. Not only the three district councils back the two-unitary solution—important businesses in the region, such as AstraZeneca and the Cheshire building society also do, and six of the 20 parishes that expressed a view do. The chief constable is neutral but marginally in favour of the two-unitary option, essentially because it would be more coterminous with his basic command units. One of the advantages is better strategic leadership; that is why East Cheshire NHS Trust and West Cheshire primary care trust also support the proposal, as does the West Cheshire college, the Highways Agency and Age Concern East Cheshire.

Concerns have been expressed by the Merits Committee, which were reflected in a couple of contributions, about the time scale and about whether we should be allowing more time to prepare for the change. The implementation teams in east and west Cheshire are up and running, however, as the hon. Member for Macclesfield (Sir Nicholas Winterton) and my hon. Friend the Member for City of Chester (Christine Russell) made clear. Officers from all the councils are now working together and have been doing so for some time, with the result that much of the

preparatory work is already well advanced. Of particular importance is the increasing involvement evident in Crewe and Nantwich and in Congleton, despite local opposition to the proposal, and the greater involvement of Cheshire county council, especially in terms of some important areas of work led by its senior officers.

When one adds to that the arrangements for support from the centre, the implementation plans set out in the order, the regular meetings with national Government officials, the detailed involvement from the Government office for the north-west, and the fact that Humberside and Avon represent precedents, from back in 1995, for similar reorganisations on a similar time scale being undertaken effectively, we are given the confidence to believe that this proposed reorganisation can and will be done on a time scale to allow the new authorities to be up and running on 1 April 2009. I recognise that the time scales are tight, but they have been set in response to the local authorities, which have all urged us to make the decision and get on with it. The county council has recognised that, which is why it has decided to withdraw its legal proceedings against the Secretary of State. The county council leader, Paul Findlow—I pay tribute to him—has committed to work with district council colleagues, and the leader of the Labour group, Derek Bateman, has also thrown his weight behind the criticism of those who look to try to block the proposal.

The worst outcome would be if the uncertainty that Cheshire has faced arising from previous reorganisation proposals were to continue because no decision was backed tonight in this place and, later in the week, in the other House. We have created this chance for new flagship local authorities to set a new standard for local government—we expect no less.

Question put:—

Mr. Deputy Speaker: I think the Ayes have it.

Hon. Members: No.

Division deferred till Wednesday 27 February, pursuant to Standing Order No. 41A (Deferred divisions).

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, I shall put motions 7 and 8 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

Charities

That the draft Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008, which was laid before this House on 29th January, be approved.

Immigration

That the draft Immigration and Nationality (Fees) (Amendment) Regulations 2008, which were laid before this House on 30th January, be approved.—*[Mr. Roy.]*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Committees),

CAP Health Check

That this House takes note of European Union Document No. 15351/07, Commission Communication, Preparing for the "Health Check" of the CAP reform; and supports the Government's aim that the health check should cut further the trade-distorting nature of the CAP, reduce regulatory burdens, give farmers greater control over their business decisions and direct more public spending towards the delivery of targeted public benefits.—*[Mr. Roy.]*

Question agreed to.

SITTINGS OF THE HOUSE

Mr. Deputy Speaker: With the leave of the House, I shall put the motions on the Easter and April Adjournments together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 25 (Periodic adjournments),

Adjournment (Easter)

That this House, at its rising on Thursday 20th March 2008, do adjourn till Tuesday 25th March 2008.

Adjournment (April)

That this House, at its rising on Thursday 3rd April 2008, do adjourn till Monday 21st April 2008.—*[Mr. Roy.]*

Question agreed to.

Supplementary Schools

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Roy.]*

1.7 am

Joan Ryan (Enfield, North) (Lab): Despite the lateness of the hour, I am grateful for the opportunity to speak on the important issue of community supplementary schools. Those schools, with roots in the African-Caribbean community's pioneering work in the 1970s, aim to enhance the educational opportunities of young people through the provision of out-of-school-hours educational initiatives. They supplement mainstream education through a programme that emphasises culture alongside the skills required to achieve academically.

I know that Lord Adonis, the Under-Secretary of State for Children, Schools and Families, has taken a keen interest in this issue, and I thank him for all the time and attention that he has dedicated so far to addressing and improving the status of supplementary schools. I also thank Paul Morrish from ContinYou, one of UK's leading community learning organisations and host of the National Resource Centre for Supplementary Education—the NRC—and the supplementary school leaders in my constituency, particularly the Turkish supplementary schools consortium, which has worked tirelessly to build, run and grow these facilities for young people in Enfield.

I am pleased that the issue of supplementary schools is moving further up the political agenda and into the education limelight. Recently, representatives of some of London's 23 Turkish and Kurdish supplementary schools met Lord Adonis to discuss the pressing issues facing this specific sector of the supplementary schools movement. That was a significant step towards embedding support for supplementary schools. I refer to Turkish supplementary schools because they are the predominant form of such school in my constituency, but there are supplementary schools in a range of communities throughout the country, such as Greek Cypriot, Jewish, Bangladeshi, and Muslim schools, and many others, including the Afro-Caribbean schools that I mentioned, which were pioneers in the 1970s.

One of the ideas that arose from the meeting that the consortium held with the Minister was the suggestion of a senior champion to liaise between the Department for Children, Schools and Families, other Departments and others in the sector, including the national resource centre, to make progress in this area. I strongly welcome such a role and ask the Minister to commit to that extremely helpful idea. I hope that the Government will continue to work closely with and support the National Resource Centre, which does excellent work in this field.

An estimated 5,000 supplementary schools are operating in England. They demonstrate a significant commitment from ethnic minority communities to improve the academic attainment of minority ethnic pupils through the expression and fostering of cultural qualities. They play a fundamental role in facilitating mainstream education, cultural expression and community cohesion while highlighting the considerable efforts and costs burdening parents, teachers, volunteers and community groups throughout the UK. Despite that, short-term funding has prohibited long-term investment in staffing, resources and the development of partnerships. Some supplementary schools are large and well resourced, but the majority are small, cash-poor projects, reliant on the altruism of local parents, businesses and community groups. The problems and frustrations that they encounter will be familiar to anyone involved in community development and informal education: they lack funding and sometimes teaching resources, their teachers are often untrained, and they can struggle to find premises.

Funding for supplementary schools is essential if they are to engage as genuine partners, develop the quality of their provision and engage in joint activities with schools. At their best, supplementary schools and mainstream schools link together to contribute to the integration and attainment of children; where that is taking place in a genuine partnership, the impact is demonstrable and impressive.

The Government are committed to a fair, meritocratic education system that requires every pupil to be valued equally, but that also recognises that not every child should be taught in the same way. Supplementary schools can help to access and unlock the hidden potential of students whose individual intellectual potential has been reduced by a culturally uniform approach to learning. Government-led initiatives such as the ethnic minority achievement grant represent positive action from within the mainstream system to target the underachievement of certain ethnic groups. I feel that it is important to stress that significant progress has already been made.

However, it is essential that children have an education and a knowledge base that is right for them as individuals. There is evidence to suggest that a one-size-fits-all mode of learning has, in part, marginalised ethnic minority children within the mainstream education system, which has in turn led to significant underachievement. Indeed, one of the key messages of "Diversity and Citizenship in the Curriculum", the 2007 curriculum review led by Sir Keith Ajegbo, was the centrality of a more flexible, diverse and tailored approach to teaching.

In 2006, Ofsted found that

"the diversity of national, regional, religious and ethnic identities in the United Kingdom and the need for mutual respect and understanding"

in key stage 3 and

"their origins and implications"

in key stage 4 were

"only rarely deconstructed to explore in any detail what this implies".

Such views highlight the difficulties involved in redesigning the curriculum to allow for a greater educational diversity for all children, of all ethnic origins.

However, Britain's supplementary sector represents an existing educational framework that has the unique capacity to cultivate and encourage individuals' cultural and lingual expression. Supplementary schools can engage young people effectively and help to translate elements of the mainstream curriculum into a culturally embedded context.

I believe that such projects are vital to the integration of minority ethnic pupils in their respective communities, inside and outside school gates. Following the Government's drive to promote a policy of community cohesion, I am convinced that a great deal can be achieved by celebrating, recognising and encouraging the extraordinary resource

that so many of our minority communities offer. I urge my hon. Friend the Minister to explore ways in which guidance on community cohesion might best draw attention to the supplementary school sector.

Of course, supplementary schools offer many other benefits to children and communities. They have traditionally worked closely with parents, local community groups and businesses. The supplementary sector generally boasts far more active parental involvement, which has been recognised as having a profound effect on children's attainment.

Considerable qualitative and quantitative evidence suggests that students who attend supplementary school have markedly improved examination results across the core mainstream subjects of English, mathematics and science, in addition to their native language.

A Bristol project that brought supplementary and mainstream schools together as part of a wider project, called the "Mainstreaming Supplementary School Support Project", boasted a 13 per cent. increase in those achieving five A* to C grades at GCSE against predicted grades, and a 39 per cent. increase in those achieving any A* to C grades. For some communities, the figures were even higher. Indeed, the Qualifications and Curriculum Authority suggests that local authorities and mainstream and supplementary schools should recognise the mutual benefits of collaboration between the sectors and formalise the links between them.

The Government could do more to encourage mainstream schools to take advantage of those benefits, especially by supporting supplementary education through the successful extended schools programme. Given the amount of investment being made, surely some capacity must exist in local authorities and schools to engage with and support their local supplementary schools.

The challenges of collaboration are illustrated in my constituency of Enfield, North, where it is clear that those benefits are not being realised as fully as they could be. Enfield Turkish school is an evening and weekend supplementary initiative hosted at Albany school in Enfield. It has proved a huge success in my constituency. Over the past three years, I have engaged with, and worked with, the chairman of the school, Suleyman Soydag, the deputy chair, Alp Ermiya, and teachers in the supplementary school and in the mainstream school that hosts them.

Four hundred and five pupils attend Enfield Turkish school, of whom 265 attend Turkish language and cultural classes, 60 take GCSE classes and 80 adults attend English language classes. Teachers at Enfield Turkish school are highly qualified and some also teach at Albany school during the conventional school day. The standard of educational provision is outstanding, as is reflected in the GCSE results.

Turkish school students who sat GCSE examinations in the Turkish language in 2005 achieved an average B grade result, with 95 per cent. achieving grades A* to C and 71.4 per cent. achieving either an A or A* grade. Enfield supplementary school is run over the course of a 38-week year, using two school halls and 14 classrooms every Sunday morning.

The costs of renting the hall, the classrooms, the use of PCs, printing materials and additional hours for the school caretaker amount to £16,000 per annum. The chairman of the Turkish supplementary school, Suleyman Soydag explains that the money is raised through donations from local businesses, fundraising functions, a small grant from the local authority for accommodation or donations from the parents of attendees through a fees-based system. If the school let the classrooms and hall space at the standard rate, it would make £22,800. However, Albany school has created a special dispensation rate, letting the room and hall space at approximately 40 per cent. of the standard rate. The school also contributes £3,000 to the Turkish school. If we take all the costs into account, we see that Albany secondary school makes an annual loss of £2,899 on letting to the Turkish school.

The money, effort and enthusiasm invested in Enfield Turkish school and similarly run supplementary projects throughout the country reflect untold academic and social benefits. Without the generous investment from Albany school, Enfield Turkish school could not afford the accommodation for its 405 students. Despite the additional investment that Albany school makes, I have witnessed the reality of the annual ritualistic struggle that Enfield Turkish school faces in maintaining its existing services. It is not that the parents do not want to continue to raise the money; rather, they want to be able to put a substantial amount of that money into the teachers and into the resources in the classroom.

It is clear that further investment is needed. Supplementary schools have grown in number and in quality, owing to the widespread enthusiasm and confidence that communities have in the supplementary sector. As I have said, there are 5,000 projects nationally. Further investment is needed to secure a set of national standards and a quality framework to optimise the clear benefits of such schools, but that must be done in such a way as not to penalise those cash-poor voluntary run organisations.

I end by thanking the Minister once again for his work on the issue and by asking him to continue to look into how we can better support the supplementary school sector, particularly in relation to the costs of the premises, support through the extended schools programme and integration into broader strategies such as community cohesion. I hope that a more codified set of guidelines can be developed to ensure that supplementary school projects are, at the very least, organised and run at cost.

Ultimately, I believe that supplementary schools should have the use of school buildings for free. I know that the matter is devolved to local authorities, which already have the power to remove many charges, but they are unlikely to do so without pressure from the Government. I ask the Minister seriously to consider the contribution of supplementary schools and to think about what I have said about costs. I do not expect him to give me a commitment this evening, but I know that the Department values supplementary schools.

1.22 am

The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan): I congratulate my right hon. Friend the Member for Enfield, North (Joan Ryan) on securing tonight's debate. She has taken the lead in supporting and promoting supplementary schools and, as she mentioned, has met my ministerial colleague Lord Adonis, who leads for the Department on the subject, a number of times to discuss it.

[Kevin Brennan]

Let me say from the outset that I share my right hon. Friend's enthusiasm for the good work that supplementary schools are doing. We in the Department see their potential to make an even bigger contribution in the future. We know for a fact that supplementary schools can help to boost a young person's academic performance in the way that she mentioned. The National Foundation for Educational Research's pupil research survey in 2001 showed that 84 per cent. of pupils who attended supplementary schools said that they helped them with their wider schoolwork. The research also suggested that supplementary schools helped to improve behaviour by helping to motivate and engage older pupils who might have become disaffected with mainstream school. We are particularly interested in the role that supplementary schools can play in helping us to narrow the attainment gap that exists for certain ethnic groups.

It is also clear that supplementary schools have a broader social value. They enrich young people's knowledge and experience of their own cultures in a way that goes beyond what the national curriculum covers. Supplementary schools allow pupils to learn their mother tongue, gain a deeper understanding of their cultural heritage and pick up new skills and experiences from older generations that might otherwise have been lost. Supplementary schools therefore help to keep intact the rich cultural diversity of our society, which is something that we all should celebrate and cherish.

My right hon. Friend mentioned several examples of thriving supplementary schools, particularly one from her constituency, and I know that there are many more throughout the country. For example, my colleague Lord Adonis recently visited the Ebony supplementary school in Greenwich. It has taught more than 4,500 pupils, it boasts its own publishing house and it runs teacher training courses focused particularly on helping African and Afro-Caribbean pupils. Its work is valued by the local community and is equally valued by my Department.

I would like to say today that the door is very much open for supplementary schools to make these important contributions. We are taking steps to support them in that, as I will show in a moment, but they will have to face up to the challenge that we are setting them, too. That is, they will have to ensure that they work in closer partnership with mainstream education bodies. Supplementary schools work best when they work alongside local schools—when they literally supplement what the local school is doing, by sharing information and resources and by exploring how their activities can link back into what the children are doing in the mainstream curriculum.

When local schools and supplementary schools get their heads together and exploit these synergies to the full, they can make a very big difference. The problem is that, too often, the relationship between supplementary schools and mainstream schools is not good enough. Some good working relationships exist, as my right hon. Friend pointed out. Another example is Heathcote supplementary school in Waltham Forest, which has established a very good relationship with its local mainstream school. However, we need to spread this best practice, and my officials will be exploring what works well in this case and other cases, and how best to forge better connections elsewhere across the country. I know that they will have listened with interest to the examples that my right hon. Friend gave this evening.

This debate is timely because there are, and will be, significant opportunities for supplementary schools to get involved in the extended schools programme. We are putting £2 billion into ensuring that every school offers after-hours activities and clubs by 2010. One in three schools are already doing that. The vision behind extended schools matches that of supplementary schools—namely, to expand children's horizons, to offer them new opportunities, and to give them the chance to experience new things. We see extended schools as part of the hub of local communities—an access point for a broad range of clubs, activities and other services. We want them to examine local needs, to build links with local community groups and institutions, and to provide children and families with a tailored menu of the options available to them.

Clearly, supplementary schools can be a valuable part of this offer. We expect local authorities and schools to involve them as an active partner as they plan their extended services options, and we have said as much in our guidance for local authorities. However, for supplementary schools to make the most of these opportunities, they have to be able to show their value to the community and their willingness to work with mainstream education and with local children's services. Hence the need to engage with the national resource centre and to take active steps themselves to build links with local schools.

My hon. Friend raised the important issue of funding. As she acknowledged, it is the local authorities that decide which supplementary schools to fund and by how much. The Government provide specific support to local authorities through the ethnic minority achievement grant, which is on top of mainstream funding and worked out using a needs-based formula. As I have already said, £2 billion is going into extended schools, some of which could be used to support supplementary schools and to make stronger links with them through the extended offer. All in all, there seems to be a significant level of financial support, which, taken together with what I am going to say in a moment about the national resource centre, shows the level of our commitment to the sector.

My hon. Friend raised the specific issue of supplementary schools being charged for premises. We have made it clear in guidance issued to local authorities and schools that they should keep the cost of renting facilities to supplementary schools to a minimum. They certainly should not be looking to make a commercial profit out of renting to supplementary schools. We are aware, however, that some supplementary schools are still facing difficulties and we are taking specific steps to help them.

Lord Adonis met representatives of Turkish and Kurdish supplementary schools in November last year. After that meeting, he made it clear that the Department would work with the sector to establish a level of charging on a case-by-case basis in London schools and local authorities. I am certainly happy to commit to Lord Adonis's work in developing the role of a champion in partnership with supplementary schools. The aim will be to negotiate acceptable terms

wherever rates appear unreasonable, and I hope that that process will help some of the schools that my right hon. Friend has mentioned this evening.

My right hon. Friend may also know that we have set up the independent National Resource Centre for Supplementary Education to facilitate closer working relationships between supplementary and mainstream schools, which I know she has welcomed. It was launched a year ago with funding from the Paul Hamlyn Foundation and my Department—and it is making excellent progress. The centre is already working closely with 30 partnerships forged between mainstream and supplementary schools in cities across the country. It has established the first national quality framework for supplementary schools, which is now being introduced across the country; it has designed and launched the first nationally accredited programme of training for supplementary schools co-ordinators; and it has developed the first national membership scheme for supplementary schools. I hope that my hon. Friend will agree that to achieve all of that in less than a year of operation is an excellent step forward, demonstrating the active, practical support that this centre is able to offer to supplementary schools.

My Department's grant to the centre was initially planned to end on 31 March this year, but I am pleased to be able to tell my right hon. Friend that I have not come along empty-handed this evening. I am pleased to take the opportunity provided by her debate to announce that we have decided to extend the funding to ensure that the centre's valuable work continues. In 2008-09 the Department will make available a grant of £350,000, and up to a similar amount in 2009-10, with arrangements to give the centre an incentive to become self-sufficient as early as possible. I hope that it was worth my right hon. Friend's staying up this late to hear that announcement this evening. That significant funding commitment runs alongside the commitment from the Paul Hamlyn Foundation to double its grant to the centre over the next three years.

Joan Ryan: That is very welcome news. Although I hope that the Minister will continue to reflect on some of the other issues I have raised tonight, I would not want to be churlish, so I say again that he has announced very welcome news.

Kevin Brennan: I am glad that my right hon. Friend feels able to welcome my announcement.

A strong, self-sufficient national resource centre will be much better placed to support supplementary schools, enabling them to engage more effectively and more successfully with mainstream schools.

Let me end, Mr. Deputy Speaker, by reiterating that the door is open for supplementary schools to become part of the fabric of education provision. I promise to take my right hon. Friend's other remarks back to my ministerial colleagues for further consideration. The Department is aware of the benefits and has made it clear to local authorities that they should bear them in mind when shaping extended schools provision. It is not a one-way street; supplementary schools can take active steps to secure their futures, too. We need them to engage with schools more positively and effectively and to demonstrate their quality and the value they can bring through the accreditation schemes being rolled out by the National Resource Centre for Supplementary Education.

Working in isolation is not an option. We need these schools to become more closely entwined within the fabric of our education system. That is the way by which we will harness their full potential and the way that they will convince institutions that they merit additional funding. Given the increasingly personalised education system that we are striving to create, I believe that supplementary schools have a promising future. Once again, I commend my right hon. Friend for the leadership she has shown on this subject and I am sure that, with her and our support, these schools will continue to go from strength to strength.

Question put and agreed to.

Adjourned accordingly at twenty-six minutes to Two o'clock.

House of Commons

Wednesday 27 February 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Employment (Cynon Valley)

1. **Ann Clwyd** (Cynon Valley) (Lab): What recent discussions he has had with the Welsh Assembly Government on employment levels in the Cynon valley. [188098]

The Secretary of State for Wales (Mr. Paul Murphy): I have regular discussions with Welsh Assembly Government Ministers on a range of issues including employment levels in Wales. Employment is still at record levels, which reflects the success of our policies and our aim to secure employment opportunities for everybody.

Ann Clwyd: First, may I warmly welcome my right hon. Friend to his rightful place on the Front Bench? [HON. MEMBERS: "Hear, hear."] I am grateful to him for that answer. As he knows, unemployment has been cut by half in the Cynon valley, but 88 acres of prime land in the centre of the valley were the site of the former Phurnacite plant, and contain a lot of toxic waste. Nearly 20 years after the closure of the plant, the development remains unfinished. When can the people of Abercwmboi expect that eyesore to disappear?

Mr. Murphy: I thank my right hon. Friend for her kind words. She will recall that I answered a question from her on this subject eight or nine years ago. I hope that my answer is a little different this time. I have met the Assembly Deputy First Minister to discuss this issue, and I know that my right hon. Friend has also talked to the Deputy First Minister. There is a strong case for development on that site, and I hope that we can get some progress in Abercwmboi. It is very important to develop what used to be called brownfield sites. In the north of our valleys, and certainly in the Cynon valley, there is a great need to provide employment opportunities, and I hope that we will achieve some success in that.

David T.C. Davies (Monmouth) (Con): May I also warmly welcome the Secretary of State to his place? I am sure that he will do a very good job. When he considers employment levels, will he also look into the record levels of people claiming sickness benefits? What is he doing to ensure that those who are capable of working are out in the workplace and not signing on for invalidity benefit?

Mr. Murphy: I thank the hon. Gentleman for his welcome. He and I share the new town, as it was, of Cwmbran, and I look forward to working with him. He will know that the pathfinder project has been highly successful and that the work of the Assembly Government and of my right hon. Friend the Secretary of State for Work and Pensions together are making an impact on both the hon. Gentleman's constituents and mine. He will, I am sure, remember that it was not long ago that unemployment levels in Monmouth and Torfaen were very high. They are now very low.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): May I, too, start by warmly welcoming the right hon. Gentleman back to the Front Bench? I am certainly looking forward to our exchanges, as I know that we both share a desire to see Wales prosper. With that in mind, the *Western Mail* reports today that Wales ranks bottom in the UK for school results and that Rhondda Cynon Taf is one of the poorest performing education authorities in the country—at least a quarter of its lessons are not up to standard. Is he not ashamed that after 10 years of Labour Government our young people, particularly in the Cynon valley, are leaving school without even the basic skills for finding employment?

Mr. Murphy: I thank the hon. Lady for her kind wishes. I look forward to waltzing with her this evening to "Me and my shadow". As for Aberdare and other valley communities, of course there is still work to be done in education and in upskilling people. I saw the article in the *Western Mail* this morning. I do not have the slightest doubt that there has been an increase in our schools' standards in the south Wales valleys. In addition to that, the number of pupils in classes has been reduced and the old schools are gradually disappearing with new ones being built in their place. Although there is work to be done, an awful lot has been done, too.

Dr. Hywel Francis (Aberavon) (Lab): May I, too, welcome my right hon. Friend back to his rightful place on the Front Bench? I also congratulate my right hon. Friend the Member for Cynon Valley (Ann Clwyd) on the sterling work that she has done over many years to attract business to the Cynon valley. May I suggest that the Secretary of State enters into discussions with the Labour-led Rhondda Cynon Taf authority and the Wales Co-operative Centre? Those excellent organisations have done much excellent work in attracting business and employment prospects to the valleys.

Mr. Murphy: Yes, of course. I know that Rhondda Cynon Taf is doing very good work in that respect. I thank my hon. Friend again for his welcome, and remind him that the last time I spoke from this Dispatch Box he was my special adviser. I know that he does excellent work as Chair of the Welsh Affairs Committee, and I am sure that the subject that he has raised will be a great issue for the Committee to deal with.

Cross-border Patients

2. **Mr. Peter Bone** (Wellingborough) (Con): What discussions he has had with the First Minister about waiting times for first out-patient appointments for cross-border patients. [188099]

The Secretary of State for Wales (Mr. Paul Murphy): I regularly meet the First Minister, when we discuss a range of issues including NHS hospital waiting times for cross-border patients. The Assembly Government are investing record amounts in the NHS in Wales and delivering real improvement in the standard of services to all Welsh patients.

Mr. Bone: I thank the Secretary of State for that answer, but official Government figures show that while 82 English patients are waiting more than 13 weeks for their first out-patient appointment, the figure for Wales is 47,698, so there does not seem to have been a lot of improvement. Does the Secretary of State agree that there is not so much a health postcode lottery, but deliberate Government discrimination against the people of Wales?

Mr. Murphy: No, I cannot agree with that. The hon. Gentleman is aware that nearly £6 billion has been spent on the health service in Wales. However, he raises an important point about cross-border health arrangements. I was surprised to learn that, in 2006, more than 19,000 patients resident in England were registered with a general practitioner in Wales, while nearly 14,000 patients resident in Wales were registered with a GP in England. Whether we are dealing with primary care or waiting times, there must be an arrangement between the Welsh Assembly Government and the Department of Health, probably an improved protocol on cross-border issues, to deal with any discrepancies. It is fair to say that waiting times in Wales have dropped dramatically over the past year or so and that there are far fewer differences between England and Wales than there were in the past.

Andrew Miller (Ellesmere Port and Neston) (Lab): I respect the right of the Welsh Assembly Government to determine their priorities in health. We welcome the fact that a third of the patients of the Countess of Chester, which serves my constituency, come to that first-class hospital from Wales. Will my right hon. Friend use his good offices to ensure that quick progress is made on ensuring that there is fair funding for the Countess of Chester hospital?

Mr. Murphy: Yes, I will. My hon. Friend and I discussed this issue only a couple of weeks ago. There are particular problems with dealing with cross-border issues in the north-east of Wales and the north-west of England, and discussions are ongoing about how to deal with them. Of course, the national health service is genuinely national to the United Kingdom and we should not allow cross-border issues to deflect from that basic principle. When the new protocol is agreed, I am sure that it will cover my hon. Friend's points.

Hywel Williams (Caernarfon) (PC): On behalf of Plaid Cymru, may I welcome the Secretary of State to his post?

Does the Secretary of State accept that one of the difficulties with this debate on health provision is that it is bedevilled by both a lack of statistics and conveniently quoted statistics? Will he therefore cause the publication of a set of statistics on the number of Welsh people being treated in England, the percentage of Welsh people being treated in England, waiting times, and costs to local health boards, so that the debate can be properly informed and transparent?

Mr. Murphy: I thank the hon. Gentleman for his kind words. He is absolutely right that statistics should be available so that we can compare notes on the separate systems in Wales and England. I can give him some statistics. As I said, there are just under 20,000 English patients registered in Wales and 14,000 Welsh patients registered in England. However, we need the figures for hospitals, too. When the statistics are compiled, they will be a useful tool to ensure that there is a proper protocol to deal with the issue. I know that the hon. Gentleman, as a north Wales Member, is especially interested in the matter.

Julie Morgan (Cardiff, North) (Lab): Does my right hon. Friend agree that Welsh patients waiting for treatment in England are part of the overall waiting list in Wales? Does he also agree that today's figures show a dramatic decrease in the number of Welsh patients waiting for out-patient appointments and in in-patient waiting times? Will he join me in congratulating all the health workers involved in that improvement?

Mr. Murphy: I certainly will agree with my hon. Friend. A great deal of work has been done in the past couple of years to improve waiting times for people in Wales. Her point about today's figures is very telling. All Members who represent Wales will appreciate that we do not get the number of letters about waiting times that we used to. There is no question but that the situation is better than it used to be, although that is not to say that we can become complacent.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I too welcome the Secretary of State to his post. He has given distinguished service to Wales and to UK politics.

Many patients in north Wales are worried that they will not have access to neurological services in Walton. My constituent, Mr. Narborough, has to go to Wrexham for artificial limb services, rather than Hereford; young Ieuan Baynhan has to go all the way to Morriston for plastic surgery; and Owen Williams cannot get treatment for ankylosing spondylitis in Bath. Will the Secretary of State emphasise to his colleagues in the Assembly and in Westminster how important cross-border services are, and will he ensure that we bring common sense to bear on the situation?

Mr. Murphy: I thank the hon. Gentleman for his kind words. I agree with him that there is a difficulty. Many of his constituents, for example, go to Neville Hall hospital in Monmouthshire, and some cross the border into Shrewsbury and elsewhere. However, we have to put the distances into perspective: a seriously ill person with a rather specialist complaint will inevitably, I suspect, have to travel some distance for treatment.

Obviously, the patient him or herself will want the best treatment, but the nearer it is to home, the better. I shall take his concerns up with the Welsh Health Minister.

Mr. David Jones (Clwyd, West) (Con): I am sure that the Secretary of State has seen this month's report from the Muscular Dystrophy Campaign, which highlights the difficulty many patients have in accessing services in England. Indeed, one local Welsh health board is unable to commission services at the specialist centre in Oswestry because of funding constraints. Does the right hon. Gentleman agree that Welsh patients, who, after all, pay their taxes at precisely the same rates as English patients, are entitled to a service of at least equal quality? Does he not share my regret that they are clearly not getting it?

Mr. Murphy: I have seen that report. I understand that the Welsh Assembly Government will consider its recommendations and that Edwina Hart will respond shortly. However, I agree with the general thrust of his question on muscular dystrophy services.

HMRC and DWP Offices

3. **Nia Griffith** (Llanelli) (Lab): What recent discussions he has had with ministerial colleagues in HM Treasury on the reduction in the number of HM Revenue and Customs offices in west Wales. [188100]

6. **Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy) (PC): What recent discussions he has had with ministerial colleagues on the effects of restructuring Department for Work and Pensions and HM Revenue and Customs offices in Wales; and if he will make a statement. [188103]

The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies): My right hon. Friend the Secretary of State and I have regular discussions with ministerial colleagues at Her Majesty's Treasury and the Department for Work and Pensions, including on that very important issue. We shall continue to take a keen interest in the restructuring and its impact on Wales.

Nia Griffith: My hon. Friend will be aware that Treasury colleagues undertook to have discussions not only with colleagues in other Departments, but with the Welsh Assembly Government, to try to safeguard HMRC jobs and services in west Wales. What progress has been made, and can he report to the House on the matter?

Huw Irranca-Davies: I thank my hon. Friend for raising that vital issue. Wales Office Ministers have suggested options—co-location, for example—in meetings and in correspondence with the Financial Secretary to the Treasury and others; we have also raised the matter with the First Minister. WAG officials have discussed the option of co-locating offices with HMRC officials, but opportunities for co-location are limited, because HMRC is focused on achieving cost savings and is not taking on new premises. However, co-location may well be a possibility where a building housing an inquiry centre is given up and an alternative building has to be found nearby. I pay tribute to the work that my hon. Friend and others have done to raise this important matter and push the case forward.

Mr. Llwyd: May I, through the Under-Secretary of State, add my welcome to the Secretary of State on his return to the Front Bench? He did a lot of sterling work in the north of Ireland, and I am sure that he will do the same for Wales.

The answer that the Under-Secretary of State gave is not good enough in the light of the concern felt across the House. Twenty-eight of the 33 DWP offices to close in Wales are within the objective 1 area, as are 550 of the 750 jobs to disappear from the HMRC sector. More must be done—not tinkering with buildings, but acting to secure those jobs.

Huw Irranca-Davies: Once again, the hon. Gentleman raises an important point, which is worth putting in context—Wales has now received more than 2,700 posts as part of the Government relocation—but the issue of substance that he raised is important. We understand that the review process is now complete for the Wales urban centres of Cardiff and Swansea, and that last week HMRC told staff that its decision would be announced this Friday. He will understand that I cannot pre-empt the announcement of that decision, but we are all looking forward to hearing it and seeing how it will affect all parts of Wales.

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): My hon. Friend will be aware that his office has been dealing with the matter for the past 12 months. One of the key issues has been the principle of co-location and joined-up government. The Treasury needs further pressure to consider seriously co-location and joined-up government with other Departments, including Welsh Assembly Departments, as well as with the NHS and even the private sector, so that we can secure those very important jobs, particularly in the area covered by the west Wales and the valleys conversion fund.

Huw Irranca-Davies: My hon. Friend reiterates the case that he and others have been advancing for some time. I am grateful to him for mentioning the role played by the Wales Office in raising the issue of co-location. We await with interest the announcement on Friday, and I know that he and others will continue to press their case hard for the effective use of co-location as part of the strategy.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): The Minister will be aware that the issue has been dragging on for almost 18 months. Is he aware of the impact that that is having on staff at HMRC offices—*[Interruption.]*

Mr. Speaker: Order. The noise level is too high. There should not be conversations. *[Interruption.]* That goes for Members on the Labour Benches as well.

Mr. Crabb: I am grateful, Mr. Speaker.

Is the Minister aware of the enormous and unacceptable uncertainty facing staff at HMRC offices such as the one in Haverfordwest, which employs 60 people, and the impact that that uncertainty is having on the morale

of the HMRC work force, who provide a vital front-line service? When will staff find out whether they will be made redundant, or whether they might be offered a relocation package or work elsewhere? The uncertainty faced by people in my constituency is the most worrying thing for them at the moment.

Huw Irranca-Davies: The hon. Gentleman rightly says that one of the biggest issues at the moment is the uncertainty of people looking at their futures in HMRC. I agree. Any process of reform such as this brings uncertainty, but as I said in response to previous questions, we hope for some conclusion in the announcement on Friday, to which we look forward with interest. He is absolutely right to say that people want to know where they stand as a result of the consultation.

Mark Williams (Ceredigion) (LD): The Secretary of State has spoken eloquently and wisely on these matters in the Welsh Grand Committee, but will the Minister deal with the inconsistency of an objective 1 area losing jobs on such a scale? We are asking for highly paid, highly skilled jobs, but HMRC offices such as the one in Aberystwyth could be reduced to a rump of only three employees. Will he ensure that the outcome of any discussions and the report on Cardiff and Swansea will not prejudice the case of rural tax offices in west Wales, not least because relocation means very little to people in Aberystwyth, Haverfordwest and similar places?

Huw Irranca-Davies: Again, the hon. Gentleman, along with many other hon. Members, has highlighted the importance of the issue right across Wales, not only in west Wales and the valleys, but in the north, south, east and west. I cannot pre-empt Friday's announcement, but the points that he and others have made have been noted and fed into the consultation. We look forward with great interest to the result.

Arriva

4. **Lembit Öpik** (Montgomeryshire) (LD): What discussions he has had with Arriva on the performance of cross-border Arriva train services. [188101]

The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies): I have regular discussions with representatives of several organisations regarding rail performance in Wales, including Arriva and First Great Western.

Lembit Öpik: Given the Government's willingness to nationalise failing industries, will the Minister consider nationalising Arriva trains? If not, will he convene a summit with Liberal Democrat MPs, MPs from other parties and interested groups, including Arriva itself, on how to improve the poor service on the Cambrian line, and will he consider practical options such as combining infrastructure and operations management of the rail service?

Huw Irranca-Davies: The hon. Gentleman tempts me down the branch line of nationalisation, but at least not in to the failed sidings of Tory rail privatisation. He raises an important issue about the Cambrian line. In August 2007, the Deputy First Minister announced that the Welsh Assembly Government will spend £8 million on capital improvements on the line between Aberystwyth and Shrewsbury. That funding will be matched by £5 million from Network Rail. Of course, I am always more than willing to meet him and other Members who want to raise issues of vital concern to rail users in Wales.

Mrs. Siân C. James (Swansea, East) (Lab): I speak as the chairwoman of the recently formed all-party group on rail in Wales. In light of the announcement made yesterday about franchise breaches by First Great Western trains, will the Minister meet the company to discuss cross-border issues?

Huw Irranca-Davies: Yes, I undoubtedly will. I congratulate her on her leading role in the all-party group on rail in Wales. I am sure that she will do great service. On the announcement made in the papers today, in consultation with the Welsh Assembly Government, Arriva is to lease on a short-term basis five class 150/1 units to First Great Western that are not currently being deployed, for the Wales and borders franchise, but that sub-lease will be available to meet future demand and can be recalled at three months' notice. I undertake to meet Arriva and First Great Western to discuss the issue.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): Last October, the Under-Secretary of State said that he was keen to see the borderlands line between Wrexham and Bidston electrified, and that is crucial to the north Wales economy. He must be disappointed that the Plaid Assembly Minister totally omitted any mention of the scheme when laying out the Assembly's transport funding priorities for the next four years. Is that not an instance of Labour having sold out to Plaid in return for propping them up in government, to the extent of sacrificing an important infrastructure project?

Huw Irranca-Davies: Not at all, and I point out that the Welsh Assembly Government and Merseytravel have jointly commissioned Network Rail to undertake a study of the scope and cost of options for a full or partial electrification of the Wrexham to Bidston line. The results of the study will be available sometime in spring 2008, and we await them with interest.

Creative Industries

5. **Ian Lucas** (Wrexham) (Lab): What discussions he has had with the Welsh Assembly Government on the contribution of creative industries to the Welsh economy. [188102]

The Secretary of State for Wales (Mr. Paul Murphy): The creative industries make a significant contribution to the economy of Wales, not just through the direct investment of funds in facilities and jobs, but through the creation and stimulation of subsidiary industries and other smaller businesses.

Ian Lucas: Budding David Leans and Nick Parks at Yale college and NEWI—the North East Wales Institute of Higher Education—are producing film-work and animation-work of the highest quality. The real challenge is to ensure that more people see that

work. Will my right hon. Friend meet representatives of broadcasting organisations in Wales and press them to showcase more new talent on our airwaves?

Mr. Murphy: I would be more than delighted to do so.

Military Training Academy

7. **John Smith** (Vale of Glamorgan) (Lab): When he last met the First Minister to discuss the military training academy at St. Athan. [188104]

The Secretary of State for Wales (Mr. Paul Murphy): I have regular discussions with the First Minister on a range of issues. The defence training academy at St. Athan will be a massive boost to south Wales, providing widespread benefits to the local economy.

John Smith: I thank my right hon. Friend for that reply. When he next meets the First Minister, will he impress on him how vital it is to provide a road link to the M4 motorway by 2013, so that the whole of Wales can benefit from the record-breaking, multi-billion pound investment in training in my constituency, Vale of Glamorgan?

Mr. Murphy: Yes.

Mark Pritchard (The Wrekin) (Con): I am sorry to spoil the party of the hon. Member for Vale of Glamorgan (John Smith) over there, but the fact is that the Minister will know that Metrix and the Ministry of Defence have just scrapped package 1 of the defence training review. Can the right hon. Gentleman give a 100 per cent. guarantee that package 2 is safe?

Mr. Murphy: No, I cannot give such a guarantee—I am not the Secretary of State for Defence—but what I can say to him is that the preferred bidder for package 2 could still be Metrix, but that package 1, so far as St. Athan is concerned, is absolutely safe, and that £11 billion is to be spent on St. Athan, the biggest ever investment in Wales by the Ministry of Defence.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [189116] **Kelvin Hopkins** (Luton, North) (Lab): If he will list his official engagements for Wednesday 27 February.

The Prime Minister (Mr. Gordon Brown): Before I list my engagements, I am sure the whole House will wish to join me in sending our profound condolences to the family and friends of Corporal Damian Mulvihill of 40 Commando Royal Marines, who was killed in Afghanistan last week. We owe him and others who have lost their lives a deep debt of gratitude.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Kelvin Hopkins: Last week the parliamentary Labour party was united in voting enthusiastically to nationalise a bank. On Friday two thirds of the parliamentary Labour party stayed in Westminster to vote for the Temporary and Agency Workers (Equal Treatment) Bill, so ably promoted by my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller). After that vote we gathered in New Palace Yard for a team photograph and sang "The Red Flag". Does my right hon. Friend accept that with more of the same, he will lead us to a famous victory at the next election?

The Prime Minister: I believe that the whole country believes that we were right to take the decisions that we took on Northern Rock. I also believe that the whole of the European Union, all 27 countries, want to see an agreement on agency workers. We are working throughout Europe to get such an agreement. I think that my hon. Friend will agree that since 1997 we have introduced the first legal national minimum wage, which has benefited millions of workers in this country. The unfortunate thing is that it was opposed by the Conservative party.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Corporal Damian Mulvihill. He died serving our country, and we should honour his memory.

One of the burning issues this week is this place. Is it good value for money? Are we sufficiently transparent? Do we debate the issues that people care about? Do we do it in a way that switches them on, rather than turns them off? I wanted to ask the Prime Minister some questions about that. Let me start with pay. I have long believed that Members of Parliament should not vote for their own pay. I know that the Prime Minister has instituted a review. Will he put it beyond doubt today and give us a guarantee that MPs will not vote for their pay again?

The Prime Minister: I have to tell the right hon. Gentleman that the House has already agreed that MPs should not vote on their pay in future. Perhaps he should read the decisions that have been made by the House. On a general point, I agree with him. The message should go out today clearly that decisions in this country should be made in the Chamber of this House and not on the roof of this House. That is a very important message that should be sent out to those people who are protesting. As for pay, I hope we will reach an agreement in the summer.

Mr. Cameron: I am glad of that guarantee that the Prime Minister has given. It is a real step forward. Allied to—*[Interruption.]*

Mr. Speaker: Order. The right hon. Gentleman must be allowed to speak.

Mr. Cameron: Allied to the issue of pay is the issue of pensions. Many of our constituents look at our pension arrangements and, having seen that their final salary schemes have been cancelled—*[Interruption.]* I

think people at home watching this want to know the answer to these questions. Is not the least that we should do to reassure people to close the parliamentary pension scheme to new members and to start again in the new Parliament?

The Prime Minister: On the first question, I remind the right hon. Gentleman, so that he is absolutely clear, that the House has voted for the decision about MPs' pay to be taken out of the hands of MPs. It was a unanimous vote of the House of Commons. He has already supported that, as have we. On pensions, he can table that proposal as part of the discussions. It is one thing that can be looked at, but that must also be a decision of the House.

Mr. Cameron: Of course, eventually, these are matters for this House, but it is right for party leaders to say where they stand and give a lead.

Allied to the questions of pay and pensions are the issues of allowances and expenses. Irrespective of what the information tribunal agrees for the past, does the Prime Minister agree with me that for the future, the very least we should do is have openness and transparency and the publication of the details and breakdown of allowances and expenses for all Members of Parliament?

The Prime Minister: If the right hon. Gentleman had done his research, he would know that I have already written to the Speaker saying that that is exactly what I want to see. I wrote to the Speaker immediately after the case that was raised about one particular Member, and said that there had to be transparency on allowances. The right hon. Gentleman knows perfectly well that that is my position, and that will continue to be my position.

Mr. Cameron: I welcome this clarity. I read the Prime Minister's letter very carefully, and I have to say that I did not think that there was that level of clarity at all.

Another issue, which probably does more to undermine people's faith in politics—[HON. MEMBERS: "It's you!"] Why don't you just wait for the question? Then you can shout. *[Interruption.]*

Mr. Speaker: Order. The right hon. Gentleman is right; hon. Members should wait for the question and listen to it. It is not the place of hon. Members to barrack anyone in this Chamber.

Mr. Cameron: One of the things that do undermine politics is the repetitive shouting of Labour Members.

One of the things that most undermine faith and trust in politics is the fact that we make promises and then do not keep them. Today hundreds of people are marching on Parliament asking for the referendum that they were promised on the European constitution—not just in our manifesto, but in everybody's manifesto. I know that the Prime Minister is not going to change his mind, but will he at least accept that it cannot be right to ask his own Members of Parliament, many of whom really feel a conscientious belief that they signed up to a manifesto, to vote against their consciences? Can that be right?

The Prime Minister: First of all, on the question of allowances, let us be absolutely clear about what happened. We voted as a House to refer this to a Committee of the House to look at these very matters. The right hon. Gentleman agreed that we should do so. I have sent in my views to the Speaker about what should be done; perhaps others can add their views too, to the Committee. But the right hon. Gentleman should remember that he agreed that a Committee should look at these matters, and that the judgment should not be pre-empted by decisions that he wants to make.

As far as the European referendum is concerned, the right hon. Gentleman knows perfectly well that in Brussels last summer the decision was made that the constitutional concept be abandoned. In other words, this is an amending treaty and not a constitutional treaty. We have said that there is no necessity now to have a referendum. That will be voted on in the House in the next few days. The question that he will have to answer is: when the House, if it does, votes against there being a referendum, is he going to insist on a referendum after ratification? Is he going to insist on renegotiating the treaty? Is that going to be the Conservative party position for the future?

Mr. Cameron: If the Prime Minister is so confident of his position, given that all of his Members of Parliament agreed the manifesto, he should give them a free vote.

I want to put to the Prime Minister one other point that could help to restore some invigoration in our politics. It is this: there is no doubt that one of the reasons why the American elections have caught people's imagination is that night after night the contenders debate in live television debates. Does the Prime Minister agree with me that the time for such live television debates at general election times has now come? Will he agree to hold television debates with the leaders of the main political parties so that people can see us discuss the issues, the policies and the challenges for the future of this country?

The Prime Minister: In America they do not have Question Time every week, where we can examine what the different policies of the different parties are.

I come back to the question of the European referendum. The right hon. Gentleman says that he is demanding a European referendum; there are members of his party who say that now that the constitutional concept has been abandoned, there should be no referendum. He has not got unity in his party on this issue. He should face up to the vital fact that there is a disagreement about this issue, but the constitutional concept in Europe has now been abandoned.

Mr. Cameron: I have to say to the Prime Minister that if he really thinks that these exchanges once a week are a substitute for a proper television debate, then he is even more out of touch than I thought. We have to be honest with ourselves: not many people watch these exchanges, and not all those who do are hugely impressed with them. There are parliamentary systems that do have television debates; we have seen them in Italy, Australia and Poland. The Prime Minister has no objection in principle: when he was shadow Chancellor, he did a television debate against the then Chancellor of the Exchequer—so I have to ask him: what on earth is he frightened of?

The Prime Minister: This is the man who makes speeches about the primacy of Parliament. This is the man who says that we should keep our promises, and also said that there would be an end to Punch and Judy politics—and what did he then do?

On the European referendum—*[Interruption.]* The right hon. Gentleman raised the issue of the European referendum, so perhaps he will now answer the question: if we ratify the treaty, is he still committed to a referendum and still committed to renegotiating the treaty? The country will need to know the answers from him as well.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Since my grandmother and many other members of my family were murdered by the Nazis in a holocaust that slaughtered 6 million Jews, together with Gypsies, homosexuals and vast numbers of other innocent people, will my right hon. Friend reaffirm the Government's support for the Holocaust Educational Trust's "Lessons from Auschwitz" programme, which takes sixth-formers to see for themselves where and how these atrocities were committed? Will he condemn with scorn those who label as a gimmick an essential project to ensure that one of the vilest ever crimes against humanity will never be forgotten?

The Prime Minister: I will ensure that the Holocaust Educational Trust can continue its vital work and that thousands of school pupils can go to Auschwitz and see for themselves the horrors that happened and then report back to their schools. I would have hoped that there would be agreement in all parts of the House on this.

Mr. Nick Clegg (Sheffield, Hallam) (LD): May I —*[Interruption.]*

Mr. Speaker: Order. Allow the right hon. Gentleman to speak.

Mr. Clegg: May I add my own expressions of sympathy and condolence to the family and friends of Corporal Damian Mulvihill.

The NHS spends more than £300 million a year on anti-depressant drugs, which we learned yesterday probably do not help many of the people taking them. Is it not time the Prime Minister developed a mental health strategy that helps patients rather than pouring millions of pounds into the pockets of the pharmaceutical industry for drugs that do not even work?

The Prime Minister: First of all, I say to the right hon. Gentleman: welcome back. I hope that this time he can stay long enough to hear the answers.

The right hon. Gentleman is absolutely right that we should do more so that people are not dependent on the drugs that he is talking about. That is precisely why the Secretary of State for Health is investing in providing more therapists to help people. We have made a decision to employ 3,600 more, and I hope that the right hon. Gentleman will support that.

Mr. Clegg: It is good to be here. It is a shame that the Prime Minister seeks to defend clapped-out 19th century procedures in this House, which are preventing the British people from—[Hon. Members: "Oh!"]

Mr. Speaker: Order. [Hon. Members: "More!"] Order. I just say to the right hon. Gentleman that he should be careful where he goes with this. *[Interruption.]* Order. Now, let the right hon. Gentleman speak. The Speaker has given him some advice; I give hon. Members advice all day. It is all right.

Mr. Clegg: Of course I will be careful, Mr. Speaker. I was talking about procedures, not people—procedures that prevent the British people from having a say in this Chamber, which is what they want.

On the issue of mental health, has the Prime Minister forgotten what his own expert, Lord Layard said? He said that we need an additional 10,000 therapists, not the 3,000 that the Prime Minister is talking about. Why is he taking half measures when we have the scandal of some patients waiting up to three and a half years just to see a therapist?

The Prime Minister: Lord Layard has said that he supports the policy we are putting forward. That policy will receive the support of £173 million, to invest in the psychological help that people can give. We are looking at piloting some of Lord Layard's proposals on how we can help people get into work, so we are doing exactly what the right hon. Gentleman is asking us to do.

As for the matter of the European vote, which the right hon. Gentleman also raised, I just remind him that his party put that issue to a vote only a few weeks ago, on 14 November 2007, when it said that

"the Gracious Speech fails to announce proposals for a referendum on the United Kingdom's continued membership of the European Union."—[*Official Report*, 14 November 2007; Vol. 467, c. 781.]

When they put their proposal to the vote, 464 voted against them, and only 68 for them. That is the level of support for their proposal.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): The Prime Minister will be aware of the huge disappointment in Blackpool when we were not awarded a super-casino after years of campaigning. Will he therefore agree to meet me, along with my hon. Friend the Member for Blackpool, South (Mr. Marsden), to discuss further the regeneration package announced for Blackpool, and especially to discuss how we can lever in private sector money to match the announcement that the Government have made about their investment?

The Prime Minister: I applaud what my hon. Friend has done to put the case for Blackpool, and she and my hon. Friend the Member for Blackpool, South have argued the case for regeneration. We have looked at the proposals that she and others have put forward. We are in favour of a substantial scheme of regeneration. We cancelled the super-casino, but our view has always been that not only Manchester but Blackpool should have more measures of regeneration allocated to them by Government support. I will be happy to meet her to discuss that.

Q2. [189117] **Mr. Rob Wilson** (Reading, East) (Con): According to the Office for National Statistics, 207,000 British people left the UK last year. That is the highest number on record. Just what is it about the Prime Minister's Government that makes British people want to pack their bags and leave the country?

The Prime Minister: I do not think the hon. Gentleman understands that every year about 180 million people are moving around the world. They are moving to study, to work and to find new lives for themselves. It is inevitable that there will be higher mobility in future years. The question for us is one that all parties will want answered. We have to have a system of managed migration for our country, which is precisely what our proposals of last week were determined to achieve.

Q3. [189118] **Barbara Keeley** (Worsley) (Lab): Screening for cervical cancer saves thousands of lives every year, but we know we have to do better to increase uptake among young women, particularly those in their late 20s and early 30s. Given that, will my right hon. Friend join me in congratulating Salford primary care trust, whose initiative to improve those processes brought about a 7 per cent. increase in uptake? In fact, is it not the case that action locally and nationally to improve screening is a lifesaver, not a political gimmick?

The Prime Minister: I am sorry that the Opposition last week said that the cervical cancer screening times that we are introducing were a gimmick. What we are doing is introducing vaccination against cervical cancer, available to teenagers. That is a big investment that we are making because it will save lives. I hope that there will be support in all parties for the action that we are taking.

Q4. [189119] **Mr. Michael Jack** (Fylde) (Con): As someone who has now passed his 60th birthday, I acknowledge the benefits and the resources of concessionary bus passes. However, is the Prime Minister aware that small borough councils that have a high level of tourism, such as Fylde, are already contemplating cutting local services so as to be able to fund fully the burden of concessionary bus fares? Will the Prime Minister look again at the allocation mechanism for those resources, to ensure that resources match the burden on small authorities?

The Prime Minister: The right hon. Gentleman may know that we have provided £650 million to local authorities over the next three years to cover the extra cost of national travel. We have done it in that way after a great deal of consultation with local authorities, which asked for the scheme to be developed in the way that it has been. As a result of that consultation, the right hon. Gentleman's council will receive £275,000 for that national scheme, and I believe that other councils in his area are receiving similar amounts of money. By April, we will be able to say that there will be free off-peak national concessionary travel for every pensioner in the country. That is a substantial advance, and I hope that it will have the support of all people in the country.

Q5. [189122] **Chris Mole** (Ipswich) (Lab): I am sure that the whole House will welcome the conviction last week of Steven Wright for the foul murder of five young women in my constituency and commend the role of the police and the Crown Prosecution Service in their successful prosecution of him. Key to the early detection and successful prosecution was the identification of Wright through the national DNA database. Will my right hon. Friend ensure that a proportionate and effective database of DNA is sustained, not just one that records people convicted for violent and sexual offences?

The Prime Minister: I join my hon. Friend in thanking and congratulating the police and those involved in bringing a successful prosecution for the murder of these prostitutes in Ipswich. Our country is proud of the professionalism and dedication that the police and all the prosecuting authorities show. My hon. Friend is absolutely right about the importance of DNA. I can tell the House that the DNA database produced matches that enabled us to prosecute in the case of 452 homicides, 644 rapes, 222 other sex offences and 1,800 other violent crimes, all in the past year. That shows that we are in a position to make the best use of the DNA database to catch people who otherwise may go free. I hope that other parties in the House will reconsider their opposition to the 2003 Act that extended the DNA database, to the benefit of successful prosecutions.

Angus Robertson (Moray) (SNP): The most recent election in Scotland took place last week in the Highland ward in Perthshire, where the Scottish National party secured 60 per cent. of the vote and Labour came in last at 3 per cent. What particular UK Government policy does the Prime Minister think motivated those 97 hardy souls to vote Labour?

The Prime Minister: As the hon. Gentleman knows, in the last Scottish elections, even with the success of the SNP, 68 per cent. of the population voted against parties supporting separation. On any opinion polls conducted, support for independence has not risen since last summer, but fallen. That shows the views of the Scottish people: they want to be part of the United Kingdom.

Q6. [189123] **Helen Jones** (Warrington, North) (Lab): People in my constituency who suffer because of drug-related crime want the offenders caught and punished, but they also want action to get them off drugs before they wreck their own lives and destroy their communities. What more can the Prime Minister do to ensure that there is effective co-ordination among Departments to tackle the misery that drug addiction causes to the addicts, their families and the people around them?

The Prime Minister: I am grateful to my hon. Friend, who has taken a big interest in such matters. Although the numbers of people on drugs are down and the numbers of drug-related crimes are down, we still have a major problem to deal with, in respect of the number of people dependent on drugs in our country. Dealing with it starts with proper education in primary and secondary schools, and with proper systems for treating people who are drug-dependent, and includes programmes for treating people in prison, where we want to move the number of people on drugs who are treated to an additional 1,000 a week.

I also believe that we must do more to help people who are on benefit back into work. It is right, then, to look at the system that we have for paying incapacity benefit, to see whether there is a better way of ensuring that the 300,000 people on incapacity benefit who are

drug-dependent can receive the treatment necessary, allowing them to be in a position to get back to work and not be wholly dependent for ever on one benefit. We are going to come forward with proposals to reform the system to ensure that people who are on drugs have the best possibility of getting off drugs, with the best possible treatment.

Q7. [189124] **Mr. Roger Williams** (Brecon and Radnorshire) (LD): Many vulnerable communities are waiting to hear about the future of their post offices. Such challenges often bring out the best in people: if they are given the opportunity, they can organise themselves and their resources to ensure that those facilities stay open. That often includes the local shop. Will the Prime Minister call a moratorium on post office closures so that people can use the full potential of the Sustainable Communities Bill and the powers of devolved Administrations to minimise those losses and protect the quality of life of the people living in those communities?

The Prime Minister: If proposals are made to give communities better means of providing postal services, and if they include a financial way forward to do so, we are very happy to look at them. On present proposals for post offices, the hon. Gentleman will know that we have set aside £1.7 billion for the next three years to implement the programme of post offices changes. Under the previous Government, no money was provided when post offices were going under, but we are providing the money to make it possible. About 10 per cent. of the proposals have already been turned down, and if the hon. Gentleman brings forward proper and financially costed proposals, we will look at them.

Q8. [189125] **Mr. Andrew Love** (Edmonton) (Lab/Co-op): Will my right hon. Friend join me in congratulating Mr. Demetris Christofias, the newly elected President of the Republic of Cyprus? His election may turn out to be the last opportunity to find a solution to the Cyprus problem. In those circumstances, will my right hon. Friend make it his first priority to find a resolution of the problems of Cyprus and do everything he can to reunite the Greek and Turkish Cypriot communities on the island?

The Prime Minister: I congratulate the new President-elect on his victory. Cypriots have clearly demonstrated that they want a comprehensive settlement, or progress towards it, in the next few months. I have invited the new President to come to London to talk about these issues, and I believe that there is new hope that such a settlement can be achieved.

Q9. [189126] **Mr. John Baron** (Billericay) (Con): The Leader of the House, the Prime Minister's own deputy leader, has described Fidel Castro as a "hero of the left". Given Castro's persecution of homosexuals, his imprisonment of journalists and his employment of thousands of people on phone-tapping duties, does the Prime Minister agree?

The Prime Minister: There can be no defence against the abuse of democratic rights in any country.

Q10. [189127] **Mr. David Chaytor** (Bury, North) (Lab): The Home Secretary's determination to make it easier for police officers to confiscate alcohol from teenage binge drinkers will be welcomed by almost all parents in my constituency. Sadly, however, one parent disagrees. He thinks that this idea is a gimmick—and it says so on the Tory party's website. Does the Prime Minister know who that parent might be?

The Prime Minister: I am sorry that the Conservative party chose last Friday to say that something as important as controlling the supply of alcohol and stopping binge drinking in our community is simply a gimmick. It is right to confiscate alcohol from under-18s, it is right to prosecute shops and retail outlets that sell alcohol to under-18s, and it is right to step up the measures that we will be taking in the next few days against binge drinking in our country. I believe that the whole country wants us to take those measures, and that they do not see measures that make a difference as a gimmick. That idea is just playing politics, but we are getting on with the business of governing.

Mr. Hugo Swire (East Devon) (Con): Does the Prime Minister share my concern about the worrying increase in tension in Serbia and, even more worryingly, in parts of the Republika Srpska, following the granting of independence to Kosovo? Does he agree with Carla del Ponte that more effort must be made to send a strong signal to bring General Mladic and Karadzic to justice in The Hague in the very near future?

The Prime Minister: Bringing these two men to justice is a very important part of reconciliation after what happened in that area of Europe. I would say to the hon. Gentleman also that what has happened in Kosovo is the right way forward. The supervised independence that is happening has happened with peace and stability. I hope, as a result of the NATO force and the European Union civilian force there, that that will continue, and I hope that Serbia, where there are tension and understandable anxieties, will see that it has a European future, and we will support it in that.

Q11. [189128] **Rosie Cooper** (West Lancashire) (Lab): In Fairtrade fortnight, we congratulate those towns and parish councils that have managed to achieve Fairtrade status. They should be supported. Will the Prime Minister join me in congratulating them? However, in my area, West Lancashire district council, a Tory council, is reluctant to participate and has absolutely rejected the idea, on the basis that it is more expensive or the coffee does not taste correctly. There is no measure of what fair trade means to other people throughout the world, globally—

Mr. Speaker: Order. The hon. Lady must stop.

The Prime Minister: My hon. Friend is absolutely right. Fair trade is important to the poorest countries of the world. The Fairtrade fortnight that is taking place means that there are many local celebrations that we should be supporting. UK shoppers have bought nearly 500 million fair trade products this year. That is up 40 per cent., which shows the great support that there now is for fair trade. Fair trade is not a gimmick. It is an important part of building justice throughout the world.

Personal Debt (Advice and Regulation)

12.32 pm

Sandra Gidley (Romsey) (LD): I beg to move,

That leave be given to bring in a Bill to require schools to provide education on personal money management; to make provision about advice centres on personal finance; to impose conditions on the activities of money-lending companies; and for connected purposes.

Debt has always been a problem for some, but we live in an increasingly materialistic society and that is fuelling a growing debt crisis. Yesterday we heard from the Children's Society about the increasing materialism shown by children and the pressure that that can cause. Children are keen to conform, and that is a particular problem in the teenage years. A separate survey of 14 to 18-year-olds revealed that more than half of them are in some sort of debt by the age of 17 and a further 26 per cent. saw credit cards and overdrafts as a way of increasing their spending power.

Last year, 106,645 people were declared insolvent or bankrupt. That is 272 people every day. Many others are wondering whether they will be next, but the problems start building up early in life. Quite simply, many 18-year-olds today start their adult life in debt. A student loan, topped up by tempting deals on credit cards and store cards, causes the problem. Faced with the offer of 10 per cent. off if a person signs up for a store card today, many teenagers and young adults are ill equipped to consider fully the long-term cost of so much cheap credit. A survey by the Nationwide building society revealed that 75 per cent. of people in the UK do not understand the monetary value that a 1 per cent. difference in mortgage rates can make. It is probably safe to assume that that lack of knowledge can be extended to credit card repayments.

In the UK, personal debt as a proportion of income is the highest it has ever been and the highest in the developed world. We are, quite simply, the debtor of Europe. If the problem is not to deteriorate further, we need to take action at a number of levels. First, we need to get people while they are young. Currently, the teaching of personal financial management is not compulsory in schools, although there are opportunities for pupils to learn about managing their money through personal, social and health education, citizenship and maths lessons. However, the reality is that PSHE lessons are not always taken as seriously as they should be and there is no monitoring of what is taught. Some schools have found it difficult to teach financial literacy: some staff do not feel confident about teaching it, and that is combined with the difficulty of fitting the lessons into an already crowded timetable. Above all, however, education should equip people for life, so the subject deserves to be taught in its own right.

Financial education will be part of the national curriculum from 2008, but that will cover only the role of business and financial services. What children really need are lessons in budgeting and money management, as they will help them understand the implications of any simple financial decisions that they make and, hence, help them to avoid future debt.

Given the Government's desire for individuals to take more personal responsibility for their long-term financial well-being, the only real surprise is that that education need has not been addressed already. For many adults, however, debt is a problem that already exists. People in debt simply do not know how to climb out of the debt trap, and in many cases some simple advice and support can help people to turn their lives around.

Yet the problem is growing. Since 1997, total British household debt has risen 170 per cent. The average interest paid on debt by each household per year has risen to approximately £3,800—an increase of £500 over the past year alone. According to Credit Action debt statistics, 80 per cent. of Britons regularly admit to overspending.

One tool for decreasing the problem is to ensure that people have access to free independent advice and assistance. The Thoreson review is currently looking into the matter, but Otto Thoreson has stated recently that providing a national, generic financial advice service would improve financial capability across the UK, and that the benefits would outweigh the costs by about three and a half to one. He has already identified the cohort of the population most in need of the advice, and calculated that there are 19 million or so people with significant needs. That represents nearly half the UK adult population.

Some advice is available already, but the organisations offering it face an increased burden. The National Association of Citizens Advice Bureaux received 434,592 requests for help in November last year. That is 30,000 more than in the whole of the 1996-97 accounting year, which shows how the problem has grown.

The Government should be working actively with the financial services industry to achieve a national roll-out of independent advice centres that would provide financial health checks. Currently, NACAB provides a valuable service but it usually offers help only once people have got themselves into considerable financial difficulty. It has recently trialled a new initiative called Moneyplan, whose aim is to find a way to meet the advice gap that has been identified in the provision of generic financial advice.

The main findings so far suggest a great deal of unmet demand. The project does not deal with crisis management, but it often has to deal with explaining financial documents that the individual simply does not understand. Also, the Resolution Foundation has investigated the feasibility of establishing a new national financial advice resource, funded by a public-private partnership, to provide financial advice targeted at people on low incomes. The foundation makes the point that a significant proportion of that group are currently making poor financial choices. I suggest that making poor financial choices is not restricted to people on low incomes.

The Resolution Foundation report also concludes that, by drawing on technology and harnessing learning from existing services, the financial advice needed could be provided at high volumes and at a reasonable cost. The time has come for Government to take a lead on the problem, rather than wait for some third-party organisation to try to get people together.

My Bill would provide a mechanism for achieving a national roll-out of independent advice centres that provide financial health checks. A network that

provides genuinely independent advice would be in the best interests of the financial industry. It would be in the industry's interests to finance the scheme collectively, as it would help to restore battered confidence by providing advice of a high professional standard that is not linked to any particular product.

However, it is no good having improved financial literacy if lending practices are confusing to the consumer. There is a need for greater transparency in a number of areas. Young people often collect store cards and, despite recent changes, some of the charging remains complex and fairly opaque. We need to have a simpler mechanism for explaining to people what their average monthly repayments will be for each £100 that they borrow—both in the initial phases of the loan, and once any offer period has expired. The current concept of APR—the annual percentage rate—is meaningless to most people.

There is also a need for tighter guidelines by the Financial Services Authority over non-income verified mortgages. We do not want to return to the days when the self-employed found it hard to obtain loans, but the recent growth in the number of unverified mortgages suggests an eagerness to promote competitive lending. Lenders should have more responsibility for ensuring that a mortgage is granted only if it is proven that the suggested repayments are feasible. The issue is hugely topical. Only this morning on the "Today" programme, Hector Sants, head of the Financial Services Authority, acknowledged the need to return to a rather more old-fashioned world in which banks lent money, kept risks themselves, and had to make rather fuller judgments about the people to whom they lent.

The aforementioned measures can only go so far, and there is a pressing need to find ways in which to put the brakes on irresponsible financial behaviour. One way of doing that would be to adopt greater debt-inflation pooling, in order to prevent irresponsible lending and borrowing. At present, about 60 per cent. of debt data are pooled; the 40 per cent. that are not includes student debt, and figures show that more than 59,000 graduates are in arrears of student loan payments by more than six months. Clearly that information needs to be part of the bigger picture, so that young adults are not allowed to get further into debt and lenders have the greatest possible amount of information on the people to whom they are lending.

This is very much a 21st-century problem. I pay particular tribute to my hon. Friend the Member for Twickenham (Dr. Cable), who has done much to highlight the issues in the past. The Bill is a modest contribution to tackling the problem, and I hope that the Government will support its aims.

Question put and agreed to.

Bill ordered to be brought in by Sandra Gidley, Rosie Cooper, John Bercow, Peter Luff, Mr. David Drew, Mr. Don Foster, Dr. Vincent Cable and Lorely Burt.

PERSONAL DEBT (ADVICE AND REGULATION)

Sandra Gidley accordingly presented a Bill to require schools to provide education on personal money management; to make provision about advice centres on personal finance; to impose conditions on the activities of money-lending companies; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 25 April, and to be printed [Bill 77].

Points of Order

12.42 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): On a point of order, Mr. Speaker. Have you considered the instruction on the Order Paper in the name of my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), and will you be selecting it?

Mr. Speaker: I understand that the matter does not arise today, so the question is rather hypothetical.

Simon Hughes (North Southwark and Bermondsey) (LD): Further to the point of order, Mr. Speaker. I am sorry about this—

Mr. Speaker: As I have said in the House before, the cares of tomorrow are for a day still to come.

Simon Hughes: I am very aware of that, Mr. Speaker. I am keen that none of us should have this care tomorrow or the day after, which is why I am raising it today.

On the issue of Standing Order No. 66 and instructions, may I ask your advice on whether you might be able to help us in two ways, Mr. Speaker? I think I am right in saying that, under the present arrangements, when an instruction is issued there is no early indication of its selection like the indication through your office of the selection of amendments, for instance, or other selection in the Lobby. Will you consider whether it would be possible for you to indicate selection or non-selection of instructions with some notice, so that the House as a whole knows in advance whether an instruction has been selected? That is my first question.

Mr. Speaker: I cannot possibly give an answer just now, but I will consider the hon. Gentleman's point. That is question No. 1 out of the way. As an engineer, I like to do one thing at a time. Now let me deal with the next question.

Simon Hughes: You have been very helpful, Mr. Speaker. I have one more request, to which I hope you will be equally sympathetic.

There are some instructions which it seems to me may not be necessary—although they are perfectly legitimate as instructions on the Order Paper—because the legislation to be debated could include the business that is the subject of the instruction. I have been present—as you have, Sir—on occasions when instructions have been issued and it has been accepted that the matter in question is one with which the Bill could deal: Crossrail is one example. Will you, Mr. Speaker, give consideration to whether I might be spared the need to have to raise such an issue in future because you are able to rule that a Bill covers the matters dealt with by an instruction so we do not have to put it on the Order Paper?

Mr. Speaker: The hon. Gentleman must understand that I deal with the business of the day, and I therefore cannot give hypothetical rulings.

BUSINESS OF THE HOUSE (LISBON TREATY) (No. 7)

Motion made, and Question put forthwith, pursuant to Order [28 January],

That the Order of 28th January be further amended as follows: in the Table, in the entry for Allotted Day 8, in the third column:

(a) for '4½ hours' substitute '3½ hours', and

(b) for '1½ hours' substitute '2½ hours'. —*[Mr. Watts.]*

Question agreed to.

Treaty of Lisbon (No. 8)

[8TH ALLOTTED DAY]

Mr. Speaker: I inform the House that I have selected the amendment in the name of the right hon. Member for Richmond, Yorks (Mr. Hague).

12.45 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I beg to move,

That this House approves the Government's policy towards the Treaty of Lisbon in respect of provisions concerning climate change.

I am sure that the whole House welcomes the opportunity to debate the part that Europe should play in tackling dangerous climate change. Leadership on this most important task facing our planet is exactly what we need Europe for, and in providing that lead Europe is building on the environmental foundations it has created since its early days. It was in 1987 that environmental protection was first brought into the treaty of Rome, with the signing of the Single European Act. In 1993, the Maastricht treaty established the environment as an activity of the EU. The treaty of Amsterdam in 1997 included balanced and sustainable development as a new objective of the European Union. There was a declaration by member states alongside the treaty of Nice in 2001, which expressed determination that the EU play a leading role in promoting environmental protection both in the EU and globally. Finally, the Lisbon treaty specifically recognises combating climate change as an important strategic objective of EU policy.

Colin Challen (Morley and Rothwell) (Lab): Regardless of what we think of the nature of the protests that have taken place today on the roof of Parliament and a few days ago at Heathrow, they point to a major contradiction in EU policy. On the one hand, the approval of the open skies treaty between the United States of America and the EU could lead to 25 million tonnes of carbon being released into the atmosphere, while on the other we have this debate today about climate change. Will the Secretary of State press for the treaty's provisions on climate change to trump the other things that are pushing to make matters worse?

Hilary Benn: I shall address aviation later in my speech. Interestingly, although the abandoned constitution did not contain a specific reference to climate change, the Lisbon treaty specifically recognises the need to combat climate change as a strategic objective of the EU. I hope my hon. Friend acknowledges that. *[Interruption.]* As my hon. Friend the Minister for Europe says, it is an improvement. That is because it recognises the changes in politics, in science and in understanding and awareness. If I may say so, that makes the Opposition amendment look pretty strange. I am looking forward to hearing the speech of the hon. Member for East Surrey (Mr. Ainsworth), because what on earth would the rest of the world make of us if, having put that into the Lisbon treaty—for reasons that many Members have advanced—we were to take it out? What message would that send to the world about how serious Europe is?

Mr. John Gummer (Suffolk, Coastal) (Con): Does the right hon. Gentleman agree that those who are concerned about the precise, detailed wording of the Lisbon treaty, lest it should lead to uncovenanted results, ought to be particularly keen on the introduction of these words, because the results to which they will lead will be covenanted? They will mean that the European Union makes this a much more central issue than it would otherwise be.

Hilary Benn: The right hon. Gentleman absolutely makes the case. I pay tribute to the work that he has done over many years to advance the cause of environmental understanding in the UK and in Europe. That is absolutely the argument. Bluntly, it would look really odd if, having gone into this recognising that we all understand the problem, we were then to argue that it should not be in the treaty and that we should take it out. What sort of message would the House be sending out if that were to happen?

Mr. Graham Stuart (Beverley and Holderness) (Con): Does the Secretary of State accept that adding six words to the Lisbon treaty is hardly going to transform the centrality of climate change to European policy making? As he has set out in his speech, the EU already has the powers and the established position to take action on this matter. With respect to my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), whose point I take on board, might not the practical effect of the measure be that international treaties on climate change would need the approval of the European Parliament, which could put a brake on action on climate change, rather than leading to an improvement?

Hilary Benn: Methinks the hon. Gentleman doth protest too much. Yes, this measure will institutionalise what the European Union has already been doing—I will say more about that in a moment—but that is not an argument for not putting it in the treaty. If we recognise, as we all do—I am sure that that goes for the hon. Gentleman as well—that climate change is one of the two greatest threats that the world is facing, why would we not want to put in the treaty a reference to dealing with the dangerous consequences of climate change as a strategic objective of the European Union, given the opportunity and given what Europe has done up to now? I have to say, in all honesty, that I really do not get the hon. Gentleman's argument, which is why his speech on the subject will be very interesting to listen to.

Mr. David Chaytor (Bury, North) (Lab): Is it not clear that the suggestion in the Conservatives' amendment that

"the Treaty of Lisbon is effectively irrelevant to the vital issue of climate change"

is completely absurd? Is it not also clear that their attempt to set the purpose and policy of the European Union against the processes of the European Union is also based on a false dichotomy? Without streamlined processes, the European Union would not be able to advance its policies.

Hilary Benn: I agree with my hon. Friend entirely. Indeed, part of the purpose of the Lisbon treaty is to enable Europe effectively to address the challenges that

[Hilary Benn]

the world faces, and today we are discussing climate change, which is one of the greatest of them all.

Mr. Nick Hurd (Ruislip-Northwood) (Con): The Secretary of State has warned the Opposition about the danger of sending baffling messages on climate change. May I put it to him that actions speak a great deal louder than words, and that the decision to expand Heathrow is utterly baffling to my constituents, and to people all around the world? I really must ask him to reconsider it.

Hilary Benn: I will come to the emissions trading scheme and aviation later. The hon. Gentleman will know that a consultation is taking place, and that, in the context of the much lower total of carbon emissions that we will be able to emit if we are to achieve our international objectives, society has a choice about where it decides to make those emissions. It is because of Europe that aviation will now have to make a contribution; it did not have to do so in the past. Aviation has a particular set of characteristics, along with shipping, including the fact that it is international, and we will need to agree on a system for divvying up responsibility for coping with the consequences of those emissions. We now have a vehicle for doing something about that, but only because the European Union has acted.

Mr. Mike Weir (Angus) (SNP): I am following what the Secretary of State is saying, but is it not the case that, although aviation will come into phase 3 of the EU emissions trading scheme, there will be an opt-out for industries in competition with businesses in countries without comparable carbon restraints? Does not that mean that international flights from the EU to the United States or the far east, which do not have carbon restraints comparable to those of the ETS, will not be included in the scheme? Will not the scheme therefore affect only flights within the EU?

Hilary Benn: The EU has competence in relation to flights that come in and out of the Union. Frankly, if the International Civil Aviation Organisation were doing its job properly, it would be addressing this issue, because ultimately we need an international solution, as we do in the fight against climate change. That is not an argument for Europe not trying, however, and the significance of the agreement that we reached at the Environment Council in December was that member states said, "Yes, we wish to see aviation included." Britain would have liked aviation to come into the scheme earlier than 2012. It looks as though that is when it will happen; it now depends on negotiations with the Parliament. The cap that will be applied, subject to those negotiations, will be based on 2004-06 emissions. That means that any rise in emissions above that level will have to be compensated for by emission reductions elsewhere.

That example, and the inclusion of climate change in the Lisbon treaty, demonstrate that the development of the EU's policy on the environment reflects our evolution of understanding as to why the environment—and now climate change—matter so much. Why did this happen? Very simply, it did so because the countries of Europe realised pretty early on that what we could achieve by working together would be much greater than what we could hope to achieve by going our separate ways. We know that environmental pollution does not respect national borders. It is a statement of the obvious, but there is no means by which we could say, "Okay, we'll look after the UK's emissions and you can look after yours." By definition, this is a problem of interdependence. It is a global problem that requires action at international level, and the EU is giving the lead.

Joan Walley (Stoke-on-Trent, North) (Lab): In view of what my right hon. Friend has said about aviation, would he agree that an equal, if not stronger, case needs to be made for shipping? Everything has been concentrated on aviation, and it is now vital to press through the International Maritime Organisation for a proper carbon regime for shipping. That can best be done through the EU.

Hilary Benn: I agree with my hon. Friend entirely. As she will know, the challenge is even more complex in relation to shipping. It is not simply a question of divvying up the emissions according to which port a ship leaves and which one it arrives in. We need to address the question of fuel bunkering; if that happens in international waters, who is responsible for the emissions? We also need to deal with the question of flags of convenience, because if the trading were arranged on that basis, some countries might suddenly find that they had to take responsibility for a lot of emissions. This is a complex issue, and it needs to be dealt with on an international basis.

Hugh Bayley (City of York) (Lab): Does my right hon. Friend agree that people throughout the world, not just those who live in the EU, look to the EU to provide a lead on climate change? In November, the UK branch Commonwealth Parliamentary Association held a conference here in London that was attended by 85 parliamentarians from Commonwealth and non-Commonwealth countries. The conference called for a new international treaty, and for the promotion of the creation of durable carbon markets. The majority of the people there were from non-EU countries, and they look to the EU to provide a lead because our carbon emissions trading scheme is the best and strongest so far developed in the world, and because they see the EU as the most likely base on which to build an international agreement on these matters.

Hilary Benn: I agree with my hon. Friend completely. This is about providing leadership in the world. If we all wait for someone else to act, "After you" will do for all of us. That is the truth. I congratulate those who took the initiative to call that conference together. Parliamentarians are part of the process by which this change will take place, because we, too, represent the change in awareness and the growth in understanding. As I shall illustrate in relation to Bali, Europe's leadership is hugely significant in this regard, and gives encouragement to others around the world.

Martin Horwood (Cheltenham) (LD): The Secretary of State has just mentioned the subject of my question. On the international situation, does he not agree that the impact of the Conservatives' amendment would be to undermine the strategic direction that Europe took

in Bali, which was so vital to the success of those negotiations in bringing pressure to bear on countries such as the United States to come on board and join the international consensus?

Hilary Benn: The hon. Gentleman makes a very fair point. In truth, people will look at that amendment and think, "What? What is that all about?" It makes no sense whatever. Let us debate the substance of what we need to do. To focus a lot of attention on saying, "Can you please remove the words 'climate change' from the EU treaty?" would be greeted with a lot of perplexed looks and exasperation around the globe.

Mr. James Clappison (Hertsmere) (Con): The Secretary of State is being very generous in giving way and he is making his case most eloquently. He has repeatedly referred to what the EU will do, to the EU's actions and to what it is enabled to do. Will he tell us, simply, whether there is any new power in the treaty that was not provided for already?

Hilary Benn: No, there is not. The treaty does not change the shared competence and qualified majority voting applies. However—I hope that the hon. Gentleman will accept this, on reflection—it institutionalises the point that the EU, as it moves forward, recognises that tackling climate change will be an important part of what it will need to do.

Mr. Elliot Morley (Scunthorpe) (Lab): Does that not underline how confusing the Opposition amendment is? Surely, if climate change is important, which we all accept, it should be institutionalised. The debate should be about shifting resources from agricultural subsidies to fighting climate change. To do that, the policy should be part of the institutions of the EU.

Hilary Benn: Of course it should. Given the strength of the argument against the Opposition amendment, maybe some on the Opposition Benches will see the error of their ways.

Mr. Peter Ainsworth (East Surrey) (Con): I am sorry that Labour Members appear to be confused by the amendment, as it is very straightforward. I am also sorry that the Secretary of State says that the amendment would also remove reference to climate change from the Lisbon treaty. It would do nothing of the kind. The point made by the Opposition's amendment is that

"the Government's priority on climate change in the European context should not be institutional change but the strengthening of measures to drive down greenhouse gas emissions"—

there should be actions, not words.

Hilary Benn: I have read those words very carefully. I have also read the amendment that will be debated later, which will be dealt with by my hon. Friend the Minister for Europe, that indeed seeks to remove the words.

Mr. Mark Francois (Rayleigh) (Con): Will the Secretary of State confirm that that is a Back-Bench amendment? Yes or no?

Hilary Benn: I do recognise that; if Opposition Front Benchers are saying that they will not support it, that is fine. *[Interruption.]* Good, I am pleased to hear that.

Hugh Bayley: Will they be supporting it?

Hilary Benn: I think that those on the Opposition Front Bench have indicated that they will not. It would not make any sense. I do not understand why they are carping about the inclusion of those words which they say make no difference. My argument is that they do make a difference. Since the Opposition are not arguing in favour of the treaty they will, in the end, be understood by the position that they take.

Every one of us has an interest in a healthy and natural environment. We all recognise the improvements that have been made as a result of the efforts of the EU. Pollution control is a good example. Air quality legislation has been in place since the 1980s and has been responsible for dramatic improvements in air quality across Europe. Sulphur dioxide emissions, which are one thing about which we should be concerned, are down by 68 per cent. compared with 2004. Nitrogen oxides are down 32 per cent. Volatile organic compounds are down 43 per cent. and ammonia is down 22 per cent. That is one example of European action making a difference.

A second example is the quality of bathing water. In 1976, EU legislation protected bathers from health risks. What has that meant for people in the UK? Significant improvements have been made to the quality of our bathing waters. As a result, nearly all coastal bathing sites consistently meet the European standard. Seven in 10 waters now achieve the tougher guideline standards. Those are two examples of Europe acting to improve our environment. They both represent real progress.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Some of us heard an interesting speaker from Surfers Against Sewage last night, not far from this House. The speaker pointed out that if it had not been for European regulation, Surfers Against Sewage would never have achieved what it has as a successful pressure group that has changed the quality of sea water around our country. Does the Secretary of State agree that every environmental group that I talk to believes that nothing would have happened in this country without leadership from Europe?

Hilary Benn: That is entirely the case. Europe has been a force for good in improving the quality of our environment. That is the truth. Those who carp at the EU and do not wish it to have those responsibilities and powers must then accept the consequence of the lack of action that would have happened if Europe had not taken the lead. That is precisely the reason that we need Europe to act on climate change. I would describe the Lisbon treaty as a further step in the journey in protecting the environment for us all.

The Prime Minister said in November last year that our membership of the EU

"gives us and 26 other countries the unique opportunity to work together on economic, environmental and security challenges".

We all know that dangerous climate change is all three of those challenges and more. One has only to think for a moment about the possible consequences of reduced water availability in the world. What will we do when human beings start to fight each other about water?

[Hilary Benn]

How will we cope with the consequences for crop yields of increased temperature? What will we do as a world when large numbers of people begin to move around the globe in pursuit of a safe place to live, because they cannot live where they lived previously as dangerous climate change has rendered their homes uninhabitable? I and other hon. Members have seen with our own eyes people who are experiencing that precise situation in the developing world.

The truth is that the world has come a long way since 1988, when the World Meteorological Organisation and the UN Environment Programme established the Intergovernmental Panel on Climate Change. At that point, few people were aware of what was going on, and in the years since things have changed dramatically. The science is no longer in doubt. Climate change is happening, and it is happening fast. Time is short and the world must act now.

The UK Government have played an important part in leading that debate in the EU and internationally. After all, in 1998 the UK Government, during our presidency, led the EU in pushing for the historic Kyoto agreement. The EU emissions trading scheme is based on the UK's domestic scheme, which started three years earlier. We were the first country in the world to do that. The EU picked it up and, as has been said, it is now the bedrock of the EU's efforts to reduce emissions by putting a price on carbon. The emissions trading scheme is the largest scheme of its kind in the world and covers the largest emitters, who produce almost half the EU's CO_2 emissions. We want other sectors to be included in the scheme, which is precisely why we pressed for aviation to be included. That was agreed at the Environment Council in December.

Mr. Graham Stuart: I am extremely grateful to the Secretary of State, who is as generous as ever in giving way. The six words—almost an aside—in the Lisbon treaty that refer to climate change are:

"and in particular combating climate change."

Of all the strands in the comprehensive treaty, which covers so many areas of law and activity in the EU, that must be the slightest reference to any subject. Today is being spent trying to deflect attention away from the failure to provide the people of this country with a say on the Lisbon treaty by dressing it up as an important step in climate change. I put it to the Secretary of State, who is known for his honesty in this House, that that is nothing more than a charade. It is not giving a genuine impression.

Hilary Benn: I have great respect for the hon. Gentleman, but in preparing for the debate and standing at the Dispatch Box today I am not taking part in a charade, whatever he is doing. I do not accept the argument. However, maybe he is arguing that there should be a bigger reference to climate change in the Lisbon treaty. Is he?

Mr. Stuart: I would have thought that as we are devoting a day to considering the Lisbon treaty as it relates to climate change, it would deserve a much bigger entry if it was felt to be important. We have already said that we do not think that it needs such an entry. Why are the Government spending this time on discussing six words? The EU has the powers. The point that we Conservatives will be making today is that it is action that counts. Our frustration and annoyance is caused by the lack of action and the Government's desire to play politics by using climate change as a cover.

Hilary Benn: I am not trying to use climate change as a cover for anything at all. I was in the middle of pointing out that the EU is already getting on with it, hence why argue with the words in the treaty? We were the first country to put climate change at the heart of a G8 presidency and to argue that there should be a debate on climate change in the Security Council. We were the first country in the world, as a member of the European Union, to put together a Climate Change Bill. The hon. Gentleman will recognise that the Climate Change Bill, which is being considered in the other place, is an historic piece of legislation that will make us the first country in the world to provide for a legally binding, long-term framework to cut CO_2 emissions. That UK commitment reflects Europe's commitment. EU member states, as well as other countries throughout the world, are watching what we are doing in the United Kingdom with great interest.

Mr. Gummer: Given that the Climate Change Bill was the product of Opposition pressure and Government willingness, and is thus a commonly supported Bill, does the Secretary of State agree that we are setting an important example throughout the world and that that ought to be the way in which we proceed on all these matters?

Hilary Benn: I agree with the right hon. Gentleman absolutely. All our thinking has evolved. That is reflected in the politics of all the parties of which we are proud to be members and the campaigns of non-governmental organisations—Friends of the Earth has worked particularly hard. The truth is that whoever is in government in any country in the world, they will have to deal with this threat, so we all have a shared interest in ensuring that we have the right framework, the right politics and, above all, the right action to get emissions down.

Colin Challen: Brevity is not necessarily an indication of substance. The phrase

"all men shall be free"

underpinned the anti-slavery movement, which shows that even five words can achieve a great deal. To return to the substance of the debate, another phrase is "commerce always outbids conservation", and it bothers me that aviation is being grandfathered. All other sectors in the ETS have a baseline of 1990, so why should aviation have 14 years' growth grandfathered? Surely all other sectors in the ETS should be unhappy with that decision.

Hilary Benn: The straight answer to my hon. Friend's point is that that was what the Council of Ministers was able to reach agreement on in the end. However, I am not sure that I agree that commerce will always trump conservation. In the development of our understanding of dangerous climate change, it is striking that the business community gets it, too. Even in the relatively short time that I have been in this job, I

have seen the CBI taskforce report and listened to business people from around the world, especially from the UK and Europe. I pay tribute to Nick Stern, because if one was to put a finger on one bit of work that has done more than any other to change attitudes in the business community and broader society, it would be his fantastic report. He said very simply, "If you don't get the moral case and you're not wholly persuaded by the science, just have a look at the numbers." People who understand numbers for a living can see that a case is being made when someone says, "Given a choice between a low cost and a much higher one, which do you fancy pursuing?"

Martin Salter (Reading, West) (Lab): Does the Secretary of State agree that Conservative Members would be able to make a more valid contribution if they focused on other aspects of the treaty relating to climate change more than on the six words that have presumably been crayoned on to their briefing notes for them? The Lisbon treaty clearly talks about the sustainable development of Europe, energy efficiency and new agreements on renewable forms of energy. Are they not crucial factors in tackling climate change?

Hilary Benn: They certainly are. If hon. Members read article 191 in the consolidated texts, they will find all those points. As we have come to learn, we need to see all these things in the round.

Martin Horwood: Will the Secretary of State give way?

Hilary Benn: I want to make a little more progress because many hon. Members wish to speak and I want to give them as much time as possible.

President Barroso himself has acknowledged the growing public recognition of the dangers posed by climate change. He says:

"It therefore deserves and demands to be seen as one of the new cornerstones of the EU's raison d'être."

I could not agree more, and that is what the treaty will achieve. That is reflected by the fact that, last spring, the European Council agreed an ambitious set of targets on carbon emissions, renewable energy and biofuels to push forwards the transition. Germany, as G8 president, played a role in getting agreement at Heiligendamm on the need for cuts in emissions, which was an example of European leadership.

In December, Europe's united front in support of an agreement at the climate change negotiations in Bali played an important part in achieving a breakthrough. Something was achieved at Bali that had not seemed possible before, namely that all countries in the world—from the United States of America to developing countries—recognised the science and the need to make deep cuts in emissions, and agreed that we needed to negotiate a new climate deal over the next two years. On 23 January, the European Commission published legislative proposals in the climate and energy package that will put the emissions trading scheme at the heart of EU policy. An EU-wide central cap is being established for the first time precisely because Europe is learning from the experience of phase 1 of the ETS that if the cap is not right, progress will not be made.

Rob Marris (Wolverhampton, South-West) (Lab): Given that, according to the House of Commons Library, per capita CO_2 emissions in the United Kingdom have increased this century, will my right hon. Friend say a little more about what articles 191 and 192 will do to assist us to adapt to climate change, on which Stern was particularly strong? There is a need not only to deal with the causes, important though that is—it has been a major focus of my right hon. Friend's speech—but to say something about the inevitable consequences that he realises are already happening and that will get worse in the future.

Hilary Benn: The last point in article 191.1 refers to "promoting measures at international level to deal with regional or worldwide environmental problems".

Such problems are not just those relating to combating climate change, but those that will flow from climate change, such as the availability of water, crop yields and diseases that will spread to parts of the world in which they have not been found before. There must be adaptation now, because whatever we agree on mitigation, we will have to adapt to the changes that are irrevocably in the system.

The EU has set ambitious targets on renewables for member states. By demonstrating its leadership, it has said that if there is a global deal, the EU will increase its commitment further and cut greenhouse gas emissions by 30 per cent. by 2020.

Mr. Clappison: I agree with many of the general points that the Secretary of State is making. On the point raised by the hon. Member for Wolverhampton, South-West (Rob Marris), I have had a quick look at article 174 in the previous treaty, which seems to include an almost identical provision to that to which the Secretary of State referred in article 191, except for the words to do with climate change. Is that the case?

Hilary Benn: What is new is the inclusion of the strategic objective of addressing climate change, which we should all welcome.

Europe is providing leadership, and its 27 voices are giving the same message to citizens, businesses and our global partners. Europe, this country and the world need to concentrate on five things if we are to deal with the problem. First, now that we have the deal at Bali, we need to agree on a goal.

Mr. Peter Ainsworth: That would be a start.

Hilary Benn: Well, Europe has made a start because it has a goal—a temperature target. There is a question of what temperature increase the world thinks that we can live with and what we must avoid. Europe's target is no more than 2°C, which will require at least a 50 per cent. reduction in global emissions from 1990 levels across the world. We must get agreement, because once there is agreement on a goal, we can look at all the commitments from around the world that are on the table. We can then add them up and decide whether they will be sufficient. We know that they are not sufficient to deal with the task at the moment.

Secondly, we need bigger and more ambitious commitments from developed countries. That is why Europe's commitment is important and why we need all

[Hilary Benn]

the rich developed nations, including the largest economy in the world, to make binding commitments. Thirdly, we need a strong global carbon market, because putting a price on what is bad for the climate will encourage people to invest in what is better for the climate. We have to open up those markets to all countries, and the fact that the EU ETS is the largest of all the markets puts Europe in a strong position to ensure that that happens. As other trading schemes emerge in other parts of the globe, one of our tasks is to enable them all to fit together, so that we do not end up with—if I can put it this way—a VHS trading scheme in one place and a Betamax trading scheme in another, or different currencies; we need to be able to connect the schemes together.

Fourthly, we need a deal that is fair. This is fundamentally a matter of global social justice. We now learn that we have a finite resource that the world can cope with: CO_2 and greenhouse gas emissions. The world can only take so much, so the question is how we divide that up fairly and equitably, both to save the planet and to lift every citizen out of poverty in the same century. That is why we need measurable contributions from developed countries, but we also have to show that those countries are willing to provide financial support, help with technology, assistance to avoid deforestation and support for adaptation to developing countries. Fifthly and finally, we need an agreement that covers all countries and all emissions and does enough to solve the problem.

That, in summary, is the task that the negotiations between now and Copenhagen have to achieve. The truth is that Europe alone cannot ensure that we get that deal in Copenhagen; it depends on many other countries, too. But with the Lisbon treaty acknowledging Europe's role—that is what it does, and so it should—we now have a firm basis on which to proceed. What the Lisbon treaty has to say on climate change recognises reality and embraces practical politics, and I think that the House should support it.

1.22 pm

Mr. Peter Ainsworth (East Surrey) (Con): I beg to move, To leave out from 'House' to end and add

'notes that the Treaty of Lisbon makes no substantive changes to EU competence on climate change; agrees with the Foreign Secretary that climate change agreements already reached by the EU "have done more to show the relevance of the European Union than any amount of institutional tinkering"; believes that the Treaty of Lisbon is effectively irrelevant to the vital issue of climate change; and concludes that the Government's priority on climate change in the European context should not be institutional change but the strengthening of measures to drive down greenhouse gas emissions.'.

Conservatives always welcome the opportunity to speak in this House on the vital importance of tackling climate change. As the debates on the Lisbon treaty are demonstrating, we also welcome opportunities to speak on the role and influence of the European Union in the political and daily life of this country. Indeed, some hon. Members on both sides of the House seem to show an insatiable appetite for debating matters European. We are happy to debate climate change and our relationship with the European Union.

The other place has happily been debating the Climate Change Bill in recent weeks, and I am pleased to note how the Opposition have succeeded in persuading the Government to toughen up some key provisions of that Bill. We look forward to its arrival in this House in the near future. If we end up with a robust Climate Change Bill—one that really changes the mindset in Whitehall and in Westminster—it will be a great example of what a national Parliament can achieve.

There will be plenty of opportunities to debate climate change in the weeks ahead, and that is a good thing, given that climate change is the greatest threat we face. It would be surprising indeed if we were not debating it. I sense that, despite the fact that the science is still disputed by some, there is a real hunger for clarity and leadership on climate change, which affects all of us, whatever our job, wherever we live, whatever our income and whatever our faith. It demands a new politics.

Mr. Greg Knight (East Yorkshire) (Con): Does my hon. Friend share my anger and concern that in the past few days, despite sensible opposition by Her Majesty's Government, the European Union has decreed that from 2011 all motor cars will have to have daytime running lights? Is he aware that, in answer to a parliamentary question that I tabled, the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), revealed that that will result in an increase in fuel consumption of about 5 per cent.? Is not that a good example of what is rotten in the European Union—the blanket, one-size-must-fit-all approach, which in this instance will lead to an unnecessary imposition on the British motorist and will increase emissions?

Mr. Speaker: Order. That was more like a speech than an intervention.

Mr. Ainsworth: My right hon. Friend will no doubt have an opportunity to catch your eye later, Mr. Speaker, but he makes a good point. I shall later make some positive remarks about the role that the EU can play in combating environmental challenges and climate change, but producing a directive requiring all cars to keep their headlights on at all times is precisely the sort of thing that gets under people's skin and annoys them about the EU. I know that Ministers have resisted that measure. The EU maintains that it will increase fuel use and carbon emissions by only 0.3 per cent., but the Government's position is that it will increase them by 5 per cent. That is wholly unacceptable and counter-productive, and an example of what could go wrong if we do not persuade Europe to engage in the new politics that I just mentioned.

Steve Webb (Northavon) (LD): I very much agree with the hon. Gentleman on the need for a new politics and consensus on climate change. Can he explain why this week Conservative peers voted against having a target of an 80 per cent. cut in CO_2 emissions?

Mr. Ainsworth: My understanding is that Conservative peers abstained on that vote. However, I am pleased by the co-operation that has been taking place between the Liberal Democrats and the Conservatives in the other place. The first key task set out by the Secretary of State

was to keep the increase in global average temperatures to less than 2° C. I shall be interested to hear the Minister who sums up this debate explain why Government peers voted against Conservative and Liberal Democrat peers on making that task a primary purpose of the Climate Change Bill.

Colin Challen: In an intervention, the hon. Gentleman said that the Conservative amendment was all about adding substance and not flitting about with a few airy-fairy words. In terms of substance, therefore, will he tell us how the Conservatives would raise the price of carbon in the emissions trading scheme to a level that might deter people from flying?

Mr. Ainsworth: If the hon. Gentleman is patient, he will hear me discuss the ETS later in my speech.

Mr. Martin Caton (Gower) (Lab): Just before the previous interventions, the hon. Gentleman said that climate change affects us all, but does he agree that it does not affect us all equally? It will have the greatest impact on the poorest people in the poorest parts of the world. In that sense, climate change is not only an environmental issue, but a social justice issue.

Mr. Ainsworth: I entirely agree with the hon. Gentleman. If the House will allow me to make progress, I am about to touch on that very point.

We need a new politics in the face of an unprecedented challenge. Our approach must not be tactical or short term, geared toward electoral advantage; it must be long term. We do not need insular and self-interested policies; we must be global and generous. As the hon. Gentleman said, climate change is not just an environmental or economic challenge. It is about our economy and the world's, our society and some of the most vulnerable societies in the world. Ultimately, it is very possibly about our ability to survive at all.

Climate change needs to be debated but, above all, it needs action. So far, the Government have been long on words but desperately short on effective action: the rhetoric and the reality are far removed. This country's climate change emissions have increased since 1997, and now key environmental projects are threatened by the latest consequences of DEFRA's financial difficulties. Given the absence of dispute between the main political parties on the seriousness of the threat of climate change, it is astonishing that so little progress has been made towards dealing with the problem.

What I have been struggling to understand is why we have been invited to discuss climate change here and now, in the debate on the Lisbon treaty. The Lisbon treaty matters, too. It might not literally be a matter of life and death, which is what irreversible climate change might ultimately become, but it does go to the heart of how we are governed, our democratic values and our right to determine our own future in years to come. It is uncomfortable to say this, but I really think that the fact that the Government have devoted so much time to the issue of climate change in debates on the Lisbon treaty betrays a serious misjudgement of the importance of both issues. It may betray something worse: a cynical willingness to use the issue of climate change as a decoy, a means of avoiding more thorough debate about the constitutional implications of the Lisbon treaty.

We have already heard how many words in the Lisbon treaty are devoted to the issue of climate change: six. *[Interruption.]* When I say six, I mean literally that there are no more than six words in the whole treaty devoted to the issue of climate change, and I shall quote them:

"and in particular combating climate change."

It is hardly groundbreaking stuff. There is nothing in those six words or anywhere else in the treaty that will help our collective efforts— *[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. We cannot have hon. Members waving documents about in the Chamber.

Mr. Ainsworth: What has happened is that the Government have dedicated three and a half hours today to discussing those six words. That is 35 minutes a word, or just over five minutes a letter. I suppose that I should be grateful that in this long series of debates, I am probably unique among Conservative spokesmen in not having to complain about any new powers arising from the treaty of Lisbon, but I must ask whether this is the most productive use of the House's time.

Do the Government think that focusing on a thematic issue such as climate change, which they identify correctly as something that the public care about, enables them to avoid a more technical debate on the parts of the treaty that actually make important changes to our political relationship within Europe? Why have they arranged this particular debate on this subject?

Several hon. Members *rose—*

Mr. Ainsworth: I will give way to any hon. Gentleman from the Labour party who can answer that question.

Paddy Tipping (Sherwood) (Lab): The hon. Gentleman said earlier that actions speak louder than words. Are not the important vehicles for environmental change—measures providing for clean water, how we look after our landscape, how we dispose of our waste, climate change—being driven by Europe? We ought to be supporting them rather than carping about today's debate.

Mr. Ainsworth: If the hon. Gentleman will be patient, I shall come to some of those issues and some of the positive things that Europe has done to encourage a better environment for all of us.

Several hon. Members *rose—*

Mr. Ainsworth: I shall give way to my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), but then I must make progress.

Mr. Gummer: Is my hon. Friend not being rather kind to the Government? The truth is that it would be perfectly proper to have a whole day's debate on climate change under the Lisbon treaty—it really is a very important addition—if we had had a proper debate on defence or a whole range of other matters in the Lisbon treaty. What worries me is that it is not the Secretary of State's fault. The fault lies in the

[Mr. Gummer]

Government's unwillingness to arrange for proper line-by-line debate on the treaty. Those of us who are deeply opposed to referendums should be most concerned that we ought to have had that debate.

Mr. Ainsworth: My right hon. Friend makes a compelling and important point. I understand that none of the amendments dealing with defence was debated at all, which is a disgrace. I suggest to him that there may be another and rather more scurrilous plan at work: I suspect that somebody in some Government office thought it might be a cunning wheeze to table the motion that we are debating in order to paint the Conservatives' considered opposition to the Lisbon treaty as being incompatible with support for collective EU action on climate change. If so, that is not only cynical but ignorant.

Hugh Bayley: The question is whether the Conservative party speaks with one voice. The right hon. Member for Suffolk, Coastal (Mr. Gummer) said how important it was for the EU to have a competence in climate change. Amendment No. 121 to the European Union (Amendment) Bill, tabled by some very senior Conservatives—including a former party leader, the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), and a former Cabinet Minister, the right hon. Member for Wokingham (Mr. Redwood)—says that the EU should have no say at all on climate change. Does that not show that the hon. Gentleman's party is deeply divided and unable to provide leadership on Europe?

Mr. Ainsworth: The evidence of these debates has been that the divisions are all on the other side of the House. I agree strongly with my right hon. Friend the Member for Suffolk, Coastal.

The hon. Gentleman ought to know that the EU already has a competence in climate change; that is exactly my point. The provisions of the Lisbon treaty are about the distribution of power between the EU and its member states, and how the EU is organised. The treaty has been deliberately designed, some would say, to be as hard as possible to understand, which is presumably why the Government hope that they can renege on their pledge to hold a referendum, although I remind the Secretary of State that people notice when politicians fail to keep their election promises.

However, when the EU does useful things, it can play an important role, not least in tackling climate change. Again, it is about actions and not words:

"if the European Union is to show itself to be useful, it need not reform its institutions or become obsessed with institutional reform; rather, it needs to get on with tackling the big issues that people recognise cannot be addressed at national level."

Those are the words of the Foreign Secretary.

Mr. Chaytor: If the hon. Gentleman is opposed to the provisions in the treaty relating to the reform of institutions, and if he argues that reform is irrelevant to the issue of climate change, surely he should be able to stand at the Dispatch Box and explain how a six-month rotating presidency shared among 27 member states can possibly advance climate change policy more effectively than the provisions in the treaty.

Mr. Ainsworth: It does not need a treaty to take effective action on climate change. I refer the hon. Gentleman, whom I respect greatly and whose knowledge of environmental matters is impressive, to the further remarks of his own Foreign Secretary in December:

"People sometimes say, 'You can't address those issues unless you reform the institutions,' but to take the topical example of climate change...if you look at the conclusions of the March 2006 European Council, which offer a genuine leadership role for Europe on climate change issues and international negotiations, you will realise that they have done more to show the relevance of the European Union than any amount of institutional tinkering."

That is exactly the point that I am making. I am at one with the Foreign Secretary on the matter.

Martin Horwood: The hon. Gentleman has just made the extraordinary statement that it does not need a treaty to take action on climate change. Does he seriously think that something as complex as the emissions trading scheme could possibly have been established among 27 member states without the offices of the European Union, which the treaty will reinforce?

Mr. Ainsworth: The hon. Gentleman makes a fair point. I should have said "a new treaty", as the existing provisions on climate change are, of course, undertaken through the treaty of Rome, and will not be changed by the Lisbon treaty.

I agree completely with the Foreign Secretary. We do not need more institutional meddling to deal with climate change; we need better policies and greater political will. The Foreign Secretary's remarks serve only to emphasise how irrelevant today's motion is. It is a distraction not only from the substantive issue of how to meet our carbon emissions reduction targets but from the issues of real relevance to the Lisbon treaty, such as defence and foreign policy.

The EU already has the power to tackle climate change. For instance, article 175 of the treaty establishing the European Community has already been used as a basis for the Community to pass many measures relating to climate change, which we have supported. Ratifying the Kyoto protocol at the European Community level did not need the Lisbon treaty. Adopting a binding decision on implementing the Kyoto protocol in the EU did not need the Lisbon treaty. Adopting a directive setting up the emissions trading scheme did not need the Lisbon treaty. Adopting a directive setting up a minimum target of 5.75 per cent. for vehicle fuel from biofuels by the end of 2010—I might have more to say about that in a moment—did not need the Lisbon treaty. So what is the Lisbon treaty offering us that will further enhance our collective European ability to tackle climate change?

Dr. Alan Whitehead (Southampton, Test) (Lab) *rose—*

Mr. Ainsworth: The hon. Gentleman has been patient, so I shall give way.

Dr. Whitehead: I have been trying to follow the logic of the hon. Gentleman's presentation for some time. If he does not think that the six words on climate change in the Lisbon treaty are at all relevant, does it mean that the 15 words on energy efficiency and renewable

energy, and the words on sustainability in article 3, are not relevant? Would he excise all of them from the new treaty as, by his logic, none of them makes any difference?

Mr. Ainsworth: Almost all the words to which the hon. Gentleman refers are imported from other treaties. My point is that the matters are not taken forward by the Lisbon treaty. I can only refer him back to the comments made by the Foreign Secretary.

Martin Horwood *rose—*

Mr. Ainsworth: I will give way to the hon. Gentleman, and then I really will make progress.

Martin Horwood: I am grateful to the hon. Gentleman for giving way. He may not know this, but his party's foreign affairs spokesman, the hon. Member for Rayleigh (Mr. Francois), suggested amendments to the Bill that would have removed energy from the shared competences. That would not leave us with the status quo that he describes, but would put European climate change policy into reverse.

Mr. Ainsworth: I want to make it absolutely clear, with the Foreign Secretary's explicit endorsement, that our opposition to the Lisbon treaty does not in any way compromise our commitment to tackling climate change or our belief in the EU's role in enhancing environmental protection, both in our country and across Europe and the world. In fact, the Conservative party has long considered the environment to be one of the areas where pan-European co-operation makes eminent good sense. For example, it makes eminent good sense, when legislating to improve the energy efficiency of goods sold in Europe, to do so for a single market of 300 million people, rather than having a patchwork of different product standards in different countries. We need to harness the market power of the EU to drive up product standards across the world. However, it also makes sense to legislate in a non-prescriptive fashion—to say, "Yes, we should have a common quality standard across the EU, but each member state can decide how it wishes to implement that standard." We do not support a one-size-fits-all approach.

I cite as an example the packaging directive, which is now an important part of our national effort on climate change and resource efficiency. It was introduced under the leadership of my right hon. Friend the Member for Suffolk, Coastal. It was designed to allow each state to decide its own implementation mechanisms. In government, we chose to base the implementation of the directive on a market mechanism and, as a result, last year alone the cost of implementing it in the United Kingdom was 10 times less than it was in Germany, where it was decided to use a different approach. We agree with common standards, but not with top-down prescriptive implementation.

It should be noted that the majority of the energy labelling directives and minimum efficiency performance directives, which have resulted in significant European energy efficiency improvements, particularly for white goods, began in the early to mid-1990s under Conservative Governments. On broader environmental issues such as wildlife and habitats protection, it was a Conservative Government who adopted the birds directive and the habitats directive, which have ensured that many of our loved wild creatures and places will continue to prosper. Those directives were incorporated in our law through the Wildlife and Countryside Act 1981 and our habitats regulations.

Last month, we endorsed the EU climate change package announcement. We welcomed the economic opportunity inherent in the UK achieving our target of 15 per cent. renewable energy by 2020. The target means that we have a steep mountain to climb in the next 12 years, given that we are currently at 2 per cent., but responsibility for that weak position can be directly attributed to the piecemeal, inadequate policy mechanisms employed by the Government. Britain has the finest natural resources—wind, wave and tide—in Europe. We ought to be the Saudi Arabia of renewable energy, yet we are currently wallowing second to last in the EU league table, ahead of only Malta.

Our country has a strong entrepreneurial spirit and unrivalled access to financial capital in the City of London. We have some of the finest research universities in the world, where green technologies are being developed that could allow Britain to have first-mover advantage in the new energy economy. In fact, this afternoon my hon. Friend the Member for Tatton (Mr. Osborne), the shadow Chancellor, will speak at one of our leading research centres, Imperial college, on that very issue—how the UK can take a global lead in green technology. We want to make it a policy priority to empower our entrepreneurs, our markets, our industry and our academic talent to engage in and benefit from the decarbonisation of our economy.

The UK certainly needs far better policy instruments than those currently on offer from the Government. I do not question the sincerity of the Government's attempts to tackle climate change; it is their competence that is the problem. Their international leadership on the issue has been commendable, particularly under the former Prime Minister. It is not on the whole their approach to international and EU agreements that has been weak. I say "on the whole" because there has been the occasional lapse; for example, it was disappointing to see British Ministers in Europe supporting the polluters over proposals to phase out hydrofluorocarbons.

It is the Government's domestic policies that have let them down. Those policies have been lacklustre and not sufficiently joined-up. As I said earlier, carbon emissions are greater than when the Government took office 10 years ago. The Labour manifesto commitment to reduce carbon emissions by 20 per cent. by 2010 has been quietly dropped. The support mechanism for large-scale renewable technologies has primarily benefited onshore wind power and landfill gas generation, to the neglect of other technologies further up the cost curve, many of which could play a major role in our low-carbon future, and particularly in microgeneration. That is why the Conservative party recently announced its feed-in tariff policy, which I commend to the Secretary of State. I hope that he is seriously considering it.

Feed-in tariffs have worked to great effect in other EU countries, particularly Germany, which now boasts up to 300,000 people working in the renewables industry. Germany has 10 times the installed wind energy capacity of Britain, and 200 times as much solar

[Mr. Peter Ainsworth]

capacity. The House will observe that Germany is neither 10 times windier nor 200 times sunnier than the United Kingdom, yet Germany is benefiting from those technologies, and we are falling behind.

Mr. Graham Stuart: Does my hon. Friend agree that in the energy sector, the biggest challenge that climate change presents to the world is the need to capture the carbon produced by coal-fired power stations, including those that are coming on-stream in large numbers every week? Does he agree that it is disappointing that the Government have failed to drive forward the carbon capture and storage agenda, despite having said back in 2003 that they would move forward on the issue as a matter of urgency, given that it is one of the biggest technical problems that needs to be solved?

Mr. Ainsworth: My hon. Friend makes a powerful point. It was a disaster last year when, because of the Government's failure to act, BP pulled its investment in a carbon capture and storage project. Of course, there is concern among Members on both sides of the House about proposals for a huge, new coal-fired power station in Kingsnorth in Kent. We have made it clear that we are seriously concerned about providing large-scale new capacity for coal when we cannot capture and store the carbon associated with it. If we cannot do that, it is simply not a safe technology, in view of climate change.

Mr. David Kidney (Stafford) (Lab): On the difference between wind developments in the UK and Germany, more than 100 onshore wind developments in this country are stuck in the planning system. How many of the councils holding them up are Conservative controlled, and what assessment has the hon. Gentleman made of the differences between the German planning system and ours? Will he say, at the Dispatch Box, that those Conservative councils ought to get on with approving wind developments?

Mr. Ainsworth: The problem—I have touched on this already—is that the structure of the renewables obligation means that it drives investment into the nearest, most developed technologies, which are landfill gas and onshore wind. We all understand that there are strong feelings on both sides of the arguments, because of the visual intrusion and so on, but as the hon. Gentleman may know, as a result of planning difficulties, huge quantities of money are stuck in the system instead of being spent on renewables, which is a shame. The answer is not to impose wind farms on communities that do not want them, but to reform the way we support the renewables industry to develop less controversial forms of technology.

The Conservative party has welcomed the EU-wide plan for a 20 per cent. reduction in greenhouse gas emissions, rising to 30 per cent. when an international agreement is reached. We expressed, and continue to express, our serious concerns about the sustainability of the EU-wide biofuels agreement, which is also part of the package. Last month, the Environmental Audit Committee called for a moratorium on both EU and UK biofuels targets. The Committee's report highlights the fact that demand for biofuels is already exacerbating the destruction of crucial rainforests in Indonesia and Malaysia. It is sheer madness to cut down the rainforest or threaten food security in the name of the environment.

We took a principled stand on the issue last year when we voted against the Government's renewable transport fuel obligation for its failure to include sustainability criteria until at least 2011. We hold the same position in respect of the EU target of 10 per cent. biofuels by 2020. I hope that Ministers will go to Europe and argue the case that no mandatory biofuel targets be included in the renewable energy directive until a working sustainability criteria basis has been established.

I turn briefly to the EU emissions trading scheme. It is not the be-all and end-all of climate change policy, as the Government sometimes seem to imply. It is not good enough to say that we can massively expand aviation capacity and not worry about the carbon implications because at some future date it will all be included in the ETS. A properly functioning scheme could play a vital role in driving down carbon emissions within the European Union.

It is widely accepted that phase 1 has been a failure in reducing emissions significantly. Too many credits were handed out for free, which meant handing the industry a licence to pollute, and the costs were passed on to the consumer. That gifted energy companies more than £1 billion in windfall profits. That was not the object of the exercise. However, that was a political failure, not a market failure. Phase 1 has not driven innovation—with a market price of 10 cents a tonne of carbon, it will never do that—but it has proved that it is possible to devise a mechanism that could work in the future, and phase 2 already looks more promising. That is largely to do with the introduction of more auctioning. We believe that in phase 3 we should push towards 100 per cent. auctioning of those permits to pollute. If we bring the market in on the ground floor of the ETS, we will begin to get some real change and a real price in carbon, which comes back to the point that the hon. Member for Morley and Rothwell (Colin Challen) made earlier.

Colin Challen *rose—*

Mr. Ainsworth: I am about to finish, so if the hon. Gentleman will forgive me, I will not give way again.

In conclusion, the Opposition recognise that there is a need to work at every level to tackle the threat of climate change. There are changes that we can all make to the way we live our lives. There is an important role for local government, and of course for national Government. We should be leading by example and setting a long-term framework to give confidence to the public and, importantly, to investors in the benefits of green growth. There is, as I hope I have made clear, a positive role to be played by the European Union. In the end the solutions to the issue of climate change will have to be found at a global level, because we are all in it together.

Hugh Bayley: On a point of order, Mr. Deputy Speaker. I did not want to misuse a point of order by interrupting the speech of the hon. Member for East Surrey (Mr. Ainsworth). You admonished me for

seeking to show the hon. Gentleman the two pages of the treaty which deal with climate change. Although it is true that the treaty adds the six words "and in particular combating climate"—

Mr. Deputy Speaker: Order. I am sorry to choke the hon. Gentleman off so early, but we are taking time up from the debate. I did not admonish him for showing the hon. Member for East Surrey (Mr. Ainsworth); I admonished him for waving documents in the Chamber, which is not to be encouraged.

1.54 pm

Mr. Elliot Morley (Scunthorpe) (Lab): I welcome the opportunity to discuss climate change and to do so in the context of the Lisbon treaty. The treaty is important, as is the fact that climate change is mentioned in the treaty and has been institutionalised. The amalgamation of existing treaties and of existing and new wording on sustainable development, energy and waste is crucial if we are to deal effectively with climate change.

I welcome some of the comments made by the hon. Member for East Surrey (Mr. Ainsworth), particularly those about the role of the EU. The environment is one of the issues on which the EU has enjoyed particular success. There is no doubt that EU regulations have driven huge improvements in water quality, waste water treatment and air quality. Without the influence of the EU, individual member states would never have taken those actions or would not have taken them to the same extent. There are Opposition Members who have sensible views on these matters and sensible comments to make, but it disappoints me that, because of its divisiveness, the subject of Europe seems to bring about some kind of paralysis in the Conservative party.

Europe is a power for good. Of course it is not perfect, and there is a need for change and for reform. The Lisbon treaty is an important step forward in that reform. I do not understand the Opposition amendment. I agree with my right hon. Friend the Secretary of State that it does not make sense. Institutional reform is essential for delivery and for achieving effective outcomes. For example, the Lisbon treaty extends qualified majority voting. Generally speaking, an extension of QMV is in the interests of our country.

I spent many years in the Council of Ministers negotiating on behalf of the United Kingdom, and in my experience the UK usually sat within a consensus in Europe, but with so many member states it is impossible to get 100 per cent. support. There will always be one or two countries that, for various reasons, have differences. An extension of qualified majority voting therefore makes absolute sense, and makes sense in the context of the environment.

In the same way, extending the democratic role of the European Parliament makes sense. I have always thought of the European Parliament as a weak institution. Giving it more democratic accountability and introducing more checks and balances over the Commission and the Executive are desirable outcomes of the treaty. That is why it is a mistake to say that institutional reform does not make sense in this area.

I endorse the sensible comments made by the Secretary of State about the leadership of the European Union. I attended the United Nations forum on the climate change convention at Buenos Aires. If not for the European Union, Buenos Aires would have been an utter failure. The EU managed to salvage a useful outcome from that meeting. I attended the crucial Montreal meeting. There is no doubt that the leadership given by the EU—under the UK presidency, incidentally—gave impetus to a positive outcome. As my right hon. Friend said, at the recent Bali meeting the EU played a crucial role in achieving a positive outcome by moving forward on a post-2020 framework.

Mr. Gummer: Will the right hon. Gentleman go back a stage further and accept that the Kyoto treaty would never have come about, had it not been for the European Union?

Mr. Morley: Yes, I accept that, although the United Kingdom played an important role in those negotiations. Nevertheless, I agree with the right hon. Gentleman that the EU is a powerful influence in such international negotiations. That is why we should harness the EU as a positive force. It does no good to send the signals that we are getting from the debate, such as that including climate change in a new treaty is not important. We should support progressive change in the EU and harness the EU as a force for good and for change, which it can be.

I recognise the argument about whether changes are needed. I freely concede that the first phase of the European emissions trading scheme has not been the success that it should be because of over-allocation and, mainly, of giving in to the lobbying of vested interests by member states. Having said that, I should point out that the scheme has brought together 27 countries in the only worldwide trading scheme of its kind and I believe that it will form the nucleus of future carbon trading. Putting it in place has been a tremendous success. Like the hon. Member for East Surrey, I believe that it can be reformed in due course.

As I mentioned briefly in my intervention, it is important that the issue is mentioned in the context of institutional change under the Lisbon treaty. There must be changes in the EU's focus and we must move from the position in which half the EU budget is spent on agricultural subsidies. That does not make any sense—it is a negative influence on world trade and a distortion for many agrarian economies internationally. We should be progressively moving from those subsidies and put the funding into more productive areas, such as agri-environment programmes and the promotion of adaptation and of measures to combat climate change. We need such reforms, and that is why such issues need to be mentioned in a new treaty such as the Lisbon treaty.

Biofuel targets have had a potentially perverse outcome, and I recognise what the hon. Member for East Surrey said about that. Biofuels have an important role to play, but not enough thought has been given to the environmental consequences of targets within the EU. It is certainly inexcusable to push ahead without a proper certification mechanism.

I have just come back from the global legislators forum in Brasilia, where I was joined by Labour, Conservative and Liberal Democrat Members of this House. There was a very good agreement with the

[Mr. Morley]

Brazilians on a biofuels policy based on certification and sustainable development. I will write to the Secretary of State about the outcome of the conference—there were discussions about biofuels and forestry, and proposals on a post-2012 framework that he might find interesting. It was good to bring together 80 legislators from the G8 plus 5 countries, African countries that export timber, and Bangladesh, and to get that level of agreement. It was also good to listen to President Lula's thoughts on the issues.

This welcome debate is about an important issue. The Government position of emphasising climate change in the Lisbon treaty is absolutely right. As the NGOs have rightly said, the treaty provides many benefits. We should have a more positive approach to it, rather than the negative, confusing and wrong signals that have come from the Opposition.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I am sure that the whole House realises that the eight-minute limit on Back-Bench speeches is now in operation.

2.3 pm

Jo Swinson (East Dunbartonshire) (LD): It is a particular pleasure to follow the right hon. Member for Scunthorpe (Mr. Morley), who has distinguished ministerial experience of these issues; I welcome the benefit that his contribution brought to the debate.

Some say that these many days of European debates are a little like "Groundhog Day", given that the same things are repeated over and again. I have attended the debates regularly, and I like to be a keen observer. I have noticed that there are nuanced differences in the spirit of the debate on the different days; some subjects are a little controversial, but others are discussed in a more consensual tone. I had high hopes that today's debate on climate change might err more towards consensus and have more agreement than we have managed so far.

The Conservative Back-Bench amendment is clearly ridiculous: to argue that it would be better to remove references to climate change in the treaty does not stack up, and I am pleased that the Conservative Front-Bench team has said that it will not support it. However, the notion that action is more important than words is right, although it is not the only thing—political priorities also send an important signal, so having the references in the treaty is welcome.

The Conservatives must recognise the importance of Europe in tackling climate change. They have anti-European sentiments, but must recognise that they cannot have it both ways.

"I think from the point of view of the Conservative party, pursuing the green line is all talk and no action"—

those are not my words, but those of the former chair of the European Parliament environment committee, the Conservative MEP Caroline Jackson.

Successive treaties have developed EU environmental power—and rightly so, as the global environmental challenges that we face clearly require international co-operation. It is therefore very welcome that climate change will be explicitly listed in article 174, and that the environmental objectives will now include

"promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change."

The House has already had the opportunity to discuss the energy policy changes in the Lisbon treaty, but it is worth reiterating that there are obviously clear advantages for tackling climate change in the new objective for European energy policy in article 176A: to

"promote energy efficiency and energy saving and the development of new and renewable forms of energy".

Article 188R, the solidarity clause, also has an impact on climate change. It states that

"The Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster."

The issue of a terrorist attack may have been covered on a different day. However, with particular reference to climate change, scientists tell us that our best realistic hope is for a 2° rise in temperatures; we can expect an increasing frequency of natural disasters, so the solidarity clause is also welcome.

As has been mentioned, the EU will be able to play an important role in adaptation; as the science gets better, we will be able to work out on which areas that 2° rise will have the biggest impact and where we need to take action.

Rob Marris: I am delighted to hear the hon. Lady talk about adaptation, which is not discussed enough in the House. Is she, like me, surprised and saddened that the hon. Member for East Surrey (Mr. Ainsworth) never mentioned it in the 30 minutes during which he was on his feet?

Jo Swinson: The hon. Gentleman makes an important point. We need to consider climate change in the context of both mitigation and adaptation, because the science tells us that a level of climate change is now inevitable. Mitigating that and minimising it as much as possible is obviously important, but many communities, particularly coastal ones—we are on an island—have to bear the impacts.

The Minister for the Environment (Mr. Phil Woolas): To back up the hon. Lady's point, I should say that it is not often understood that we have already reached 0.7 of those 2°. We are already down the track that far, so she is absolutely right.

Jo Swinson: Indeed. The confirmation in article 2C of the environment as a shared competence is also welcome. Of course the UK must preserve its right to act on environmental matters, but we also need EU-wide action—the environment is exactly the kind of issue that should be a shared competence.

Mr. Graham Stuart: Like the hon. Member for Wolverhampton, South-West (Rob Marris), I praise the hon. Lady for raising the issue of adaptation. She is aware that funding for adaptation in the developing world is currently about £37 million a year from the clean development mechanism. However, the estimates just for the developing world are 1,000 times that—between £30 billion and £60 billion a year is required

for the poorest and most vulnerable people in the world to be protected against climate change, which is already inevitable. The treaty may make a difference—who knows? If it is to do so, we need the Secretary of State and other Ministers to give increased priority to adaptation and allocate funds appropriately.

Jo Swinson: The hon. Gentleman makes a good point—and a good case for a stronger Europe that is able to take action on that issue.

The European Union emissions trading scheme is the single most important development in tackling climate change for the UK and Europe; arguably, it is a pioneer for the rest of the world. Emissions trading will play a vital role in reducing carbon emissions internationally. Phase 1 has shown how a scheme can be successfully set up and administered, and have very high compliance rates, but it has not shown how we can use it to cut carbon emissions. However, the scheme is a step in the right direction and there are encouraging signs that we are learning from the over-generous allocations in phase 1, which were raised by the hon. Member for East Surrey (Mr. Ainsworth).

I am optimistic that phase 2 can make more of a contribution to emissions cuts, although it is regrettable that that phase has a maximum of 10 per cent. auctioning, given that we all know that auctioning is far more economically efficient. It is even more regrettable that the UK will get up to only 7 per cent. auctioning. I urge the Secretary of State and Ministers to consider extending the auctioning to 100 per cent., particularly as we approach phase 3. That would give us the best possible tools and enable us to make the scheme effective and pass the price signals on.

We have already heard about the shortcomings of the ETS and the exclusion of aviation and shipping, although it is welcome that the Government at least recognise that that needs to be pursued. We should, as a House, recognise the success of the scheme so far and the fact that it is being emulated in many other parts of the world, such as California. The Environmental Audit Committee, several members of which are here in the Chamber, recently went on a trip to Australia, where we were told that the Australians are setting up an emissions trading scheme using the EU scheme as a model and learning from our mistakes. We were also able to enlighten them somewhat on the changes that we would have made. Their scheme goes further in terms of including transport, so I hope that countries will be able to learn from each other on this. It is particularly pleasing that Australia's decade of climate change denial has come to an end with the electors deciding to elect Kevin Rudd. Interestingly, that was perhaps one of the first elections where the issue of climate change was so pivotal in deciding the result—that may be a sign of things to come. They are having their own mini-Stern report, the Garnaut report, which will, I hope, help them to catch up on lost time.

The EU has had many environmental successes, and I will touch on a few of them; others have already been mentioned. The landfill directive, with its escalating penalties for sending too much waste to landfill, is driving up recycling rates across the UK, and they have significantly increased in the past few years. Some of the proceeds from that go into funding community groups, including some in my constituency that have been lucky enough to receive grants. It was about time that we learned from our continental neighbours, many of whom have been recycling huge amounts more than us for decades—but better late than never, and we still have a long way to go. The interestingly named WEEE—waste electrical and electronic equipment—directive has been helping to encourage more recycling and safe disposal of electrical goods. There is the EU energy label, with the A to G ratings on white goods, which has been very successful in making it easier for consumers to know, when buying appliances, which ones will cost them dear in their energy bills.

Rob Marris: What about cars?

Jo Swinson: Indeed—I was just coming to the directive on vehicle emissions, which phases out and bans leaded petrol and sets standards for acceptable emissions, coupled with labelling for vehicles on energy use so that when people are buying a car they can see exactly how much it will cost them to run.

Mr. Peter Ainsworth: I agree with much of what the hon. Lady is saying, but does she agree that the latest proposal to force cars to have their headlamps on all the time is utterly ludicrous?

Jo Swinson: There would certainly be a case for that in some parts of Scotland during the winter months, but I suspect that we may be better off encouraging drivers to use their common sense about when it is required.

Those changes have not only enabled consumers to make different decisions about what to buy but are encouraging manufacturers to make different decisions about the types of cars that they want to sell. There has also been an international lead from the EU. As the right hon. Member for Suffolk, Coastal (Mr. Gummer) said, Kyoto might not have been ratified without EU pressure on various other countries, particularly Russia. The EU was a key player at the recent Bali conference, and while it was disappointing not to get carbon reduction targets agreed, we did at least secure, in principle, international agreements to cuts, and the details will be worked out following further negotiations towards Copenhagen in 2009.

Mr. Graham Stuart: Will the hon. Lady give way?

Jo Swinson: I will, but I want to make some progress.

Mr. Graham Stuart: It is a very quick question. Will the hon. Lady share with the House one key practical change in European policy on climate change that will come as a result of the Lisbon treaty?

Jo Swinson: I do not have a crystal ball, but I certainly believe that it is important that climate change is listed explicitly as one of the EU's priorities. Given the choice between having it listed or not, I know which I would prefer. When we look at what the EU was set up to do, peace and security was obviously a key driver in the initial post-war period, but now, increasingly, climate change must be one of the top priorities, and it would be bizarre for it not to be listed in the new treaty.

Mr. Kidney: Will the hon. Lady give way?

Jo Swinson: I apologise to the hon. Gentleman, but I really do want to make progress, because many other hon. Members want to speak.

We welcomed the setting of various targets at the March 2007 European summit—the 20 per cent. energy efficiency target, the target on a 20 per cent. reduction in greenhouse gases by 2020, and the target on 20 per cent. of energy coming from renewable sources. However, we need to push to increase those, and the EU has said that it is keen to do so—to 30 per cent., if international partners do likewise. Given that the EU went to Bali and argued for a cut of 25 to 40 per cent. by 2020, while we have agreed only to 20 per cent. ourselves, we need to recognise the urgency of the issue, particularly if, as the science is now telling us, 60 per cent. by 2050 may not be enough and we may have to go up to 80 per cent. If so, 20 per cent. by 2020 seems a little unambitious, and it will lead to much more painful cuts and reductions in the years from 2020 to 2050.

Another disappointment regarding the target on 20 per cent. of energy coming from renewable sources was that when Tony Blair signed up to it in March 2007, he said that Britain should aspire to meet the target by 2020, but the Government have now backtracked to 15 per cent. Britain has huge renewable resources at its disposal, with the potential offered by wind and marine energy through tidal and wave power. We must recognise the urgency of investing in research and development to realise that potential and be far more ambitious. If Britain wants to be a leader in this area, we should not lag behind our European partners, with them achieving more than 20 per cent. and us achieving less than 20 per cent.

However, Europe does not always get it right, and in a few areas we should be pushing it to do much better. One issue, which I have raised previously with the Secretary of State and in a ten-minute Bill, is excessive packaging, which leads to UK consumers paying three times over for the ridiculous amount of packaging that surrounds the stuff that we buy. They not only pay for it at the checkout but through their council tax bills in sending it to landfill, and then they also pay the environmental cost of the gas that is given off and the changes made to our environment. The Packaging (Essential Requirements) Regulations 2003—the EU directive that governs this—is completely toothless. Since its introduction, and that of its predecessor regulations nine years ago, there have been just four prosecutions. Trading standards officers complain that they have numerous problems with enforcement. When I raised this with the Secretary of State in the Environmental Audit Committee, he said that the environment directorate-general was keen to look at reviewing it. I have written to the directorate for further information, but so far there has been no response. I wonder whether the Secretary of State might have more luck and be able to help me with more information on the issue.

Martin Salter: Does the hon. Lady agree that it is about time that we saw some effective action to get rid of the scandalous waste and destruction that is caused by single-use plastic bags, some 7 billion of which are used and abused in this country every year?

Jo Swinson: The hon. Gentleman makes an interesting point. Plastic bags can indeed be a scourge in terms of litter and the effect on marine life. We need to exercise a little caution, because research studies from other countries where they have been banned or taxed show that that has led to unforeseen consequences. However, when I go shopping I take reusable bags whenever I can, and I urge other Members to do the same.

Another aspect that is disappointing from a European perspective is biofuels. The EU has a target of 10 per cent. by 2020, and in the UK it is 5 per cent. by 2010. This is a very expensive policy, and it has been called into question by a growing body of academics and organisations, not least the Royal Society, the United Nations, the OECD, Professor King—the Government's own adviser—and, recently, the Environmental Audit Committee. Sustainability standards are much discussed, but they are not yet in place. The evidence that we received on the Environmental Audit Committee suggested that it may be impossible to create robust sustainability standards that would truly capture the problem of land use change and deforestation. The Government have been pretty dogmatic in their line that pursuing biofuels is the right way forward. Indeed, in Transport questions on 22 January, the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), told me that

"we are convinced that that is the right way to proceed."—[*Official Report*, 22 January 2008; Vol. 470, c. 1352.]

I am nothing if not persistent, so I raised the issue again at business questions last Thursday morning, at *Hansard* column 527. I was pleased to see that on Thursday afternoon at 2.15 pm the Department for Transport issued a press release saying that the Secretary of State was initiating a review of the indirect impact of biofuels. It is not often, as a Member in this place, that one has such an immediate impact on Government policy. I am delighted that the Government now accept that there may be issues with biofuels and that when the facts change it is fair enough for them to change their mind. I hope that it will be a thorough review that, if necessary, leads to the UK changing its policy and arguing for changes in Brussels.

Mr. Weir: I appreciate what the hon. Lady is saying, but does she not agree that a distinction has to be made between first generation biofuels, which were very dodgy with regard to sustainability, and second generation biofuels, which may come from the wood industry and so forth? There is a possibility of making something out of second generation biofuels.

Jo Swinson: That is true, but they are not currently commercially viable. It is important to look at the differences between biofuels. For example, using waste oils, which otherwise would just be thrown away, to create fuel seems sensible. However, I have a problem with targets that can hasten the development of biofuels that do not meet such robust environmental standards. There may be interesting research to be done on second generation biofuels, but we are not there yet.

Mr. Caton: I agree with the hon. Lady's line on biofuels. When talking about some sort of sustainability scheme, does she agree that there is a real problem with

displacement? We might end up with a scheme where sustainable certification is granted for a palm oil plantation in Indonesia, for example, that has transferred to producing renewable fuels, but then develops a new palm oil for other uses that ends up taking up rain forest. Sustainability is a hugely difficult issue.

Jo Swinson: The hon. Gentleman makes an important point. We took a lot of evidence on the Select Committee about the importance of sustainability standards, and some of our witnesses were quite optimistic about that issue, but I remember vividly asking a question about it. We said, "If there is a particular field or plot of land that is currently designated as agricultural land, what is to stop them clearing a bit of forest to put food production there, then using the land that was used for food production for the biofuels, in order to mask what they had done?" We could not get an answer from any witness on how to develop a standard that would properly take that problem into account. I found that somewhat depressing, but perhaps it is the reality of the situation.

I am conscious that many other hon. Members want to speak, so I say in conclusion that the European approach to climate change is not perfect. We can and we must work to improve it. We must also, however, recognise its genuine achievements. Europe is taking a global lead on this issue. I would like to quote the hon. Member for Ruislip-Northwood (Mr. Hurd), who is in the Chamber. He said that "getting Europe to work on climate change would be helping the EU redefine its relevance to a new generation." I totally agree with that. This is the biggest challenge that we face. It is in all of our interests to work across Europe and internationally, to rise to meet this challenge.

2.22 pm

Joan Walley (Stoke-on-Trent, North) (Lab): I am pleased to follow the hon. Member for East Dunbartonshire (Jo Swinson). I say to her and to the House that many distinguished people from the Environmental Audit Committee are speaking with great distinction in the House today, especially on environmental issues. It is great to see so many past and present members. During the past 10 years, that Committee has played a key role in pushing forward the environmental debate.

One former member of the Environmental Audit Committee spoke for the Opposition—the hon. Member for East Surrey (Mr. Ainsworth), and I agreed with much of what he said. He talked, however, about the need for action; the Conservatives can dream up all the action that they want, but as my right hon. Friend the Member for Scunthorpe (Mr. Morley) said, if we do not have the institutional framework, the mechanisms, the procedures or a way of being able to co-ordinate matters to get a joined-up approach, we will not get the action that is needed. That is why the key word—never mind the six words we are looking at today concerning climate change—in the opening remarks of my right hon. Friend the Secretary of State was leadership. It is critical to use the debate to show how the leadership that the Government have shown in Europe, at so many international conferences and in so many treaties is what we need to take the issue forward.

I have received, as have many other hon. Members, a great deal of correspondence on the amendments that the treaty of Lisbon makes to the treaty on the European Union. I shall use the brief time available to set out why it is so important that we ratify the treaty and why the misinformed view that we are simply giving away power to Europe does not add up when it comes to the pressing need to secure urgently an international climate change regime.

My starting point is article 174 of the treaty on the European Union, which states:

"Community policy on the environment shall contribute to pursuit of the following objectives: preserving, protecting and improving the quality of the environment; protecting human health"

and the fourth indent will be amended to read

"promoting measures at international level to deal with regional or worldwide environmental problems, and in particular, combating climate change."

That is the core—the heart of the matter. Moreover, article 174.4 already establishes a duty for members to co-operate with the wider international community in combating climate change. It states:

"the Community and the Member States shall cooperate with third countries and with the competent international organizations."

I believe that that is essential in combating climate change, which is fundamentally an international issue.

There is no more important challenge facing the international community and the people whom we represent than climate change. It faces people everywhere, from those who have written to me asking us to go further than the 60 per cent. target in the Climate Change Bill—I was pleased to hear the leadership shown by the Prime Minister at Prime Minister's questions last week, when he said that the new climate change commission will be asked to see how we might move towards an 80 per cent. target—to the people in China whom members of the Environmental Audit Committee met, including the ambassador on climate change. As we arrived, we experienced extreme temperatures and climate change—the worst snowstorms that that country has experienced. It faces the people of Australia, and I am pleased to see my right hon. Friend the Member for Leicester, West (Ms Hewitt), who was in the Australian Parliament only last week. The new Government of Kevin Rudd was elected on the back of the climate change election commitment that he gave.

The challenge faces people in developing countries all around the world. Only today we read in the press that they face shortages of grain. We need to have regard to the United Nations and other agencies that recognise that the stiff increase in grain prices is linked to extreme weather conditions, which lead to devastating effects such as flooding and drought. People who are experiencing that desperately want policies now. They want policies that will urgently reduce carbon emissions, which means that we can tackle climate change only by being at the heart of Europe. The new arrangements will assist us in that.

My right hon. Friend the Member for Scunthorpe referred to the change in voting on climate change matters and environmental legislation from unanimity to qualified majority voting. I thought that he made that point very well. With the expansion of the European Union we have to change the way in which we administer matters and do business. We need the institutional

[Joan Walley]

framework that Conservative Members do not seem to want this Parliament and this Government to have.

I welcome the new parliamentary role for MPs announced this week by my hon. Friend the Deputy Leader of the House. Having looked closely at the new arrangements, I have found that there will be greater transparency of scrutiny and increased expertise made available in European Committees, through the inclusion of members of the European Scrutiny Committee and of relevant Select Committees. Those changes to parliamentary procedure will allow us better to scrutinise and contribute to what Ministers are doing to take environmental policies forward in Europe. We have to have checks and balances, and this House has to find a better way of giving its views so that Ministers going to Europe do so on the basis of taking into account Members' views. That will give us the more effective framework that is so urgently needed.

Many of those who have spoken have listed at great length the various strategic policy issues that have already been advanced in Europe, but which desperately need to be increased much more quickly. I agree about all of those, but want briefly to touch on the work of the Oxford Research Group, which has urged us to look into ways of making foreign and global security policy into a more sustainable policy. The issue of foreign policy is at the heart of Europe, too.

Finally, I should like to end by referring to Mr. Lester Brown from the Earth Policy Institute in Washington, who will be in Westminster next week. Last year he published a book—

Mr. Deputy Speaker: Order. The hon. Lady has had her eight minutes.

2.30 pm

Mr. Peter Atkinson (Hexham) (Con): I regret that we will never discover quite what Mr. Lester Brown did, unless the hon. Member for Stoke-on-Trent, North (Joan Walley) wants to intervene.

Joan Walley: Mr. Brown is attending a meeting in the House next week and his book is called "Mobilizing to Save Civilization". If we have the political will, we need the institutions.

Mr. Atkinson: All I can say is well done Mr. Lester Brown. I hope that the meeting is successful, as the issue is important.

I accept that the European Union has done many important things that have benefited our world—it has made the climate better and our environment better—but I want to concentrate on where Europe has performed extremely badly, which is in agriculture, farming and the lamentably slow process of common agricultural policy reform. In this time of changing climate, it is important that Europe should change and modernise its agriculture. As we have seen, in recent decades Europe was all about surpluses, but now the boot is on the other foot and we are talking about shortages. The hon. Lady talked about the rising price of grain. It is right that Europe should produce more food now, not only for its own security, but so that it does not import food that is needed elsewhere—being a collection of rich nations, we can outbid the poorer nations.

Bob Spink (Castle Point) (Con): I cannot allow my hon. Friend to get away with saying that Europe has helped to clean up the environment, because it simply has not. In fact, Europe has continued to increase carbon emissions over the years and is still doing so. That is a great problem. We hear a lot of rhetoric from Europe, but we see no action.

Mr. Atkinson: I disagree with my hon. Friend on that. I appreciate that Europe is not perfect, but it has made some substantial contributions towards improving the environment.

The issue now is food shortage. We have seen a surge in food prices. There is now talk of the UN World Food Programme having to be cut back because of rising prices and a possibility of introducing rationing, which I understand Egypt and Pakistan have done. Only yesterday the price of palm oil increased by about 6 per cent., while wheat and soya prices have risen to record highs on the world market in recent weeks.

That has been substantially driven by the changing climate. One of the reasons why the price of oil increased so much was the cold winter in China, which virtually wiped out the Chinese rape seed crop. That means that China has been in the market buying oil. The same applies with the drought in Australia, which has lasted for many years, and the drought in sub-Saharan Africa. We have climate change in this country, too. My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) now has bluetongue in his constituency, which has spread up from southern Europe and is causing a problem for our farmers.

I quite agree that biofuels will prove totally unsustainable unless there is substantial reform of the way the schemes operate. Interestingly, 60 per cent. of Europe's vegetable oil—a scarce world commodity—now goes into biofuels. In the United States the figure is 20 per cent. People talk about biofuels being good for the environment, but there is obviously a fuel security issue in the United States. It seems nonsensical that issues such as fuel security should come at the expense of poor people throughout the world.

That issue does not matter in Europe, where people spend about 10 per cent. of their income on food. However, the figure is 60 per cent. for people in sub-Saharan Africa, for whom a surge in prices would be catastrophic. We have had surges before. What normally happens is that the market eventually catches up. This time, however, I suspect that the gap will be quite considerable, because the effect of climate change—it degrades agricultural land, which means less land being used for food production—will be to make any surge in food prices more serious.

What should Europe do about that? It needs to increase its food production sensibly. First, Europe could deregulate more. Secondly, it could continue to—

Hilary Benn *indicated dissent.*

Mr. Atkinson: The Secretary of State shakes his head, but Europe could indeed deregulate more. Secondly, it should proceed as rapidly as possible to reform the

common agricultural policy, whose absorption of half the European Union's budget is obscene. Thirdly, and perhaps more controversially, it is about time that the nations of Europe embraced genetically modified crops, which are producing a tremendous revolution in agriculture throughout the world. GM crops—not least drought-resistant wheat—are capable of meeting some of the problems that climate change has thrown up.

Ms Patricia Hewitt (Leicester, West) (Lab): I am following the hon. Gentleman's thoughtful comments with great interest and I happen to agree with him about GM crops. However, although a great deal more still needs to be done to reform the CAP and although its overall budget needs to be reduced, does he recognise that there has already been significant reform, so that much less of its budget is now spent on those outrageous subsidies to food production and more goes into direct support for farmers to maintain the local environment?

Mr. Atkinson: I accept what the right hon. Lady says. She was very much involved in that process, which was certainly a step forward. In my mind, however, the CAP budget is still too high. We need to move much closer to a proper market system, which, with prices at the level that they have now reached, is even more possible.

I was singing the praises of GM crops. They have considerable potential, but have become unpopular with consumers in this country, who have been scared by the talk of Frankenstein food, and so on, and are hugely worried about them. The new generation of genetically modified organisms, as they are actually called, has moved into areas that will enable us to make food healthier, which is enormously important. We can now produce oil that does not form trans fats when cooked, which is better for health. For those who are interested in carbon sinks, a eucalyptus tree has been developed in Australia that will absorb three times as much carbon dioxide as an ordinary tree.

The new scientific approaches should therefore not be rejected. Europe should not have a luddite attitude towards them. If we adopt the new science, we will go some way towards making a contribution to beating the challenge of climate change.

2.38 pm

Mr. David Kidney (Stafford) (Lab): The hon. Member for East Dunbartonshire (Jo Swinson) would not give way to me, but she made an excellent speech and it was a pleasure to listen to it.

The hon. Member for Hexham (Mr. Atkinson) made some interesting comments about the link between climate change and agriculture. I fully agree with him, but he might have mentioned adaptation and the work that we can do through land management to protect against floods and severe weather changes, for example. I also found what he said about genetically modified organisms very interesting.

However, I should point out to the hon. Gentleman—he almost gave us credit for this—that it was under a Labour Government that this country achieved the one and only agreement to change the common agricultural policy. Since this debate is about climate change, I hope that he would accept that our change moved things in the right direction, both by decoupling public payments to farmers from production of goods and through voluntary modulation, providing even more money for farmers involved in agri-environmental works. So there are some bright points in Europe on climate change, through a Labour Government, in respect of farming and land management.

Let me come back to the words in the treaties. In debating climate change, three sections are particularly relevant and significant. The first is measures for energy efficiency and renewable energy. As was remarked earlier, most of the provisions are a consolidation of the existing text. Secondly, there is wording on combating climate change, which is plainly new. It seems to me bizarre to argue that it is irrelevant to move from saying nothing about climate change to talking about promoting the combat of it. That is very significant. Before I come to the third section, let me say that, taking those two sections together, the treaty texts underpinning the EU bring us up to speed with the agreement that the hon. Member for East Dunbartonshire mentioned—the agreement to have 20 per cent. of energy from renewable sources and a 20 per cent. cut in carbon emissions by 2020. In a sense, that shows the two working together: action and the necessary underpinning words to go with it.

Bob Spink: The hon. Gentleman is talking about words and rhetoric, and he will recall the common fisheries policy objective and rhetoric were about conserving fish stocks, but it presided over the decimation and historic destruction of our fish stocks, which shows that we cannot trust pure rhetoric from Europe. Carbon emissions in Europe, for instance, are growing day on day.

Mr. Kidney: I would advise the hon. Gentleman not to listen to my or anyone else's rhetoric, but to look at the words plus the action and see how they work together.

The third part of the treaty text that I want to mention is the addition of sustainable development to the key objectives of the EU, which Members can now find in article 3. I still occasionally hear objections to the whole idea of the EU from one or two constituents who hark back to when we joined it. They say that Edward Heath told them that we were joining only a European Economic Community. In adding the words "sustainable development" after the reference to an "internal market" in the key objectives, there is a maturing of the EU into something that recognises the importance of sustainable development. As my right hon. Friend the Secretary of State said, that amounts to a recognition that it is essential to balance economic, environmental and social considerations to get the right outcome in using the world's resources in a sustainable way so that we do not take out more than the earth can afford. To my mind, that third example of new wording is the most significant of the three when we are talking about tackling climate change in future.

Let me provide some examples of where sustainable development applies. Again, the Secretary of State referred earlier to the UK's leadership in Europe in the past. We have had the confidence to lead because we have had such backing behind us. The first example was the negotiation of the Kyoto agreement and the

[Mr. Kidney]

acceptance of legally binding targets to cut greenhouse gas emissions. In the end, when we divided out the EU share of those emissions, we took more than the overall 8 per cent. target—and we are on target virtually to double our savings beyond our legally binding target.

Mr. Gummer: Does the hon. Gentleman accept that the decision to have an EU system whereby those who could do more would do so, in order that those who could not do more could do less, was taken under the last Conservative Government? The idea that the best way forward is that those who can should help those who cannot was a historic decision in the EU.

Mr. Kidney: I agree with the right hon. Gentleman, and that is a good example of social justice in action. I am slightly disappointed, in reflecting on the target to meet 20 per cent. of our energy needs from renewable sources, that the UK share is less than 20 per cent, so I would agree with him about how these matters are divided up. On the occasion that he mentioned, they were divided up as he described, and in the 2020 targets, they are beginning to be divided up in the same way. The principle still applies.

Another important example of UK leadership with EU backing was emissions trading. As the Secretary of State rightly said, this country established the first emissions trading scheme in the world. I remember the legislation that the House passed in order to set up the scheme, which has now become an EU-wide emissions trading scheme. It is true that there will always be difficulties in setting up a brand new scheme, and they have been adverted to in respect of phase 1 of the ETS earlier in the debate, but we are now approaching the second phase for 2008 to 2012.

We appear to have learned some lessons from our experience of the first phase: caps are getting tighter and auctioning is being used as a way of distributing permits, but we have not yet seen those developments reflected in a higher carbon price going forward. By the time we get to phase 3, however, I expect that there will be very tight caps, lots of auctioning and, with that, a new challenge to consider. As people start to pay their auction prices to national Governments for their permits and as they start to pay penalties for breaching the permitted amount of emissions, those national Governments are going to receive pretty huge sums of money.

I wanted to intervene earlier in the speech of the hon. Member for East Dunbartonshire when she referred to the positive examples of land use, landfill and tax credits for Community benefits. She took one intervention in which reference was made to the enormous cost of helping developing countries to cope with adaptation, to which I would add the enormous cost of adapting to low carbon economies and of new technologies. We are talking about huge sums of money. The text in front of us says that we are going to commit to promote the tackling of climate change, so surely those huge sums will be applied in accordance with that text, will they not? There we see the great significance of the change in the wording that we are debating today. I urge hon. Members to accept that it is a hugely significant change that will make a great difference to the world in future.

I met representatives of west midlands manufacturing businesses yesterday and we discussed the pressures of the carbon price in the EU as providing one more push to manufacturers in developed European countries to move to less developed countries where the costs are cheaper. They told MPs that we should beware of adding another push factor to the offshoring of hard-pressed businesses in this country. That is a good antidote for people who stress the urgent need to deal with environmental factors because it reminds us that sustainable development has to be viewed as a balance between three different limbs—social and economic factors as well environmental. We need to keep the three in balance.

Conversely, across the EU, the low-carbon economy is helped and driven by emissions trading mechanisms, among others. There are opportunities, as the hon. Member for East Surrey (Mr. Ainsworth) mentioned, for European and British businesses to take advantage of being at the forefront of new technologies that will help the whole world to achieve a low-carbon economy. In energy efficiency, for example, condensing boilers are important and in some forms of transportation there are new ways of powering vehicles. When it comes to marine renewables, as the hon. Gentleman said, the UK is uniquely well placed within the EU to be at the forefront of such developments. Finally, as we look forward to developing those business opportunities, it is important to remember that we need intelligent regulation, not no regulation of the markets.

2.49 pm

Mr. John Gummer (Suffolk, Coastal) (Con): I have generally welcomed the treaty of Lisbon because it brings together in a sensible form a system that will enable us to do the things in the EU that we need to do. Clearly, climate change is one of the most central matters. Let me remind my colleagues who are concerned about the degree of unimportance of these few words of the importance that they often place on a number of other single sentences in the Lisbon treaty and how much time they take explaining how dangerous they are. I have had to spend quite a lot of time explaining why they are not as dangerous as that.

We cannot dismiss what is in the treaty as merely a few words, because what they say is that, at the heart of the activities of the European Union is the battle against climate change. We cannot do most of the things that we want to do effectively except on the basis of the world's largest trading organisation. There is no doubt, as *The Wall Street Journal* recently said, that Europe is setting the standards that the United States and others have to follow. Within the European Union, we can influence that and take a serious leadership role. I believe that that is what we should be doing. The idea that we can deal with the issues of the 27 member states by having a rotating presidency or that we do not have a system whereby we can proceed institutionally is unlikely.

We depend on the European Union as a whole for a range of changes.

Mr. Clappison: I hope that my right hon. Friend will not mind if I take this opportunity to pay tribute to the very significant achievements that he made as a Secretary of State in this field. He laid the foundations for many of the things that we have heard about.

However, to add a slight rider to that, I do not remember that he found the absence of a permanent presidency to be an insuperable obstacle for all that he wanted to achieve.

Mr. Gummer: We had only 15 members at the time. We now have 27. That is why the change has to take place. However, I thank my hon. Friend for his kindness and remind the House that he was one of the Ministers who did those things with me.

I discovered one time as Minister that the worst place for air quality in Britain on one particularly bad day was in Sibton in my constituency, which is a "blink and you miss it" village. The reason was that half the air pollution in Britain is blown over from the rest of Europe, and we export half of that which we produce. If we want to do anything about air quality, we have to do it across the whole of Europe. We cannot clean up our beaches if the Elbe and the Rhine are pouring filth into the North sea. We have to do such things together, and we should do so with pleasure and enthusiasm, rather than in this miserable way of always finding a reason why we do not like working with our nearest and dearest. Talking about global co-operation when we cannot get on effectively with our neighbours is nonsense.

The United Kingdom Independence party is not only entirely wrong on the European Union, but has an entirely non-existent environmental policy, because it is not possible to have an anti-European position and have any kind of environmental policy. However, that does lead us to action. The Government's unwillingness to debate a range of things that we ought to have debated has not been helpful to those of us who have a different view of the treaty of Lisbon. Not being able to discuss some of the issues that we should have discussed has done a great deal of harm. It is a symbol of the fact that the Government do not trust Parliament to debate properly.

I want to press the Government on a series of actions that they should take. It was a disgrace that they voted against Austria and Denmark when the abolition of hydrofluorocarbons was going to be timetabled. It was a disgrace that they allowed the Home Office and the so-called Ministry of Justice to be rebuilt in the one case and built in the other, with HFCs as the mechanism for dealing with air conditioning. It was also a disgrace because they promised that they would not do that. The Government must set an example to the rest of industry by the way in which they procure—by what they do on the Government side. They can do that only if they take other policies seriously.

I suppose one should not condone the arrival of large banners on this House, but I have huge sympathy for those who say that it is a peculiar environmental policy that suggests that, at the same time as dealing with climate change, we should have another runway at Stansted and at Heathrow. It is difficult to argue the case for being an environmental leader if we go on doing that. We have to restrict the growth of airports and get a sensible policy towards the flights that use them.

The Government have been tardy on the question of carbon capture. If ever there were an issue that is manifestly obvious, it is that we need a system of carbon capture. Without it, the Chinese economy will not be able to deal with the use of its coal and the like. If we want to export that technology, we have to get it. The Government have done two foolish things. One was to walk out of the deal with BP; the other was to insist that the only kind of carbon capture that they will have is a particular technology that they have decided is the better one. This Government's record on deciding technological choices is not very good. I am sorry that they have not seen fit to deal with that directly. Kingsnorth is the opportunity for the Government to declare their hand effectively.

Why on earth have the Government held up the introduction of smart metering when we have the legislative vehicle to do that and Ofgem has sought to have it? It is a disgrace. We could do that in eight years and it would do more to deal with climate change and the use of energy than any other single reasonable proposal. Why have the Government failed to do that?

Those concerns lead me to the question of social justice. I agree that there is no possibility of dealing with the issues without a better sense of social justice. Therefore, why have the Government not changed the rules under which Ofwat can deal with metering? I declare an interest: I am chairman of a water company. I have the right to impose metering, but I have refused to do it because I cannot at the same time have a rising tariff system which would enable the poor not to suffer under such an imposition. The Government have not changed Ofgem, Ofwat or any of the other regulators to take all that into account.

That reminds us that most of the real advances in the environment have been at the behest of the European Union. I am not one of those who say that we go to Europe; rather, I say that we are in Europe, and in Europe we make the decisions around the European table. I have to say, however, that as Secretary of State for the Environment for four years, I could not have done most of the things that I did without the water directives, packaging directives and a range of other things in which we played an active part. I want the Government to be better at playing that part.

Why are the Government not convening a meeting of the European Union to deal with shipping in the busy shipping lanes to reduce the amount of emissions in the North sea and channel, so that we can make a start on the problem of shipping and bunker fuel? Why have they not taken the lead to get the European Union as a whole to have a sensible measurement of biofuels? We have done the work here, but the Government will not use it even for their measurements of biofuels. I want to know why the Government are not putting into operation feed-in tariffs. They could have easily learned how to do that from Germany, but they are still fighting for an unacceptable out-of-date mechanism, which we need to replace.

In supporting the treaty of Lisbon and believing that it will do much to concentrate people's minds on the battle against climate change, I say to the Government that they cannot come to the House without explaining why they have not been more vibrant and enthusiastic. They should have listened less to the Department for Business, Enterprise and Regulatory Reform and a bit more to the Department for Environment, Food and Rural Affairs to do their job.

2.58 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): After listening to that splendid eulogy on behalf of Europe, much of which I agree with, I want to take a different line, while recognising that Europe is, as the right hon. Member for Suffolk, Coastal (Mr. Gummer) said, absolutely central to our purpose. It is ridiculous to have any other view.

The problem for the EU in regard to climate change is not that there is a need for a new constitution or amended treaties—although I welcome the warm words, albeit only six of them, in the Lisbon treaty, because they are worth having—but that it does not yet have a policy on climate change that is working. The policy is built on the EU emissions trading scheme, which has so far clearly been a failure. The EU policy is also based on a regulation of car emissions that so far has been voluntary and therefore ineffective. The policy excludes aircraft from any regulatory scheme, which means that airline emissions continue to rise extremely fast. Finally, EU member states have a burden-sharing arrangement for reducing greenhouse gas emissions, but only three of the EU 15 countries are on track to meet their targets by 2010.

The key EU policy has clearly been the emissions trading scheme. In phase 1, more permits to pollute have been printed than there is pollution. As a result, emissions across the EU from installations covered by the ETS have actually risen by nearly 1 per cent. The lesson has been learned, of course, that the real problem has been over-allocation during phase 1. However, just as one loophole is beginning to be closed—and I am afraid that phase 2 is doing far too little to close it when it comes to the level of auctioning—another, even larger loophole has opened up.

In phase 2, member states will be permitted to import external Kyoto credits from developing countries in order to meet their carbon reduction targets. That might be acceptable if the credits reflected actual emission cuts, but many of them are generated from projects in developing countries that would have gone ahead anyway. In other words, there is no additionality, and the result will be that those credits will increase pollution.

Bob Spink: Will the right hon. Gentleman give way?

Mr. Meacher: I will, although I hope that the hon. Gentleman is not going to make the same point that he has made several times already in the debate.

Bob Spink: I am very grateful to the right hon. Gentleman for giving way, and I assure him that I shall make a different point. Does he agree that the EU emissions trading scheme is in fact a covert industrial subsidy, given that carbon emissions in Europe are actually rising? Also, France will take over the European presidency at the beginning of July. Does he expect France to take up the targets for environmental and climate change, or does he share my anxiety that it will simply push the European defence policy?

Mr. Meacher: We should not underestimate President Sarkozy's commitment in respect of climate change. In fact, he has suggested the extraordinarily radical policy that tariff constraints should be used against countries—most notably the US, of course—that refuse to admit the need to tackle climate change. As far as I know, that policy is far more radical than anything adopted by any other country around the world.

Mr. Chaytor: My right hon. Friend is making exactly my point: regardless of what we think of President Sarkozy's social policies, or of some of his economic policies, there is no doubt that he has been very up front indeed about his commitment to climate change policy. Given his recent personal difficulties, his opinion poll ratings of 38 per cent. are a record low for a French president. That means that he has to do something very quickly, and being positive on climate change could help in that respect.

Mr. Meacher: I agree, but let us get back to the UK. The Government have admitted that they are allowing for—and indeed expecting—two thirds of the headline carbon emissions that they have announced as resulting from phase 2 in 2008-12 to occur outside the UK, and outside the EU as well. Worse, other member states have set even higher import quotas than we have, which means that they will be able to import more than enough to meet their requirements and then to sell the rest on to the UK, no doubt at a nice profit. The effect is that phase 2 of the ETS may well not lead to any reductions in emissions in the UK at all. I think I am right in saying that the Government agree with that forecast.

The ETS is the linchpin of the EU's anti-climate change policy. For all its good intentions, I fear that it has been distorted into something of a massive scam. In phase 1, it is believed that the power generators made more than £2 billion in windfall profits in the UK alone. They achieved that by passing on the notional cost of carbon to consumers, even though they had been given permits for free.

In phase 2, it is quite likely that the Kyoto mechanisms will be swamped by a huge oversupply of permits that will lead again to very low carbon prices. The real secret is to ensure that the carbon price is set at a level that seriously affects industrial and individual action, but there is a real chance that that still will not happen in phase 2.

There is a great deal of talk in this country about whether our target for 2050 should be a reduction in carbon emissions not of 60 per cent. but of 80 per cent. I entirely agree with that proposition, although I believe that it partly misses the point. The real question is not whether we cut emissions by 60 or 80 per cent. way down the track in 2050, but whether we are going in the right direction now, and on a significant scale. Sadly, I believe that we are still going in the wrong direction.

Mr. Graham Stuart: The intergovernmental panel on climate change's fourth assessment report said that global emissions would have to peak in 2015 if we are to restrict the rise in temperature to the 2° C limit. Does the right hon. Gentleman know of anything in EU policy making that reassures him that Europe is committed to ensuring that that is achieved?

Mr. Meacher: I am certainly one of those who feel that time is exceedingly short. The report from Nicholas Stern made it clear that even opting for the more moderate target of keeping the concentration of carbon

greenhouse gases in the atmosphere to 550 parts per million, as opposed to 450 ppm, could still lead to a likelihood of between 50 and 90 per cent. that climate change could run out of control. The situation is exceedingly dangerous, but I do not believe that any country in the world has really begun to take on the sort of drastic policies that are necessary to avert disaster.

However, I want to pay a tribute to DEFRA, and in particular to my right hon. Friend the Secretary of State, who is sitting on the Front Bench. His Department has made valiant efforts, but the real problem in Whitehall is that other Departments are pursuing policies that encourage climate change. The tripling of airport capacity and the huge expansion of Heathrow are two examples, but I could also cite the virtual absence of any controls in this country over vehicle emissions and the dropping of the requirement on the UK's biggest companies to report annually on their plans to cut carbon emissions.

We have talked about giving a lead on climate change to the wider population by introducing household carbon allowances, but we have failed to do anything about it. We have a depressingly weak policy on promoting renewables, but perhaps the most extraordinary and perverse of all our failures is our continuing and relentless attempt to corner the remaining repositories of oil around the world, even in those areas where conditions are the most extreme. I am referring to Britain's apparent attempt to annex one third of a million square miles of the sea bed off Antarctica, where mineral and oil deposits are expected to be found. Moreover, our attempt to exploit Canada's Athabascan tar sands will produce a massive increase in greenhouse gas emissions. The Climate Change Bill is fine, but it must be followed up by action in all other Departments that is consistent with its goals.

I am all in favour of our lecturing other countries at international gatherings about their need to reduce their carbon emissions, but why do we allow the Drax power station in Yorkshire to emit from a single chimney more CO_2 than is emitted by 100 smaller countries around the world? Why are the Government poised to begin a new round of coal-fired power generation—the most polluting form of energy? The Kingsnorth plant in Kent was originally justified on the grounds that it would be a breakthrough demonstration of carbon capture and storage. I was prepared to support it, so why are the press reporting—I hope the reports are wrong—that the Government seem to be moving away from it?

Finally, it is clear that we need a fundamentally new set of policies to promote the use of renewables in this country if we are going to get anywhere near the EU target of having 15 per cent. of all forms of energy produced from renewables by 2020. The target means that the amount of electricity generated from renewables will have to rise from the present 4 per cent.—one of the lowest levels in Europe—to 35 or 40 per cent.—or one of the highest levels—within 12 years.

How are the Government going to be able to achieve that? There needs to be a massive change in our attitudes towards microgeneration. In addition, the low-carbon buildings programme must be given enough money to ensure that it does not run out in a matter of hours. We will also have to abandon and replace the renewables obligations, and in that I agree with the right hon. Member for Suffolk, Coastal. The Department for Business, Enterprise and Regulatory Reform may like them, because they help the big operators, but we need to give renewables the same boost that they have been given in Germany and Spain. If we did that, we would achieve some real progress.

DEFERRED DIVISION

Madam Deputy Speaker (Sylvia Heal): I now have to announce the result of the Division deferred from the previous day.

On the draft Cheshire (Structural Changes) Order 2008, the Ayes were 278, the Noes were 151, so the motion was agreed to.

[The Division Lists are published at the end of today's debates.]

Treaty of Lisbon (No. 8)

Question again proposed.

3.10 pm

Mr. Nick Hurd (Ruislip-Northwood) (Con): The Secretary of State has made it clear that the Lisbon treaty does not significantly change the powers of the EU to show leadership on climate change, so we do not have much substance to debate. However, this afternoon presents a welcome opportunity to scrutinise and debate the EU's actions in our name, and that is crucial.

As a Conservative, I have no hesitation in saying that we must work through the EU on climate change. There is clearly no national solution to the problem and we must therefore maximise our leverage in international negotiations, which means working through the EU and embracing the simple fact that it is, perhaps timidly, cast in a leadership role on the crucial issue of our age in the shameful absence of the superpower from the negotiating table. We are in the lead.

Again, speaking as a Conservative I find it easy to reconcile that positive message with traditional Euroscepticism about single currencies and federalism. The hon. Member for East Dunbartonshire (Jo Swinson), who speaks for the Liberal Democrats, kindly quoted from my maiden speech, in which I simply said that I felt the climate change agenda presented an opportunity for the EU to redefine its relevance to the new generation who will pay for it. The evolution of that agenda is similar in importance and scale to the development of the single market. That shows the extent of the opportunities for the EU, and I would like it to embrace them.

Mr. Chaytor: To revert briefly to the single currency, does the hon. Gentleman think it would be possible to operate an emissions trading scheme on the basis of 27 different currencies in the European Union?

Mr. Hurd: The future viability of the emissions trading scheme depends on the cap that is set and whether the cap-and-trade scheme is as good as the cap. The overwhelming variability is the reason for the failure up to now and is much more important than currencies.

The right hon. Member for Scunthorpe (Mr. Morley) said that the EU's work on, for example, water directives, producer responsibility directives and landfill directives provides a solid platform on which to build. However, as we look forward, it is clear that we must tackle key issues if the EU is to continue to be a credible voice on climate change.

The problem is not ambition or rhetoric. The Montreal protocol or the Kyoto protocol would not have happened without the EU's leadership. We have a set of unilateral targets that do not lack ambition. We have action plans for energy efficiency and we have developed key market mechanisms. The challenge is effective delivery, and honesty about the backdrop of collective failure to reduce emissions, not least in this country. Important issues relating to delivery need to be tackled if the voice of the EU is to continue to be heard in the United States, China, India and Brazil—key players in the debate.

I want to identify three paramount issues. The first is the future of emissions trading. As a Conservative, I strongly believe that the market will deliver the most effective solutions, but I strongly agree with Stern that the market failure to put an effective price on carbon needs to be corrected—that is a necessary condition of any global solution to the problem. Emissions trading is the policy tool of choice to deliver that price and we are at a pivotal moment in developing it. Other countries are considering the EU scheme, and the harsh fact is that it may have been successful in proving some mechanics but it has failed comprehensively in its core mission of reducing emissions. Clearly, reform is needed.

There is growing consensus in this country about the core elements of that reform. We set out some ideas in the quality of life report and the Government have presented their ideas. There is growing consensus on the need to reinforce the principle that the polluter should pay. That means ratcheting down free allowances and ratcheting up auctions. There is consensus about the need to reduce the political risk that is attached to the process and I believe that that means developing a consistent and transparent methodology for determining caps and any allowances that are not auctioned. It means expanding the market carefully. The key priority is to include aviation on terms that bite.

Secondly, I would like more urgency from the EU and the British Government in levering the single market to drive up product standards. There is an enormously important opportunity to engage developing countries because we effectively import many emissions, which are embedded in the products that we buy from countries such as China and Japan. There is a great opportunity to build on the success in labelling and efficiency standards for refrigeration and extend it to other matters. We should consider what is happening in Japan and Germany on taking a new approach to product design and standards, setting minimum rolling standards. Rolling standards mean a dynamic process whereby today's best standards become the minimum in future, in an agreed time. There is therefore a constantly dynamic process of improvement. That is good for Government because it does not involve any public money, good for industry because it creates a competitive environment in which it can get ahead and make itself more efficient, and good for consumers because it will give us a wider range of efficient products. That is a logical extension of what the EU should be doing—levering the single market.

Thirdly, I want to consider the opportunity for the EU and the member states to do more together. It is clear from the development of technology that much goes on in small silos, including carbon capture and storage, concentration of solar power and long-distance ultra-high voltage power lines. Those technologies are enormously important matters on which member states should work together if we are not to lose the commercial market opportunity to the United States and other countries.

I am not referring only to technology. European buildings are three times more energy efficient than those in China. If one considers that China will move 400 million people from the country to the city in the next 30 years and that, in that process, it will build more than half the new buildings in the world, one realises the importance of our exporting expertise in architecture and design to China to ensure that those buildings are as energy-efficient as possible. I never hear the Government talk about that.

Other opportunities include common approaches to phasing out subsidies to the fossil fuel industry, and to procurement. The Government spend £150 billion a year of taxpayers' money through direct and indirect procurement and that presents a massive opportunity, which is not being taken, to drive market change. All that is in the interests of building on the single market and helping us to shape a new age when we can no longer rely on fossil fuels.

As a Conservative, I want Britain to express a positive voice in pressing Europe to take the opportunities because that is in our collective and national interest. We should act in the name of anyone who is under 40 because I firmly believe that there is no greater threat to the security, prosperity and well-being of those under 40 than an increasingly unstable and dangerous climate.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. There is a limited amount of time left for contributions from Back Benchers. If hon. Members could restrict their remarks, more may be successful in catching my eye.

3.19 pm

Martin Salter (Reading, West) (Lab): It is regrettable that the time available is so limited. If Front Benchers had exercised a little more self-discipline, more Back Benchers would have able to speak in this time-limited debate. However, I will restrict my remarks.

I have been looking forward to the debate for some time. If ever there was a issue that illustrates the futility of the isolationist politics of yesterday—which have been spewing forth in Members' correspondence files, and from the mouths of the more extreme Eurosceptics on the Conservative Benches and elsewhere in the country—it is that of climate change. It represents possibly the greatest threat to human life on our planet, and, as others have said today, it requires urgent action, not just national but international, intercontinental and indeed global, if we are to make any progress at all.

As my hon. Friend the Minister made plain, we are already well down the track in terms of the climate change impact with which our planet will have to deal. The Stern report lives up to its name: it is stern, and the figures that it contains are stark. At worst, 200 million refugees could be on the move owing to floods or drought, up to 40 per cent. of all known species could face extinction, the cost of climate change alone could be £3.68 trillion, and one in six of the world's population could be without ready access to drinking water. The scenario is apocalyptic: disaster on an unimaginable scale, global panic, mass movements of people, and the breakdown of civil society. It is a safe bet that if the next world war is not about oil, religion or a clash of cultures, it will be about access to drinkable water and habitable land.

We live in scary times, and our response to the challenges will shape our politics in the first half of the 21st century. Climate change is a zero sum game. We are already at a point at which its effects cannot be reversed, and we shall be lucky if we manage to restrict the rise in global temperature to 2°. A rise of 3° would result in decreasing crop yields in developed countries, including the United Kingdom, in decreasing world supplies, and in the collapse of whole ecosystems, including the Amazonian ecosystem. A rise of 4° is frankly unimaginable. The melting of the west Antarctic ice sheet would gradually increase sea levels by 5 to 6 m, putting vast tracts of land under water. In the United Kingdom alone, the number of communities at risk from coastal flooding would double to 1.8 million, while in Bangladesh, where half the population live in areas less than 5 m above sea level, permanent flooding and a shortage of drinking water could cause between 30 million and 40 million people to be displaced from their homes.

Now is not the time for isolationism. Now is the time to step up to the mark and recognise the contribution that this Parliament, this country and this Government can make by working within the institutions of the European Union, rather than claiming that everything that comes out of Brussels is fundamentally flawed and has no place in our future politics of decision making.

I have been disappointed by the quality of some of the speeches made by Opposition Members today, although some have been of a very high standard. We are not talking about six words; we are talking about whether this EU reform treaty is relevant in the context of climate change and environmental policy. Environmental policy is one of the success stories of the EU. At the time of its founding in 1957, the EU had no environmental dimension; today it has some of the most progressive environmental policies in the world. EU legislation has played a vital role in habitat and species protection, river management, and dramatic improvements in air, water and beach quality. The water framework directive of 2015, in which I know my hon. Friend the Minister is particularly interested, will be the driving force that will raise not just standards of drinking water, but the quality of water and habitat in rivers the length and breadth of the country. It is a vital piece of European legislation.

Nevertheless, there is an immense amount to be done both to meet existing EU targets and aspirations, and to agree on new targets and actions that will improve the environment and quality of life in Europe. Climate change is the most urgent of those challenges, and we must tackle it effectively if we are to sustain growing prosperity and security.

The reform treaty contains new commitments on sustainable development in its article on the Union's objective. That article is more detailed than the current text, and offers some improvement. It provides that the EU

"shall work for the sustainable development of Europe",

while the current text speaks only of

"sustainable development of economic activities".

That is a significant distinction.

The treaty emphasises the importance of climate change, and makes it easier to adopt greener energy policies. It has left core provisions on environmental policy substantially unchanged, but greater emphasis has been placed on the struggle against climate change, which has been explicitly added to the objectives of EU environmental policy. Perhaps more significant, energy policy will become formally an area of shared competence between the EU and member states. The treaty also seeks to ensure security of energy supply, and to

[Martin Salter]

"promote energy efficiency and energy saving and the development of new and renewable forms of energy".

The notion, or contention, that the Lisbon treaty is somehow irrelevant to the climate change debate is fundamentally flawed. Members need only read it to see that that is so.

A couple of weeks ago I was privileged to visit Greyfriars church in Reading, where churches had joined in a campaign to give up carbon for Lent—not chocolate, but carbon. It was an impressive initiative. Workshops from faith groups throughout my constituency and well beyond discussed climate change. There is a connection between such action and that of the big coalitions that launched the Drop the Debt and Jubilee 2000 campaigns: climate change is a moral issue, not just an environmental issue.

I mentioned Bangladesh earlier. Let me end by giving some figures. A total of 9.5 tonnes of carbon dioxide is emitted per person per year in the United Kingdom, compared to 0.24 tonnes in Bangladesh. It is ironic, is it not, that the people who have contributed least to climate change are those who will suffer most from its impact.

3.26 pm

Mr. Mike Weir (Angus) (SNP): Today's debate on the wording of the treaty seems to me a bit like the debate about how many angels can dance on the head of a pin. As far as I can see, there is no great dispute between the parties. We all agree that we need to tackle climate change, and we all agree that we need to tackle it through international institutions, particularly the European Union. In this country we may debate whether we will reduce it by 60 per cent. or by 80 per cent., but at the end of the day those are both ambitious targets. Following any such reduction, the economy will look vastly different from the way it looks today.

We must all play a part in these efforts. The other week, DEFRA representatives demonstrated a CO_2 calculator in Portcullis House. I went along and duly answered all the questions. My house and domestic appliances were fine—the emissions were below average—but when it came to travel the figure went through the roof, and that did not include business flights. Although I have not taken a holiday flight for many years, I represent a rural constituency, and I drive a fair bit.

I was interested by what the hon. Member for East Dunbartonshire (Jo Swinson) said about biofuels, but my view is slightly different from that of some other Members. I recognise the sustainability problem, but I caution against throwing out the baby with the bathwater. In the "green" debate we talk in a vacuum about reducing emissions by 60 per cent. or 80 per cent., but such issues have a real impact on people in the country. There is the danger that every time we come up with a solution to a problem, someone will say that it is worse than the problem was in the first place.

I have the impression that people are beginning to get a wee bit turned off. We must take the population with us. We may say that we want an 80 per cent. reduction, but unless the people are prepared to take the necessary steps to meet that target, it is utterly pointless. The EU has a role to play, however, in that it has the ability to bring together 27 of the most industrialised nations in the world to reduce carbon emissions.

I am aware of the problems involved in the European emissions trading scheme, but when the Business, Enterprise and Regulatory Reform Committee travelled to Brussels last week—by Eurostar, I am glad to say; we did not fly—we had interesting discussions with members of the Commission about both energy and climate change. Big changes are coming in phase 3 of the EU emissions trading scheme. There will be an EU-wide cap on the number of emissions allowances instead of 27 national caps; I have difficulty in seeing how that will work, but it is an interesting idea. A much larger share of allowances will be auctioned off, instead of being allocated free of charge—the Chancellor should take a bigger interest in the fact that energy companies have made huge profits on the back of free allocation. There are to be harmonised rules governing free allocation, and:

"Part of the rights to auction allowances will be redistributed from the Member States with high per capita income to those with low per capita income in order to strengthen the financial capacity of the latter to invest in climate friendly technologies".

That is vital because many of the new member states from the former Soviet bloc have polluting industries and they need to come on board and reach the standards we look for in western Europe.

A number of new industries are to be included in the ETS, as are other gases. That is important, because we often talk of reductions of 60 and 80 per cent. but we are talking only about carbon dioxide; many other greenhouse gases are not included in them, and they must be included if we are to make a difference.

I have a concern about aviation. There is an exception in the next stage of the ETS for those sectors that are vulnerable to competition from producers and countries without comparable carbon restraints. That puts a huge hole in the scheme, through which many industries will be allowed to pass, particularly aviation. European airlines flying to the United States or the far east, for example, will not be covered by the ETS. I understand what the Secretary of State says about that—that Europe can only do what it can do. That underlines the need for more international co-operation on such matters. We must tackle aviation. The EU should look at whether it needs to address flights taking off from the EU regardless of where they are going.

I have mentioned the danger of discussing this matter in a bubble. Under the Commission's proposals on the ETS and renewable energy, the price of electricity is expected to increase by between 10 and 15 per cent. That is an important point at a time when fuel poverty in the UK is rising because of rising prices. We must balance addressing carbon reduction with the effect that measures have on the public and take action so that they do not pay high energy prices when companies are making massive profits. Many such balances have to be struck.

3.33 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): It is a statement of the blindingly obvious, but we in Europe have to work together on climate change. It is also self-evident that carbon knows no boundaries, so we must work together to make an impact on climate

change not only in Europe but in the world. It must therefore have required a great deal of mental gymnastics for the Opposition to come up with their amendment and to distinguish the six words in the Lisbon treaty from all the other necessary actions on climate change—and, indeed, from all the other provisions in the Lisbon treaty that contribute towards those actions, which we know must be taken.

There are no such verbal gymnastics in amendment No. 151, which we shall discuss later; its distinguished tablers simply wish to remove the phrase "climate change" from the treaty. I am pleased that Opposition Front Benchers say that they will not support the amendment, although the main amendment in the upcoming Committee stage appears to be 151-lite in its attempt to distinguish between institutionalisation and action. They are not opposed to each other. They are partners; they go together. That is the central point that we need to be clear about this afternoon.

We can see that relationship between institutionalisation and action in certain examples of things that have already happened that are related to climate change, but not necessarily obviously so. The waste framework directive, and the landfill directive within it, led to the UK introducing the landfill levy and later, through the Waste and Emissions Trading Act 2003, the landfill allowance trading scheme—LATS—arrangements on municipal waste. Interestingly, at the time the targets were widely criticised as being impossible to achieve because we were so addicted to putting waste in land, and it was said that the trading system would never work and the system's target would never be achieved. However, it was introduced and it does work, and landfill is decreasing substantially. That has echoes in current actions at EU level in other areas, such as the 2007 spring Council agreement on targets on renewable energy and greenhouse gas emission reductions.

It has been widely suggested that the UK renewable energy target of 15 per cent. is not achievable, but I think that, as a result of the combination of the institutionalisation, the agreement in the framework and the action, we will ensure that it is achieved through the various devices available to us, including those available through other relevant EU directives. It is, therefore, potentially very important to have the dual function of institutionalisation and action.

One of the main problems with phase 1 of the EU ETS was the self-certification of allocations by member states. Significant change came about only at the point in phase 2 when the Commission rejected all but three of the allocations that had come forward for that phase and said, through the framework of the EU, "No, these are not good enough, and the allocations have to be based on an EU-wide understanding of what those allocations consist of and how the system will work." It is essential, therefore, that we work together within the EU, in different ways and with different devices in our different countries, to bring forward the joint action that makes a real difference on climate change. It is a reflection on the confused policy of the Opposition that its Members are incapable of coming up with a statement on that process that distinguishes between taking action and words—and, indeed, the simple anti-EU position of amendment No. 151.

The Lisbon treaty is important, and we must continue to work together through the framework of the EU and member states to ensure that the climate change targets that we have set are reached by the EU collectively and by member states individually.

3.40 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): In earlier interventions I expressed frustration at the way in which the six words on climate change have been used to take over a day's debate. The debate has, however, been useful. We have heard a series of interesting and informed speeches on UK and EU climate change policy. Some contributions—including that of the hon. Member for Southampton, Test (Dr. Whitehead), which is surprising, given his environmental expertise—have criticised the Conservatives for suggesting that tokenism could be involved in the way in which today's debate has been dealt with. That criticism is entirely unfounded. The Conservative position is quite clear: we absolutely see the EU as having a fundamental role on climate change. We embrace the EU in regard to its competence on an area such as this, and to its making a contribution on climate change. What has united all of those, regardless of party, who moved away from the constitutional points of the debate towards the wider environmental issues is the sense of frustration at the failure to turn what my hon. Friend the Member for East Surrey (Mr. Ainsworth) called rhetoric into reality. That is what has united all of us today.

Of course, if those six words in the treaty will help the EU to put climate change further up its list of priorities, and if they will lead to policies and frameworks that start to provide the results on climate change that we all want in Europe, their inclusion will have been worth while. However, we have not seen any evidence to suggest that that would be the case.

I joined the Environmental Audit Committee a couple of years ago, probably as a bit of a climate change sceptic. I certainly did not like the zealous, almost evangelical tone used by the many people who had "got" climate change and rather divisively felt that others had been inadequate in failing to do so. I have wrestled with the subject since, although I have not spoken or written about it a great deal. Having assessed the science and heard the evidence, my position now is that there is a serious likelihood that man-made emissions could have a devastating effect on this earth and that rises in temperature caused by that could have calamitous effects in certain places, whether they would be as apocalyptic as the hon. Member for Reading, West (Martin Salter) suggested or not. That means that anyone with any common sense and who is used to assessing probabilities would want to take action.

I agree with Members who have mentioned the Stern report. Hard numbers have now been put on some of those probabilities. That is why, in many parts of the world, including the sole superpower, it is those in the business community—the hard-headed business people who are interested in looking after their shareholders and returning profits, and not those who are given to hand-wringing environmentalism—who have started to lead the debate. They are used to assessing probabilities.

I should like to see us all learn to use the language of risk. We should not do as the Government have sometimes done—in their papers preparing for the Climate Change Bill, for example—and state that there

[Mr. Graham Stuart]

is no longer any debate on climate change. Of course there is; there are many uncertainties. However, the likelihood that man-made emissions are affecting our planet is growing all the time. The fact that so many of the world's leading scientists feel that way means that we need to take the issue seriously. It is right and proper to take prudent action to become more energy efficient, along with other steps.

My hon. Friend the Member for Hexham (Mr. Atkinson), who is now back in his place, made an important speech on biofuels and the role of agriculture in tackling climate change. With respect to the hon. Member for Angus (Mr. Weir), I think that it is important, if we are to carry people with us when we take action, that we take rational and sensible action. It is quite clear that the biofuels policy of HM Government and of the EU is not rational. I should like to quote from evidence given to the Environmental Audit Committee by a senior scientific adviser who sits on the scientific advisory committee to the Department for Environment, Food and Rural Affairs. It was his view that

"if there is a scientific basis for the Renewable Transport Fuels Obligation, I do not know what it is and I have not seen it."

Mr. Weir: I should like to clarify that I did not mention the renewable transport fuel obligation; I was talking about the whole issue of biofuels. There is an important difference.

Mr. Stuart: I entirely agree. Perhaps I read into the hon. Gentleman's contribution some sense that criticism should not be made of measures such as biofuels because they might do good later. If first-generation biofuels without proper sustainability guidelines—such guidelines do not exist—do more harm than good, it is not right for us to pursue them, regardless of the case for second-generation biofuels. Doing something that is wrong now because there might be something good to do later does not make any sense. I see no reason to believe—we have received no evidence to this effect—that the renewable transport fuel obligation, other EU measures and targets, such as the 10 per cent. biofuel content target set by the French, and the unsustainable activity that is being driven now will engender more sustainable activity later.

With biofuels, we have a combination of the worst forms of French protectionism and a desire for energy security. The EU and the United States are pushing for targets. In the US, that is primarily driven by energy security. The US has set a 20 per cent. target for biofuels and, by every measure, the biofuels used are bad for the environment. Set against many measures, they create more emissions in their life cycle than pulling fossil fuels out of the ground and burning them would create. That is a calamitous situation, which we should not encourage.

In the EU, on the other hand, where energy security is also an issue, the primary driver is the desire to subsidise rural development. That should not be the top priority. The top priority should be climate change. I hope that we will have a rational policy base and that the EU and the UK Government will reverse their current policies on biofuels and ensure that we have a sustainable framework in place before we promote such technology.

3.46 pm

Mr. David Chaytor (Bury, North) (Lab): Today's debate has been far more rational, outward-looking and forward-thinking than some of the previous debates on the European treaty. That is a measure of some of the individuals who have spoken from the Opposition Front Benches. I want to encourage an outward-looking, forward-thinking approach to the EU. A big challenge is facing the Conservative party if it is to formulate a sensible policy on climate change and the role of the European Union.

In the brief time available, I want to concentrate on the wording of the Opposition amendment. Two things concern me, and the amendment is rather disappointing in view of the generally positive approach to the EU that has been expressed today. First, the Opposition dismiss the role of the treaty of Lisbon as "effectively irrelevant" in advancing the cause of climate change policy. That bears no relation to reality. It is an important step forward from the constitutional treaty to have the specific reference to climate change. Of course, it is also a major step forward to have a specific competence on energy policy. The specific references to the importance of energy efficiency, renewables, energy security and the mutual interdependence of the member states in ensuring energy security for each individual state are extremely important.

On the question of the organisational changes, the amendment quotes the Foreign Secretary, who said that climate change agreements already reached by the EU

"have done more to show the relevance of the European Union than any amount of institutional tinkering".

I think that we would all agree with that remark. Nobody is in favour of institutional tinkering; that is self-evident. However, that does not mean that we cannot envisage institutional improvements.

That seems to be the central weakness in the Opposition amendment. As my hon. Friend the Member for Southampton, Test (Dr. Whitehead) said, it must have required a huge amount of ingenuity to come up with that form of words. If the Opposition seriously do not believe that there can be any improvement to the EU's organisational arrangements after the expansion of the Union to 27 member states, they will have to put up a strong defence of how the current arrangements can continue to advance the cause of climate change.

Many hon. Members have described the achievements of the EU to date in improving air and water quality, in taking noxious chemicals out of the air and in improving standards for vehicles and electrical equipment, but surely no one can believe that that is the end of the matter. In fact, when it comes to improving standards and the quality of the environment, we are only beginning a long journey that will go to 2050 and beyond. It is thus almost beyond belief to dismiss as completely irrelevant the very idea of any change to the EU's organisation, which is largely what the treaty is about. I ask forward-thinking Conservative Members to consider that carefully.

Mark Pritchard (The Wrekin) (Con) *rose—*

Mr. Chaytor: I cannot give way in view of the time.

If Conservative Members wish to dismiss the content of the treaty as mere institutional tinkering, one must ask why they feel so strongly about the need for a referendum. Either the treaty is about institutional tinkering, and thus the question of a referendum is completely irrelevant, or there is a powerful case for a referendum because the treaty has more significance. The Conservative party needs to get its act together and its thinking straight on this issue.

Conservative Members seem to have forgotten that over the past 25 years every party that has been explicitly opposed to the European Union has lost the subsequent general election. That is largely because the public are far in advance of the Eurosceptic tendency. Whatever Conservative Members might think about the gut feeling of some of their party's members and their small band of core supporters, the anti-European tendency in the country today represents a minority—and not an election-winning minority. I encourage forward-thinking members of the Tory party to take that on board and to explain it to some of their colleagues. As long as the party has an intrinsic, obsessive, anti-European ethos, it will never come around to supporting the policies that are needed to deal responsibly with climate change.

It is important that the EU reflects its new expansion with the involvement of 27 members rather than 15. It is important that it changes its arrangements, such as on qualified majority voting, and that we have a single voice to the outside world. Rather than having a presidency that rotates every six months, it should last for a longer period to give continuity to policy. The EU must be the leading group of nations in the world on advancing climate change policy.

However—this will be my final point, because I know that the hon. Member for Hertsmere (Mr. Clappison) wishes to speak—climate change cannot be advanced solely by top-down institutional structures. The hon. Member for Beverley and Holderness (Mr. Stuart) seems to assume that because there was a gigantic market failure, there will suddenly be a gigantic market solution, but the market alone does not hold the solution. We will need not only institutional change at the political level, the encouragement of enterprise and the development of new science and technology, but individual behaviour change and the greater involvement of local and regional government throughout the European Union. Does the Minister for the Environment agree that, on climate change, we need not only the right policies at national and EU level, but far greater involvement of local government in the United Kingdom?

3.53 pm

Mr. James Clappison (Hertsmere) (Con): I make common cause with the hon. Member for Bury, North (Mr. Chaytor) to the extent that I have faith in the public. I wish him luck when he goes back to the public in Bury, North at the time of the next general election and explains why he voted against the referendum that was promised in his manifesto even though this treaty, by his own admission, is almost exactly the same as the original constitution, but now has the magical ingredient of six extra words about climate change.

Important questions have been asked during the debate. We have heard well-informed speeches, and I would ask the same questions that others have posed about the emissions trading scheme. The EU is staking a lot on the scheme, so we need to ask searching questions—in the genuine sense of the term, rather than the sense in which the Government use it—about it.

I share the sense of curiosity expressed by my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). I agree with him that this is an important subject. I am happy to debate it now and to scrutinise what little there is about climate change in the body of the treaty, but I feel a sense of discomfort that we have not had the opportunity on previous occasions to scrutinise matters such as borders and immigration and defence, where—unlike in the present case—there have been substantial changes to powers, institutional arrangements and treaty provisions. The treaty makes barely any change on environmental matters—it adds just six words, which were implicit in existing provisions. The European Union is already able to do all the things that the Secretary of State told us about on the basis of existing provisions.

I am concerned about that. We are debating an important subject and I want answers to the questions that have been put, but I worry about the way in which this House is scrutinising the provisions of the treaty. It is just one more example of the inadequacy of our method of scrutinising very serious matters.

3.55 pm

Gregory Barker (Bexhill and Battle) (Con): We have had a good debate—I think that we all agree on that. The first Back Bencher to speak was the right hon. Member for Scunthorpe (Mr. Morley), who has a distinguished record on environmental matters. Although I do not always agree with everything he says, I acknowledge that he made some sensible comments on the future of European reform. The hon. Member for Stoke-on-Trent, North (Joan Walley), a distinguished member of the Environmental Audit Committee, also spoke, as did my hon. Friend the Member for Hexham (Mr. Atkinson), who, in a well informed contribution, spoke movingly about world food shortages and concerns about biofuels, and about how Europe should deregulate more and grow more food.

We also heard speeches from the hon. Member for Stafford (Mr. Kidney) and my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), who spoke of the positive role for the EU in environmental matters, but expressed great consternation about the Government's denying a proper debate on the treaty more generally. The right hon. Member for Oldham, West and Royton (Mr. Meacher) drew attention to Drax and the fact that one chimney emits more CO_2 than more than 100 small countries—an extraordinary figure that I had not heard before. My hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) spoke with his usual expertise and broad understanding.

Although I do not often agree with the hon. Member for Reading, West (Martin Salter), he made his points with great passion and I found myself nodding in agreement with some of them. The hon. Member for Angus (Mr. Weir) displayed his usual knowledge. Usually when the hon. Member for Southampton, Test (Dr. Whitehead) speaks, I learn something; on this occasion, however, somewhat disappointingly, most of

[Gregory Barker]

his remarks were about process and words, rather than the solutions with which he is normally associated. My hon. Friend the Member for Beverley and Holderness (Mr. Stuart), who is also a member of the Environmental Audit Committee, made an excellent speech: he has become quite an expert on biofuels.

The hon. Member for Bury, North (Mr. Chaytor) is also a great expert, but he, too, ended up talking about process and tinkering with institutional reform. Ultimately, his speech summed up what many of us feel about the debate, because he could not tell us one thing that the constitutional amendment will allow that the EU cannot already do or will not be able to do if the treaty is not passed. It is completely irrelevant. If any Labour Member would like to stand up now and tell me one substantive area where EU competency will be extended by adding those six words, I will gladly take an intervention. Answer there came none.

This debate has been a waste of time in the context of debating the Lisbon treaty. Time spent in this place talking about climate change is never wasted, however; well-informed right hon. and hon. Members can be found in all parts of the House, and I always gain from hearing what others have to say. The genuine conviction felt in all parts of the House is apparent, and when we talk about climate change, we see Parliament at its best. When they got down to solutions, many of the speeches we have heard today demonstrated that point. Conservative Members also welcome the opportunity to flag up the treaty's failings, but the EU has effectively tackled all sorts of environmental challenges up to now without needing additional binding treaties. The Government are clearly all too aware of the irrelevance of the latest EU treaty to our UK and international efforts to tackle climate change. Indeed, as my hon. Friend the Member for East Surrey (Mr. Ainsworth) reminded us, the Foreign Secretary said as much. Despite that irrelevance, the Government have insisted on setting aside a whole day for debate on the Lisbon treaty issue of climate change. The Conservatives have argued today that it is more important to debate UK policy, and the policy delivery needed to drive down carbon emissions, delivery solutions and adaptation, than to discuss institutional reform and tinkering with treaties, which are irrelevant to the goal.

In the time remaining, I shall consider a few examples of where the Government are going wrong in their performance on climate change. In the Climate Change Bill—a Bill that I am proud to say my party has been enhancing steadily throughout its passage through another place—the Government are rightly legislating to commit the UK to a minimum emissions reduction of 60 per cent. by 2050. I think that we all accept that that figure may have to be re-examined soon, but how can the Government expect significant carbon reductions in Britain when they have consistently underspent, cut and redirected budget commitments for energy efficiency—to say nothing of other things—primarily because of shortfalls in the budget of the Department for Environment, Food and Rural Affairs due to chronic mismanagement? How can the Secretary of State expect emissions reductions from the UK housing stock when the low carbon buildings programme, the capital grants scheme for energy efficiency, has been underfunded since its inception and is now being scrapped?

How can the Government expect the development of a renewable technology economy in Britain when they do not offer the industry any long-term market confidence? First they tried to U-turn and squash the Merton rule for microgeneration technologies; then they tried to wiggle out of the EU 2020 renewable energy target. The Government have failed to support plans to build the world's first carbon capture and storage power station in Peterhead, opting instead for yet another round of dithering and consultation, followed by a competition. It is not that they are headed in the wrong direction; it is just that they cannot move fast enough. We reject that dithering, delay and incompetence. We reject institutional tinkering. What we really need are dynamic solutions to climate change. We need more vision, more ambition, more conviction and more delivery. We need robust policies that will deliver real change on the ground and drive dynamic industrial change in the economy.

In December, David Cameron announced our party policy to introduce feed-in tariffs—[HON. MEMBERS: "Who?"] My right hon. Friend the Member for Witney (Mr. Cameron) announced the tariffs—a mechanism that has resulted in the creation of hundreds of thousands of jobs across Europe. That policy could do the same for the UK by providing long-term market certainty to the British microgeneration industry and, as my hon. Friend the Member for East Surrey noted, it could greatly enhance our energy security and lower our carbon emissions in the process.

Our feed-in tariff policies are just the beginning. This afternoon at Imperial college, the shadow Chancellor, my hon. Friend the Member for Tatton (Mr. Osborne), announced three more policies that will energise UK plc to start reducing our emissions on a significant scale while helping to grow our economy by creating policy initiatives at three ends of the market. The first is in start-up and venture capital. We have some of the finest research institutions and universities in the world, yet in Britain today it is much too difficult to turn bright ideas into viable businesses. Too many technologies have failed to reach the market, getting caught in the gap between a great idea and a viable company. That is why we announced plans today to establish green technology incubators across the UK that will allow more ideas from our finest minds to become reality.

Secondly, Britain is privileged to have access to some of the world's finest financial minds and largest investors in the City of London. The Conservatives recognise what an enormous economic opportunity it would be for Britain if we could harness that talent and entrepreneurial spirit and direct it towards the dynamic de-carbonisation of the global economy. To that end, we have announced our intention to establish, in conjunction with the London stock exchange, the world's first dedicated trading market for companies focused on green technology. It will have its own listing criteria and its own set of principles and regulations. The green environmental market is designed to help London become the world's leading centre for the listing and trading of companies in the field of environmental technology. The GEM will build on the alternative investment market's success in attracting

green technology companies, but will have its own distinct identity. That new market will help to drive the unprecedented levels of green investment required to transform Britain's economy. Only by unleashing the full potential of London's capital markets will we meet our ambitious goals and get the substantive investment that we require.

Thirdly, the shadow Chancellor today announced our intention to introduce green individual savings accounts, which will enable the public to save more than they are currently allowed to, tax-free, provided that the funds are invested only in the most progressive, environmentally friendly companies. The green ISAs—or GISAs, as some bright chap has named them—will engage the public in climate change issues in a new way and show them clearly the economic benefits of green investment. By providing lucrative new sources of investment, GISAs will create a race to the top, incentivising businesses to adopt environmentally friendly policies. At the moment, only 39 per cent. of FTSE 350 companies account for their carbon effectively. Hopefully the proposal will incentivise them and drive them all to do so.

It is policies and incentives such as those that will allow Britain to deliver on our climate change commitments. They will deliver dynamic industrial change and create hundreds of thousands of new jobs in the economy. We are not afraid of change, and we are the only party that can deliver it.

4.6 pm

The Minister for the Environment (Mr. Phil Woolas): I concur with the hon. Member for Bexhill and Battle (Gregory Barker) that this has been a very good debate. The knowledge and experience displayed in contributions from Members on both sides of the House on the issue of climate change has been impressive. The Opposition spokesmen's points about the treaty were less impressive. I suppose that congratulations are due to the hon. Member for Bexhill and Battle on reading out the shadow Chancellor's press release; he did it eloquently and efficiently. Unfortunately, as ever, things are different when one scratches the surface.

Green incubators are a good idea: we have them. We have had them at the university of Manchester for donkey's years, and have been spending hundreds of millions of pounds on them. I suppose that the idea of share listing is good. The green savings account is a good idea, and I thank the Chairman of the Select Committee for putting it forward. However, I do not want to be churlish; the hon. Member for Bexhill and Battle is doing a good job of trying to square a circle, as my hon. Friend the Member for Bury, North (Mr. Chaytor) pointed out.

The Conservatives have a problem. The debate has been on the amendment in the name of the shadow Foreign Secretary, the right hon. Member for Richmond, Yorks (Mr. Hague). The debate has presented us with a graphic display of the Conservative party's age-old problem of what to do about the issue of Europe. How is that problem to be squared with the Conservative party's new-found adherence to green policies? The Conservatives have been exposed; they are in a pickle. On the one hand, they like the six words on climate change that are in the treaty, but on the other they do not want the treaty. Later this afternoon, some of them will support the six words, and some of them will oppose them. Others want more than six words, and others still do not want any of the words. Most of them will vote against the whole treaty, even though they like the six words, but some of them will vote for it. All of them are confused.

The fact is that if the six words, and the other words to which hon. Friends have referred, are simply "tinkering", why are the Conservatives proposing a referendum on the treaty? The treaty is either developing the European Union and addressing points of principle, in which case they should have a referendum, or it is not, in which case they are wasting our time.

Mr. Graham Stuart: The simple point is that on climate change, the treaty makes no difference. On many other issues, it makes a great deal of difference.

Mr. Woolas: I thank the hon. Gentleman for that confirmation that the treaty of Lisbon is not a radical giving-up of our sovereignty, but merely adds a few words.

The Opposition spokesman accused my right hon. Friend the Secretary of State of cynicism. How anybody could describe my right hon. Friend as cynical is beyond imagination, as anybody who knows him well would say, but the hon. Gentleman accused us of cynicism in calling the debate. He said that we were trying to mask the other issues and that six hours should not have been allocated to the debate on climate change this afternoon. The Opposition's amendment to the business motion on 28 January proposed six hours of debate on climate change, so how he can accuse the Government of cynicism is beyond me.

Let me address some of the substantial policy and political issues. The hon. Member for Beverley and Holderness (Mr. Stuart) correctly stated that it was wrong to say that the scientific debate was over. There are some who still disagree. Across the world, all countries, with the exception of Burma, now accept the scientific evidence of man-made climate change as a reality. However, I am delighted to inform the House about members of the flat earth society who still deny the existence of man-made climate change. One of them is Roger Helmer, Member of the European Parliament for the East Midlands for the Conservative party. Another is the President of the Czech Republic, Václav Klaus—although not, I hasten to add, the Government of the Czech Republic.

What is the association of those two members of the flat earth society with the Opposition? Mr. Roger Helmer, a renowned climate change denier, said in 2007 that

"climate change consensus is a journalistic fiction".

He told the European Parliament in May 2007 that

"it would be cheaper to relocate the population of the Maldives than to implement the sort of emissions reductions that are proposed".

Who is the Conservative party putting on to the temporary committee on climate change in the European Parliament? Mr. Roger Helmer. *[Interruption.]* Conservative Members do not like having their divisions exposed. I will answer the points of substance.

Madam Deputy Speaker: Order. Perhaps the Minister will now address his remarks to the amendment and the treaty.

Mr. Woolas: I take your instruction, Madam Deputy Speaker. I was just getting to the partnership between the Conservative party and the Czech President, but I will pass on that.

Greenhouse gases in this country have gone down since 1997 by 7 per cent. Part of the reason why the United Kingdom provides such strong leadership in the United Nations conversations is that while our greenhouse gas emissions have gone down, our gross domestic product has gone up, thus showing the world, along with other European Union countries, that the lesson of Sir Nicholas—now Lord—Stern's report that the two tracks can be decoupled is alive and well and evident in the UK.

Our record on these matters is a proud one. The Opposition spokesman said that there had been inaction. He failed to mention the carbon emissions reduction targets—the £1.5 billion that has been mobilised to transform and retrofit UK homes. He failed to mention the climate change agreements or the carbon reduction commitments to be introduced in the UK next year. He failed to mention the raft of measures that have been put in place so that we reduce the emissions in this country and so that we can, in co-operation with our partners in the European Union, provide the leadership that some Opposition Members have been graceful enough to acknowledge.

On no issue is the need for international co-operation greater than on climate change. On no issue do we need the European Union more than on climate change. That is why it is important that the treaty of Lisbon recognises that—*[Interruption.]* The hon. Gentlemen jeering from a sedentary position have to reconcile their attempt to con the British public, by trying to rebrand their party as the green party, with their opposition to the treaty of Lisbon.

Question put, That the amendment be made:—

The House divided: Ayes 164, Noes 345.

Division No. 102] **[4.15 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, rh Mr. Frank
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Richard Benyon and Mr. Crispin Blunt

NOES

Ainger, Nick
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John

Baker, Norman
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Smith, Sir Robert

Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Mr. Bob Blizzard and
Liz Blackman

Question accordingly negatived.

It being more than three and a half hours after the commencement of proceedings on the motion, MADAM DEPUTY SPEAKER *put forthwith the Main Question, pursuant to Orders [28 January and this day].*

The House divided: Ayes 356, Noes 165.

Division No. 103] **[4.28 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian

Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Liz Blackman and
Mr. Bob Blizzard

NOES

Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew

Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. Crispin Blunt and
Mr. Richard Benyon

Question accordingly agreed to.

Resolved,

That this House approves the Government's policy towards the Treaty of Lisbon in respect of provisions concerning climate change.

Orders of the Day

European Union (Amendment) Bill

[8TH ALLOTTED DAY]

(Any selected amendments to clause 2 relating to climate change)

Further considered in Committee.

[SYLVIA HEAL *in the Chair*]

Clause 2

ADDITION TO LIST OF TREATIES

4.41 pm

Mr. Dominic Grieve (Beaconsfield) (Con): I beg to move amendment No. 13, page 1, line 12, after 'excluding', insert—

'(i) any provision imposing an obligation on the Parliament of the United Kingdom; and

(ii) '.

The First Deputy Chairman of Ways and Means (Sylvia Heal): With this it will be convenient to discuss the following: New clause 5—*Government opinion on adherence to subsidiarity*

'(1) The relevant Secretary of State shall present to Parliament his opinion on whether a draft European Union legislative act forwarded to national parliaments under the Protocol on the Role of National Parliaments in the European Union complies with the principles of conferral, subsidiarity and proportionality, set out in Article 5 of the Treaty on European Union.

(2) This opinion shall include supporting evidence.'.

New clause 8—*Bill of Rights 1689*

'Notwithstanding any provision of the European Communities Act 1972, nothing in this Act shall affect or be construed by any court in the United Kingdom as affecting Article IX of the Bill of Rights 1689.'.

New clause 9—*Supremacy of Parliament*

'Notwithstanding any provision of the European Communities Act 1972, nothing in this Act shall affect or be construed by any court in the United Kingdom as affecting the supremacy of the United Kingdom Parliament.'.

Mr. Grieve: The amendment raises an important issue in respect of the textual interpretation of what the European treaty says. I am sure that when the Minister replies, he will tell the House that it is his opinion that no provision in the treaty would impose an obligation on the Parliament of the United Kingdom. My reading of the text makes me doubt that that is the case.

The wording is, frankly, odd. It includes references to national Parliaments' which were placed for the most part—that was the intention—to emphasise the principles of subsidiarity. However, when one looks at them detail, one finds that they seem to make the national Parliaments subsidiary. Let me give some examples. The original wording of article 8C was:

"National Parliaments shall contribute actively to the good functioning of the Union",

so that the principle of subsidiarity is respected. The tone is pretty patronising in that context, but it is surely

for Parliament to decide what it may or may not wish to do. However, when the Minister went before the European Scrutiny Committee on 2 October, he emphasised that he thought the problem was one of drafting rather than of intent. He went on to say that changes would be brought about to the text before the matter was finalised, and indeed, they were. In at least two places where it appeared to impose a mandatory "shall" on national Parliaments, the "shall" was removed, although in one case it was not, and I shall come on to that.

The Foreign Secretary said that he considered that all member states understood that we were in favour of Parliament being clear about its responsibilities and fulfilling them. However, the ESC asked the right hon. Gentleman a question that at earlier sittings it had put to the Minister for Europe—should not the draft's use of the word "must" in respect of national parliaments be altered to "may"? The Government have never been able to secure a concession from their European partners to that effect, and it would be useful if the Minister could tell us why.

I shall give the House another example. The original wording of article 63 was that national parliaments

"shall ensure that the proposals and legislative initiatives submitted under Sections 4 and 5 of this Chapter comply with the principle of subsidiarity in accordance with the arrangements laid down by the Protocol on the application of the principles of subsidiarity and proportionality."

Again, the Government secured an amendment that removed the word "shall", although on this occasion it was not substituted by the word "may". One oddity of this matter is that, inevitably, we have been considering the English text of the treaty, but it is worth looking at the French text, which has equal validity.

The Minister for Europe (Mr. Jim Murphy): The French text?

Mr. Grieve: I shall enlighten the Minister about the French text. I have referred already to article 8C and to article 63, which in its final form became article 61B. Nowhere in either article did the French text use the equivalents of "shall" or "may". I hope, Mrs. Heal, that you will forgive me for briefly using a foreign language in this place, but the French text of article 8C states:

"Les parlements nationaux contribuent activement au bon fonctionnement de l'Union".

David Howarth (Cambridge) (LD): C'est exactement la même chose.

Mr. Grieve: The hon. Member for Cambridge (David Howarth) says, "C'est exactement la même chose", but I am afraid that what I quoted is "exactement pas la même chose", and I shall explain why.

First, the Minister must explain how, when the original text of the treaty was brought out in both English and French, the French text was as I read it out—that is, without the use of the words "peut" and "doit", which we render in English as "may" and "must". The French text adopted the neutral form that I have just described, whereas the English text used the expression "shall". The Minister cannot simply gloss over the fact that the two versions are very different. He must explain to the Committee why the translators of the text used those two different forms.

Next we have to ask whether the removal of the word "shall" makes any difference. I have read the French text again with care, and I do not think that it does. The Minister will know that French is a more elastic language than English, but that it has a more restricted vocabulary. I believe that, in their French form, the text of articles 8C and 61B conveys the force of the word "shall" even though the French equivalent—"doit"—does not appear in them.

On any reading, the treaty text is a very odd document, in both French and English. Indeed, it does not read like a treaty text at all: rather, it reads like a constitutional document that sets out the respective roles of national parliaments and EU institutions. The requirements that it lays down appear entirely mandatory.

We are considering an important issue because legislation is about words. The structure of our consideration of the treaty, with general debates and short periods to consider amendments, means that we have not had the opportunity to conduct some proper textual criticism, which several hon. Members, including me, have frequently applied to domestic legislation.

We are in an odd position in that we started with two texts in French and English that were supposed to be identical, we changed the English text, but not the French text, and the Minister now tells us that the English text expresses voluntary activity by national Parliaments, whereas my reading of the French text is that it could be interpreted as mandatory. I also see a mandatory element in the English text.

David Howarth: I agree with the hon. and learned Gentleman's point about textual analysis because the debate is about what the words mean. However, the tense in the French text is that used to establish roles and is neither mandatory nor permissive. It simply describes a new arrangement. There is no easy way to translate that into English.

Mr. Grieve: I take the hon. Gentleman's point, but does that not highlight precisely the difficulty of the textual approach to the treaty, which was born from creating a constitution that was subsequently abandoned? It reads not like a legal definition of treaty obligations but like a constitution, with many implications for the way the relationships among the component parts operate in practice. If everybody agreed that that is what they wanted, it might not present any great difficulty, but we are not agreed, and there has been much polemic and argument about the extent to which national sovereignty and the actions of the House may be restricted as a result of the treaty.

I am always prepared to listen to the Minister, and I have read his comments to the Committees before which he has appeared, but the Government keep saying that Conservative Members are worrying about nothing. I am not so sure about that because I worry when I read texts that appear to be open to ambivalent interpretation. However, if the Minister is right, our amendment is innocuous.

Mr. William Cash (Stone) (Con): In "Alice Through the Looking Glass", Lewis Carroll writes:

"'When I use a word,' Humpty Dumpty said in a rather scornful tone, 'it means just what I choose it to mean—neither more nor less.'

'The question is,' said Alice, 'whether you *can* make words mean so many different things.'

[Mr. William Cash]

'The question is,' said Humpty Dumpty, 'which is to be Master—that's all.'"

That is the key question because the master is not to be this national Parliament.

Mr. Grieve: My hon. Friend is correct. At the end of the day, the question is who is master in interpreting the treaty provisions. We must be prepared to make clear what is required to ensure that the treaty conforms, if not to our political viewpoint then to what the Government tell us that it is. That is why we have tabled the amendment.

Mr. David Heath (Somerton and Frome) (LD): The hon. and learned Gentleman is right to say that there is inconsistency between articles 61A, 61B and 61C. They are consecutive articles, but two say "may" and one contains nothing but the present tense in the phrase "national Parliaments ensure". If that meant anything, it would be a statement of fact, and a description. However, it is not, as is borne out by arrangements in the House. We should be worried that we have no mechanism to date for enjoying the benefits of subsidiarity, which the treaty affects to provide.

Mr. Grieve: The hon. Gentleman is right. Although unfortunately I could not be present in the Chamber yesterday, I read the speech of the hon. Member for Birmingham, Edgbaston (Ms Stuart), and she made precisely the same point.

Ms Patricia Hewitt (Leicester, West) (Lab): I think the hon. and learned Gentleman is wrong about this and is making very heavy weather of it. Not only is article 61B, in both the French and the English versions, clearly a descriptive rather than a mandatory statement, but—this point has not yet been made—it specifically refers to the arrangements set out in the protocol on the application of the principles of subsidiarity and proportionality. The protocol rightly places on the Commission all the duties to inform national Parliaments of what it proposes to do, and national Parliaments may or may not choose to respond and express their views on whether those legislative proposals conform with the principles of subsidiarity. We should concentrate on how we in this Parliament ensure that the Commission observes the principles of subsidiarity, rather than worrying about the nonsensical suggestion that the Parliament is being mandated to do something when clearly it is not.

Mr. Grieve: I am sorry to disappoint the right hon. Lady by disagreeing with her. As she will see, article 9 has preserved the word "shall". It states

"The European Parliament and national Parliaments shall together determine the organisation and promotion of effective and regular interparliamentary cooperation within the Union."

The right hon. Lady may be surprised to learn that in the French text of article 9 the word "doit", or "shall", does not appear. It states, in exactly the same terms:

"Le Parlement européen et les parlements nationaux définissent ensemble l'organisation et la promotion d'une coopération interparlementaire efficace".

Although the "shall" was preserved—I hope the Minister will tell us in a moment why it was retained in this clause whereas, apparently on the Government's insistence, it was removed from the others—I should like to know why that has had absolutely no impact on the French text. In a context that is mandatory, it continues to use a form of words that appears to be simply definitional. I must tell the Minister, and the right hon. Lady, that I think that is because as far as the French draftsmen were concerned, it did not make any difference, it has never made any difference, and it still will not make any difference to what the Government have done since then.

Mr. Denis MacShane (Rotherham) (Lab): The hon. and learned Gentleman once asked me for a good translation of the word "racaille", used by President Sarkozy of people he did not like.

David Howarth: That is not parliamentary language!

Mr. MacShane:: Possibly not.

I think that the hon. and learned Gentleman is making extraordinarily heavy weather of this. The plain fact is that "shall" also contains a future component, which is easier to use in English because we use gerunds and compound verbs more than the French do. This is the German version:

"Die nationalen Parlamente tragen aktiv zur guten Arbeitsweise der Union bei".

That, like the French and the English, is very clear. I really think that the hon. and learned Gentleman—whose knowledge of French I respect, but it is not complete—ought to back away, because he is not doing his case much good.

Mr. Grieve: When not one Member but two start talking about making heavy weather, I begin to think that I am probably getting somewhere.

I disagree entirely with the right hon. Gentleman. No explanation has been advanced as to why the text differs so markedly in the two languages. When my late mother used to tell me that I "shall" do something, I took that as a mandatory injunction, and on the whole it happened. The fact that it might have been couched in the future tense does not seem to me to matter a bean. The point is that our job as a Parliament in scrutinising and passing legislation is to ensure that it conforms with what we want to achieve. Therefore, I return to my original question. If the text is as the Minister appeared to state to the ESC in or shortly before October, the Government ought to welcome amendment No. 13 as it will reassure Members who are currently not reassured that there will be no mischief from the wording of the treaty in these areas. At the same time, if I understand the Minister's position correctly—I shall hear more about that shortly—in these circumstances it cannot do any harm to the Government's adherence to the treaty.

5 pm

Mr. Cash: Will my hon. and learned Friend re-emphasise the point that interpretation of these words will be performed by the European Court of Justice, which I regard as the master in this case? It will determine what we may say, under section 3 of the European Communities Act 1972, and we cannot then disagree. That is part of

the problem. The bottom line is that we must protect ourselves from that possible interpretation.

Mr. Grieve: I entirely agree with my hon. Friend, and what he says pre-empts my next point. Ultimately, this treaty is justiciable and is open to the interpretation of the ECJ. We must make it clear now what we understand the treaty to be, and ensure that, were the interpretation of the ECJ to differ from that of the Minister, we properly protect the public in this country and this Parliament from being overridden or mandated to do anything.

Mr. David Heathcoat-Amory (Wells) (Con): My hon. and learned Friend outlines a highly plausible situation in which the ECJ has to arbitrate or decide. Is he worried by the treaty requirement on the Court to practise mutual sincere co-operation with the other institutions of the European Union, not with member states? In any dispute about this obligation between us and the institutions of the Union the jury is already rigged against us.

Mr. Grieve: My right hon. Friend will recollect that in the crime and justice day debate I expressed the view that while the ECJ had many virtues, it was in many respects the creature of the institutions that had created it and that in the light of its track record it appeared to have a clear agenda of enforcing, within the parameters set down by legislation, the acquis communautaire. Therefore, I agree with my right hon. Friend that under the treaty it does not have to put the views of national Parliaments or national sovereignty first.

We cannot, however, complain if we legislate badly. The power lies with us. I have made that point to some of my hon. Friends. I take the view that if we get ourselves into a mess in areas of EU law, it is in many cases entirely our own fault and responsibility, and not the result of some sinister conspiracy elsewhere. We tolerate sloppy legislation, and we fail to identify areas where our national interest might be jeopardised and to take steps—such as those that I currently propose to the Minister—that would solve problems and would, far from creating greater tension within the EU, go a long way towards making it run smoother.

Michael Connarty (Linlithgow and East Falkirk) (Lab): If the hon. and learned Gentleman had read the *Hansard* record of yesterday's debates or had been in the Chamber listening, he would have known that I dealt with the point raised by the right hon. Member for Wells (Mr. Heathcoat-Amory). As he says, it is stated that such mutual co-operation should be practised, but it is also stated that the institutions must act in the interests of the member states. He is, therefore, wrong to say that the institutions of the EU are not charged with that duty. There was a difference of opinion in the ESC, but a majority supported my view.

Mr. Grieve: The hon. Gentleman makes an important point. I certainly was not seeking to suggest that the institutions of the Union were not operating in accordance with the interests of the member states. However, the interests of the member states are a collective expression. Within that, the interests of individual member states can be jeopardised, and they sometimes are.

Robust and active participation in the European Union does not preclude this Parliament—or, for that matter, this Government—from identifying important areas of national interest and standing up for them. I disagree with some of the things that the Minister and the Prime Minister say they achieved, but they argued at considerable length that that is exactly what they did prior to the signing of the treaty. Indeed, we have only to look at the treaty to see that other countries, such as Ireland and Denmark, did exactly the same.

Ms Hewitt: I am grateful to the hon. and learned Gentleman for giving way for a second time on this point; it is clearly important to him. Article 8C is headed "National Parliaments contribute actively to the good functioning of the Union". Let us leave aside for the moment our disagreement, in which he thinks that that is mandatory and I think that it is descriptive. It goes on:

"by seeing to it that the principle of subsidiarity is respected in accordance with the procedures provided for in the...Protocol".

As a distinguished lawyer, he must surely admit that the European Court of Justice could rule on whether a national Parliament had breached this—in my view—non-existent duty only if a case were brought. But brought by whom? By the Commission? Does he really believe in the bizarre fantasy—which the right hon. Member for Wells (Mr. Heathcoat-Amory) clearly shares—that the Commission, which is given a duty in the treaty to keep national Parliaments informed, would take a national Parliament to the European Court of Justice for failing to express its opinion on whether the Commission had acted in accordance with the principles of subsidiarity? That is complete nonsense, and, in my view, the hon. and learned Gentleman should move on to something more substantial.

Mr. Grieve: As a lawyer, I have always tried to look for possible pitfalls and to find sensible ways of skirting round them. I tend also to do that when I encourage my clients to avoid litigation. It is a wise course of action, even if it does lawyers out of money from time to time. If I see an area of ambiguity, the first thing I do is highlight it so that the Minister has an opportunity to respond. Heaven knows I have done this often enough. I tabled 318 amendments to the Proceeds of Crime Bill because I thought that it was a highly ambiguous document. Indeed, it has since been shown to be woefully deficient in some areas of interpretation. We should also ask ourselves whether the ambiguity can be cured in a way that provides general reassurance without undermining the Government's primary intentions. What I find fascinating about the approach of the right hon. Member for Leicester, West (Ms Hewitt) is that she has not yet told me what is wrong with the amendment.

Mr. Cash: My hon. and learned Friend might remember the seminal case of Costa *v.* ENEL. If I may, I will quote briefly from the ECJ's findings.

"The transfer by the states from their domestic legal system to the community legal system of the rights and obligations arising under the treaty carries with it a permanent limitation of their sovereign rights, against which a subsequent unilateral act incompatible with the concept of the community cannot prevail."

In other words, the root of what my hon. and learned Friend is saying—and in contradistinction to the assertion

[Mr. Cash]

by the right hon. Member for Leicester, West (Ms Hewitt)—is that the European Court of Justice already has a view on its constitutional role, which is that, according to its assertions, domestic law cannot be allowed to prevail against Community law.

Mr. Grieve: My hon. Friend is absolutely right to highlight the fact that there is Court authority in precisely the terms he identifies. Exactly where that will fall might be an interesting issue of academic speculation. However, as it appears—I have to accept the Government's word for this—that the Government certainly do not wish it to fall in the area of parliamentary sovereignty or, for that matter, of parliamentary action, it seems to me that spelling out clearly what the Government understand the position to be by accepting amendment No. 13 would be very wise. As I say, I wait to hear from the right hon. Member for Leicester, West what so irritates her about amendment No. 13 or what she thinks might be so damaging to our participation in the European institutions. I am at a loss to understand that.

Rob Marris (Wolverhampton, South-West) (Lab): Perhaps I can assist the hon. and learned Gentleman. I might be reading this differently from him, but article 13 of the treaty on the functioning of the EU states:

"In formulating and implementing the Union's agriculture, fisheries, transport, internal market, research and technological development and space policies, the Union and the Member States shall, since animals are sentient beings, pay full regard to the welfare requirements of animals".

That is an obligation on the UK as a member state of the EU, and one that I welcome. The hon. and learned Gentleman's amendment, as I understand it, would remove that obligation.

Mr. Grieve: It would remove it, but only in so far as anything in the treaty sought to impose an obligation on this Parliament to act in a particular way. One argument that has been put consistently, not only by the Government but by supporters of the EU—indeed, it is a view with which I have a considerable degree of sympathy when I approach it from a lawyer's angle—is that any surrendering of sovereignty by this House should be voluntary. Equally, if the House wants to take back any area of sovereignty it should be able to do so, although it might face consequences under its international treaty obligations. I have picked out the areas that concern me and highlighted the fact that I did not understand that it was the Government's intention to impose through these treaty obligations on Parliament to act in a particular fashion.

Ms Hewitt *indicated assent.*

Mr. Grieve: The right hon. Lady nods; perhaps there is a slight difference of opinion between her and the hon. Member for Wolverhampton, South-West (Rob Marris). This country might not want to differ in any way from a position adopted by the EU. We might want to engage in a common statement of our intentions.

The Minister acknowledged when he appeared before the European Scrutiny Committee last year that there was an issue with the provisions that I have highlighted. The question that arises, before we get carried away by excessively nebulous concepts, is whether the Government have succeeded in curing the problem. My reading of the text—particularly when I read it in French, which is a slight advantage that I have from being conversant and fluent in that language—is that the Government have not succeeded at all. The ambiguity has been left open, despite the fact that the Government said that that was precisely what they wanted to close. Given those circumstances, amendment No. 13 or a similar measure could solve the Government's problem and reassure me.

Mr. Heathcoat-Amory: My hon. and learned Friend has already quoted from article 9 of the protocol on national Parliaments, which requires this Parliament to co-operate regularly with other Parliaments in the EU. There is no other way of interpreting article 9. In future, we might not wish to co-operate with the European Parliament. History is littered with examples of Parliaments having disputes. It is a real possibility that a failure to co-operate could come before the European Court of Justice. We must protect our interests by ensuring that the wording is not ambiguous.

Mr. Grieve: I agree entirely. I have no doubt that if the Minister wishes to provide an argument to show why my right hon. Friend is wrong, he will do so, but I have not heard such an argument yet.

The article that the hon. Member for Wolverhampton, South-West identified refers to the obligations of member states. He will appreciate from the way in which I have presented my argument that I am specifically interested in the obligations that appear to be imposed on Parliaments. Although member states and their Parliaments might be closely connected, they are nevertheless not one and the same thing. This House conducts its business not merely as a creature of the Executive, even though some of us would argue that we remain far too much under the Executive's tutelage and would like to remove ourselves further from it. However, the way in which the House works ultimately concerns our privileges as parliamentarians. Providing an adequate mechanism to reassure the public and hon. Members strikes me as rather a sensible idea, which is why I commend amendment No. 13 to the Committee.

5.15 pm

Let me touch on the new clauses that are grouped with amendment No. 13. New clause 5, which my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) tabled, would allow the relevant Secretary of State to present to Parliament

"his opinion on whether a draft European Union legislative act forwarded to national parliaments under the Protocol...complies with the principles of conferral, subsidiarity and proportionality"

and to produce supporting evidence. Given the difficulties that we have been having with European Union directives, the proposal strikes me as immensely sensible. I shall wait to hear how my right hon. Friend develops his argument, but I hope that the Minister will be able to give the measure a positive response.

My hon. Friend the Member for Stone (Mr. Cash) tabled new clauses 8 and 9. New clause 8 has a direct link to amendment No. 13 and relates to article IX of the Bill of Rights 1689. I am always a little hesitant

about getting bogged down in the Bill of Rights because I am conscious that some of its provisions are, to describe them politely, rather old-fashioned. For example, I am not sure that the right for Protestants to bear arms suitable to their conditions has a great deal of relevance in the present day. However, it is absolutely right that article IX has been, and continues to be, of relevance to the independence of the House, because it provides:

"That the Freedome of Speech and Debates or Proceedings in Parlyament *ought not to be impeached or questioned in any* Court or Place out of Parlyament."

This is a live issue. The measure has been quoted in litigation in the past decade. In fact, it is the bedrock on which parliamentary independence rests. My hon. Friend has thus made an important contribution to the debate by tabling the new clause.

Mr. Cash: My hon. and learned Friend might care to refer to the ruling by the former Speaker, Baroness Boothroyd, in respect of litigation on the Maastricht treaty. She made the ruling—and the courts backed off—when there was an attempt to challenge the ratification, as compared with the legality of what was being discussed at that time.

Mr. Grieve: My hon. Friend is right. His memory and knowledge of these matters goes back a long way. It is correct that that was one aspect of an assertion of the rights under article IX of the Bill of Rights. Of course, what is sauce for the goose is sauce for the gander, and it is perfectly possible to envisage circumstances in which that might happen in another context in relation to the European Union. New clause 8 is important. I hope that the Minister will give it careful consideration and I wait to hear what he has to say.

New clause 9 relates to the supremacy of Parliament. Again, the Minister must address that important issue, which is tied in with the other amendments that we are considering.

I do not want to take up more of the Committee's time, but I come back to amendment No. 13 and repeat my challenge to the Minister and Labour Members who appear to think that we are dealing with abstract issues about which we should not bother. I do not think that they are abstract. Will they please tell me what is wrong with the amendment and why including it in the Bill would do any harm to the Government's intentions?

Michael Connarty: The record of the European Scrutiny Committee makes it clear that we were exercised by this challenge, especially as it relates to the Bill of Rights and the word "shall". We believed that whoever drafted the English version could translate the French so that its effect was compulsive in the sense that, as the hon. and learned Member for Beaconsfield (Mr. Grieve) said, it was a description of the reality of what the treaty would create. It may be that it was a throwback to the treaty for a constitution for the European Union—people keep referring to the original treaty as the constitution, but it was a treaty for a constitution—and was seen in that light by those who drafted it two or three years ago; and in the redrafting, some people may have kept that interpretation. We were slightly concerned that if we left in "shall" and did not insert "may", it would not be clear that there was no compulsion on Parliaments.

In the light of Ministers' evidence to us, especially the Foreign Secretary, we accepted that Ministers felt that they had removed the offending element of compulsion by removing the word "shall". However, as we said in our third and final report of the last Session, we were disappointed about not getting "may" in. That would have clarified the matter beyond doubt. Yesterday, in an intervention on the Minister for Europe, I related the fact that in a recent meeting of the Chairmen of European Scrutiny Committees throughout Europe, a Chairman from another country said "shall" and, when asked about it later, said, "But they must—it's in the treaty."

Fundamentally, that is because some Governments and some Parliaments see themselves as giving up their role to the European dimension. Having taken evidence from Ministers and discussed the matter both formally and informally with the Minister for Europe and Ministers in all the Departments representing this country, I do not believe that we have ever given up that position to Europe. I believe that Ministers will fight the corner, but it will have to be fought, because it is not clear that the other side has given up its position, either.

Mr. Grieve: I have read the hon. Gentleman's intervention yesterday. I was rather struck that the Minister did not answer his question, saying simply:

"It is clear—we are precise about this—that we responded to concerns that he raised. He has been fair enough to observe that in another place."—[*Official Report*, 26 February 2008; Vol. 472, c. 938.]

However, he did not go on to explain why the Government had done so. That is what I hope the Minister will explain this afternoon.

Michael Connarty: That is a helpful intervention. I have every confidence, because I do not only speak in this Chamber; I follow these matters up with Ministers—that is what Back Benchers do. The Minister is aware that some people in other countries see themselves as more federalist and are more willing to submit the idea that the phrase—even in English—"Parliaments contribute to" is a description of how they must act at all times, whereas we do not, this Minister does not, and, I believe, our Government do not.

In relation to "shall", we were certainly worried about the Bill of Rights. On how we should proceed now, we must accept that, in the negotiation procedure that created the treaty, there was some room for Euro-fudge. What we must be is "UK-firm" against the Euro-fudge, or we will end up in a position where, in practice, other Governments and other Parliaments will expect us to act as though we were compelled. That is why I continue to raise the matter, not only on behalf of my Committee members, but on behalf of Parliament. We want our Ministers to be firm. The Opposition Front Benchers want to hear how they will be firm. If they are not firm enough, I hope and believe that my Committee and this House will remain determined to put some backbone into the negotiations.

Mr. Heath: May I put to the hon. Gentleman an alternative construction, which I have not heard mentioned, that relates to the issue of subsidiarity?

[Mr. Heath]

Had the wording that national Parliaments "shall" ensure subsidiarity been retained, might it not have been to exclude the possibility of an Executive ensuring subsidiarity—in other words, conferring an exclusive role on Parliament? I believe that to be the intention of the legislation. The fact that it has been weakened by the removal of "shall" in this sense does not place an obligation on Parliament but removes a responsibility that we should enjoy. The House should ensure subsidiarity, not Members on the Treasury Bench.

Michael Connarty: I think that the hon. Gentleman is misinterpreting it. The answer to that was given by my right hon. Friend the Member for Leicester, West (Ms Hewitt). There are sections that say that Parliaments "may" respond to the subsidiarity issue, and that is the correct interpretation. Having dealt during the past nine years with the Commission and the machinery of bureaucracy, I do not have the warm opinion of them that the hon. Gentleman has. When they say "shall", they mean to compel, not to empower; I can assure him of that.

I do not think that the amendments are necessary. The debate is necessary, because it gives the Government a chance to tell us how they will face the challenge if anyone comes to interpret the treaty in the way that it might be interpreted, which would be detrimental to the rights of Parliament and the people of this country.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Surely the issue is not what the hon. Gentleman thinks, what the Government think or whether the Government are robust, but what the treaty actually means—namely, what the European Court of Justice interprets it to mean. That casts a shadow forward. If a Cabinet receives advice from the Law Officers that a provision means a certain thing, it is inconceivable that the Cabinet will do otherwise; I can assure him of that from my own experience. The issue need not even get to the Court before that strict legal interpretation carries effect, whatever the Government may wish.

Michael Connarty: On the question of the role of the European Court of Justice and any Cabinet's interpretation of what it says, presumably the Cabinet would be at the European Court of Justice fighting our corner, not just waiting passively for a judgment.

I am honest about this. I believe that our team went to challenge "shall" and get "may", because they knew that that would win praise from anyone who was being critical. We were perhaps seen as being critical when we were not trying to be; we were just trying to be honest. I think that our team won "shall" and then tried for "may" and did not get it—in other words, those with whom they were negotiating would not give them two victories, saying, "You've got one; we're not going to give up on the other, so you have to take this." I know that the right hon. Gentleman has been there at the sort of negotiations that do not get one everything. I think that Ministers came back thinking, "We've got enough to satisfy Parliament" and perhaps to satisfy the European Scrutiny Committee, if that was what they were worried about, but at the end of the day they still felt that they could have come back with "may". However, we accept that they probably thought that they got as much as they could from the negotiation process. Now this Government and all future Governments will have to fight to make the interpretation that is beneficial to this Parliament apply in every case, because there is no doubt that others will try to win back a more compulsive interpretation of "contribute".

Mr. James Clappison (Hertsmere) (Con): I know that the hon. Gentleman cares deeply about the issue, but does it not remain the case, as my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) said, that what matters is the interpretation that will be placed on those words? Did not the European Scrutiny Committee judge in the conclusions of its report, after the Government had tried and failed to get the changes, that

> "The statement 'National parliaments contribute to the effective functioning of the European Union' is one from which an obligation can readily be inferred"?

Michael Connarty: The Committee did say that, and I quoted part of that report yesterday. The point is that the obligation "can readily be inferred", and there will no doubt be those who wish to infer it, but they are not in the House, in the Government or in future UK Governments. It will be inferred by others who are trying to interpret the words in that way. What Parliament, the people who listen to and read our debates and I want to hear from the Minister is what show of strength the Government will give, and whether they will fight that corner and win on every occasion. That is why I do not think that the amendments are necessary, although they are useful, as they allow the Government to explain their position.

5.30 pm

David Howarth: It is a great pleasure to follow the hon. Member for Linlithgow and East Falkirk (Michael Connarty). I agree with a great deal of what he said, but I put a slightly different interpretation on how the situation came about. It always struck me that there was never really any problem with "shall". It was always meant in a descriptive or performative way. The problem has come about because of the attempt at renegotiation. One could argue that the position is worse than it was when we started to try to renegotiate, because the resistance to the word "may" has apparently caused a problem with the interpretation of various articles that I did not think existed.

Without much doubt, "contribute" in article 8C is meant to be either a description of how things will work or, even less worryingly for the House, performative. In other words, when the things in paragraphs (a) to (e) happen, it constitutes the national Parliaments contributing "actively to the good functioning of the Union".

There is therefore no problem even with an implied obligation, because it would be fulfilled by virtue of those things happening. The problem that amendment No. 13 purports to address is, sadly, largely of our own making. It is a red herring—and we have well and truly smoked this herring into its present state. The best solution would be to have a debate now, and for the hon. and learned Member for Beaconsfield (Mr. Grieve) to withdraw his amendment. I am sure that the Government will offer reasonable clarification.

Mr. Cash: I fear that I have to disagree with the hon. Gentleman. The significance of the words that we have been discussing—"contribuent" or "contribute", and "shall"—relates to the arena in which they are supposed to operate. On top of all the points that my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) made, we need to concentrate on the words

"contribute actively to the good functioning of the Union",

because essentially what is being said relates to the implementation of the treaties to achieve the functioning of the European Union. That in turn goes straight back to sections 2 and 3 of the European Communities Act 1972, which is the mechanism through which we carry out the provisions of the treaties by implementing them in our law, subject to the fact that European law shall prevail, through the European Court of Justice, in that interpretation.

David Howarth: I understand the hon. Gentleman's concerns, but if he reads article 8C all the way through he will see that that interpretation is not sustainable. Every paragraph in the article starts with a word such as "through", "by", or "by taking". Paragraph (a), for example, says that national Parliaments contribute to the good functioning of the Union

"(a) through being informed by the institutions of the Union".

I cannot see how that would give rise to any sort of obligation on national Parliaments. The provisions are a description of the ways in which national Parliaments contribute to the good functioning of the Union. I cannot see an obligation behind those words.

Mr. Cash: Let's wait and see.

David Howarth: The hon. Gentleman says that, but there will always be a problem of that sort with human languages and courts. There will never be absolute certainty or clarity about any legislative instrument.

I turn to the other new clauses before us. I pay tribute to the hon. Member for Stone (Mr. Cash) for his new clause 8 on the Bill of Rights, but I cannot follow him on his new clause 9 on parliamentary supremacy. In new clause 8 he has come across a form of words and a way of dealing with a possible problem which is, in the immortal phrase, mostly harmless. The good thing about new clause 8 is that it concentrates on a traditional English way of dealing with problems by focusing on the remedy that someone might obtain, whereas new clause 9 is rather in the realms of theory.

However, I am not entirely convinced any more that article IX of the Bill of Rights in its present form is desirable. There are problems with a legislative assembly being entirely immune to legal review. That tends to lead to a situation of lawlessness where arbitrary power can be exercised and minorities can be oppressed. I would not go as far as the late Member for New Ross in 1881, who described what sometimes happens in the House as "unmitigated despotism", but there is a problem.

Nevertheless, the way to deal with that problem is certainly not to allow changes in article IX to come about by some kind of accident through changes in European legislation. If we were to reform article IX we should do so in a way that is proper and convenient for us across the entire range of possible legal problems, rather than only those that arise out of our relationship with the European Union.

The question to ask about new clause 8, which might be a problem in the minds of my colleagues, is whether it might prevent ratification of the treaty. I do not think it can. That problem arises in many of the amendments tabled by certain hon. Members, but not in this case. The argument against the new clause must be only that it is not necessary. It is already the case that nothing in existing European legislation threatens article IX. I shall be interested to hear from the hon. Gentleman whether he can point to any changes specifically in the Lisbon treaty that would have that effect. We have had the experience of the past quarter of a century with the legal position being fundamentally the same as it is now, and so far no obvious problems have arisen.

Mr. Cash: As an immediate response, I give as a sort of example something said on the Floor of the House. In the proceedings in Parliament, subject to the rules of the House being enforced by the Speaker, a Member might use language that was detrimental to another Member of the House. The question of xenophobia might arise, although there is no definition of xenophobia in European legislation. Proceedings in the House which included a xenophobic phrase would not be questionable, subject only to the rules of the House on unparliamentary language. In the absence of protection under my new clause 8 for the Bill of Rights article IX, those proceedings could be challengeable in the European Court. One could think of many other examples.

David Howarth: The hon. Gentleman is right to point to the problem, put simply, being about whether anyone could obtain an injunction against the Speaker to prevent the Speaker from putting a particular question to the House. However, that is such an implausible circumstance that I cannot see how it could arise; the courts would have to have entirely abandoned not only the words of the Bill of Rights, but its entire spirit and structural importance. The hon. Gentleman has produced an excellent, elegant solution to a problem that does not yet exist. I shall be interested to hear his comments in support of his new clause.

I cannot support the hon. Gentleman's new clause on supremacy. The problem with the word "supremacy" is that it has too many different meanings. When people talk about supremacy, they often confuse political capability—a capacity to do things—with theories about which legal order can be changed by Acts of a particular Parliament.

Even in respect of that second interpretation, I sometimes get the impression that people who talk about the supremacy of Parliament want to get to a situation in which this Parliament can make European law. That is impossible; the legislative supremacy of this Parliament relates only to its ability to change the British legal order. We will never be in a position to change the European legal order. What keeps coming up in our debates is the question of what happens when those two legal orders clash. When that happens, it seems to me that there is nothing that we can do to alter the result as the hon. Gentleman wants.

Mr. Cash: I respect the hon. Gentleman, who is a distinguished lawyer from Cambridge university. The problem is surely this: implementing the treaties made by prerogative, which are then translated into UK law

[Mr. Cash]

through the combination of sections 2 and 3 of the European Communities Act 1972, effectively produces a circle within a vacuum of representation. On the face of it, we cannot disagree with the arrangements; we cannot specifically—so it is said—amend the provisions, because we are bound by those sections of the 1972 Act. That is where the problem lies and where the centre of this legal conundrum's gravity exists. We have to break free from it.

David Howarth: I see what the hon. Gentleman is saying, but we are bound by our own Act; we have decided that that should be so. We could always decide not to be bound by it, but until then we are in the European legal order, which decides its rules by its own procedures. We cannot change the European legal order; it can change its rules only by its own procedures. We can, however, change the rules of the legal system of this country, and that always includes the possibility of repealing the 1972 Act and withdrawing from the entire structure.

Mr. Cash: This exchange is a useful introduction to the whole question. It does not necessarily follow that repeal would be necessary; perhaps only an amendment would be necessary. In those circumstances, the prospect of amendment is most emphatically understood to be a possibility in respect of House of Lords judgments that I shall cite later, if I get the chance.

David Howarth: The hon. Gentleman will presumably quote cases such as McCarthys Ltd. *v.* Smith, in which Lord Denning said that if this Parliament were to pass an Act incompatible with European law, and yet not withdraw from the European Union, the English judges would follow what we say. That is certainly one view; there are others. Professor David Feldman, who, among other things, is professor of constitutional law at Cambridge university—he used to work in this House—suggested that what might happen is that the English judges would refer the question to the European Court of Justice, which would then, working within its frame of reference, come to a different decision. That was the point that I was trying to make about there being different legal orders. We are supreme within our own legal order, but not somebody else's.

5.45 pm

Mr. Cash: Will the hon. Gentleman confirm that in the Factortame case, for example, Lord Bridge clearly stated that we did what we had done in this House on a voluntary basis, as my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) said earlier? That is the key point. The 1972 Act is a voluntary surrender. The issue therefore becomes circular, and ultimately a matter of political will, but it must be addressed within a proper legal framework.

David Howarth: I agree with the hon. Gentleman to this extent: it is our doing that we are in this club. While we are in the club, we are bound by its rules. If we object to the rules, we can leave the club, but we cannot ourselves, by ourselves, change those rules—they can be changed only according to the rules of that club.

Mr. Grieve: I agree with the hon. Gentleman's broad premise, but it seems to me that there is a degree of flexibility in the way in which we decide to adhere to those rules. That is one of the things that we are teasing out in this debate. It is possible to alter that so as to ultimately make it clear that, were a conflict to arise, it would be a decision of this Parliament whether we wanted to break the rules, rather than a decision at another stage by the domestic courts. To that extent, there is a considerable amount of flexibility even in the European treaty, which I have recently been re-reading. We have to honour our treaty obligations under the 1972 Act, but how we go about that is left very much to our own domestic circumstances to decide.

David Howarth: I suppose that one response to the hon. and learned Gentleman is that we can attempt to breach our treaty obligations, but whether we succeed in doing so will be up to the courts. We can certainly withdraw from the treaty—the Lisbon treaty explicitly allows for that—but I am in no doubt that we were able to do that all along.

Another problem occurs to me in relation to the new clause on supremacy. The idea of supremacy is not really a rule within our constitutional order, but a presupposition of our constitutional order. Let me illustrate that. What if the judges were to do something which very occasionally some of them have suggested that they might do—change the order of priority between the supremacy of Parliament and the rule of law? All along, since the establishment of the supremacy of Parliament, judges have ultimately given way to what this Parliament says, even when that violates their ideas of the rule of law. But what if they were to reverse that? Could we, as a Parliament, re-establish the supremacy of Parliament by an Act of Parliament? The answer is obviously no. If we tried do that once the judges had come to a different presupposition, they would simply say that that presupposition was no longer the law. It is a question of the status of the supremacy of Parliament, which is, if anything, a rule of the common law. We ourselves, by passing amendments to Bills, cannot do anything about it. We cannot give it away either. We cannot give away our supremacy, and we cannot regain it if we lose it.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): We are touching on deep thoughts within our constitutional understanding of these matters. The question that surely arises is: who creates the judges, and by what authority are they judges? The hon. Gentleman will recall that on taking the Crown of England, William culled the judges and made sure that he had those who would pursue the interests he judged to be right. This House ultimately has the power to remove the judges, so therefore, sovereignty surely lies here.

David Howarth: The hon. Gentleman describes what is possibly the ultimate constitutional nightmare. It is a nightmare that is occurring right now in Pakistan, and it is not entirely clear to me that the Government and Parliament are on the right side in that particular debate.

Mr. Grieve: Gently teasing the debate back in the direction of the amendments, the only instances in which it has been suggested that a circumstance might

arise in which United Kingdom courts, particularly the House of Lords, might effectively strike down legislation or order its disregard, are those where the legislation fundamentally undermines human rights or basic common law and constitutional principles. That has nothing whatsoever to do with our relationship with the European Union.

David Howarth: The hon. and learned Gentleman is probably right about that. The circumstances in which that would arise would be the use of ouster clauses—excluding the jurisdiction of the courts and keeping judges out of things. That situation could in theory arise in the circumstances that we are discussing. I have raised those points merely to illustrate the problem of using the word "supremacy" in a change made to a Bill. It is not a word that can be used with any precision.

New clause 5 seems an entirely sensible suggestion. The Government should come to the House to explain in what way proposals are in line with principles of subsidiarity, and so on. I might quibble with the word "evidence" in the new clause. It is not a matter of fact or evidence, but of argument and reasoning. The drafting is not perfect, but the proposal seems entirely right.

The debate on these topics is worth having, but apart from new clause 5, I am not certain that the new clauses would add anything useful. In some cases, were they to be passed, they might be quite difficult to interpret. Nevertheless, I look forward to the Minister's reply.

Ms Hewitt: It is a great pleasure to follow the very thoughtful and interesting contribution of the hon. Member for Cambridge (David Howarth), who took us off into a wonderful constitutional theory seminar worthy of Cambridge university. It was absolutely fascinating.

The hon. and learned Member for Beaconsfield (Mr. Grieve) has repeatedly asked me to say why I do not support amendment No. 13, and I have similar reasons to those advanced by the hon. Member for Cambridge. It is a red herring and it is not necessary. I do not always object to redundant clauses in a Bill where they are genuinely included for the avoidance of doubt, but on this occasion, the hon. and learned Gentleman's amendment raises—no doubt, quite deliberately—a question about whether the institutions of the European Union, notably the Commission, are trying improperly to place duties on this Parliament. I simply do not accept that articles 8C and 61B do that.

Mr. Grieve: The right hon. Lady needs to address the history of the text, which I touched on, and the curious discrepancies between the English and the French versions, which are striking, particularly because they seem to give rise to very different interpretations of the same words. I urge her to consider what is wrong with amendment No. 13. She says that it is a red herring, but is it a damaging red herring given what she and the Government wish to achieve? I do not think so. In those circumstances, given the ambiguity, I would have thought that she would be racing to support the amendment, so as to provide reassurance to those hon. Members who are anxious about the matter.

Ms Hewitt: I regret to say that I will not be racing to support the amendment, although perhaps we should wait and see what my hon. Friend the Minister has to say on the subject.

I am not sure about racing to support new clause 5, but the right hon. Member for Wells (Mr. Heathcoat-Amory) might be surprised to learn that I find myself in great sympathy with it. Given the interesting debate that we had yesterday about how Parliament could strengthen its scrutiny proposals by fulfilling the important function of looking at proposals for legislation that come from the European Commission and making a judgment as to whether they are compatible with the principle of subsidiarity, it would be useful for the appropriate Secretary of State to give his or her view to Parliament—not to insist—to help it form its view on whether the Commission was in fact respecting subsidiarity in coming forward with particular proposals.

There is a parallel between what the right hon. Gentleman seeks to achieve in new clause 5 and what the Human Rights Act 1998 does. When a Secretary of State brings forward a Bill to the House, he or she has to certify that it is compatible with the provisions of the Human Rights Act. As I know from my experience as a Minister, that is an important responsibility and it requires Ministers to take advice, satisfy themselves personally that a Bill is indeed in compliance with the Human Rights Act, and if it is not, to make the necessary changes before it comes before Parliament or explain to Parliament why the Government seek to legislate despite the Human Rights Act. Although the parallel is not exact, new clause 5 would be helpful. My hon. Friend the Deputy Leader of the House, who recently made proposals on how we could strengthen the House's scrutiny provisions, might want to consider what the right hon. Gentleman seeks to achieve in new clause 5 and take it on board as part of the package of proposals that she recently announced. I would be grateful if my hon. Friend the Minister could comment on new clause 5 and my suggestion in particular.

Finally and briefly, I do not pretend to follow all the sophisticated arguments with which the hon. Member for Cambridge explained his opposition to new clause 9. My opposition to it is rather simple. What the hon. Member for Stone (Mr. Cash) seems to be doing—I assume this to be the purpose of new clause 9—is trying to reverse the supremacy of European law on matters that fall within the European legal order by reasserting, on all matters, the supremacy of Parliament. As I argued yesterday, the European Union is precisely an institution within which we, the member states, pool sovereignty on certain issues because we believe that to be the best way of achieving our common objectives. To that extent, the sovereignty of Parliament is indeed somewhat reduced, because we have accepted the supremacy of European law, which we, through the Government and the Council of Ministers, have a large part in shaping. In that respect, we have accepted that European law is supreme.

Mr. Shepherd: We are talking about something that is central to our constitutional history and our constitution, yet we are going to dispose of the matter in two and a half hours. This theme has run through all our debates. The supremacy of Parliament cannot be lightly flipped away on a presumption of "how" or "what", or on the basis that we have decided on a new constitutional order, because the British people have never been invited to discuss such an order. The supremacy of Parliament has been the lifeline by which our Parliament has arrived at a democratic national society that reflects the will of

[Mr. Shepherd]

the British people. That is what concerns me when I hear people saying that we have entered a new order and temporarily "surrendered"—or however one wants to put it—a concept that is so basic to our liberty.

6 pm

Ms Hewitt: I have great respect for the hon. Gentleman, as I think he knows, but the supremacy of European Union law on matters that are properly within the scope of EU law has been a feature of the European Community since before we joined it. It goes back for decades: it was not created or invented by the Lisbon treaty and it is not something that we are tossing away in 10 minutes or a few hours of debate.

My objection to new clause 9 is quite simply that it seeks to reverse a central principle of the EU and our membership of it. Of course, that is precisely the view of the hon. Member for Stone, who does not believe that we should be a member of the EU, but I disagree. The British people voted to join the Common Market and now, through a series of treaty amendments—we should recall that the Conservative Government were responsible for the most important ones—it has become the European Union, which is not an issue that we should be trying to reverse.

With those remarks, I hope that I have explained why I will not support this group of amendments, but I hope that the Government will seek to carry forward the intent behind new clause 5.

Mr. Heathcoat-Amory: I rise as a non-lawyer to trespass on a series of legal minefields. I recall the line in one of Shakespeare's history plays when at the start of a riot, Dick the Butcher says:

"The first thing we do, we kill all the lawyers",

not a course of action that I would recommend, if only on account of my hon. Friend the Member for Stone (Mr. Cash) in his place behind me and the kind welcome given to my new clause 5 by the hon. Member for Cambridge (David Howarth), my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) and, indeed, the right hon. Member for Leicester, West (Ms Hewitt), who has just concluded. It seems that my modest proposal has gained a degree of cross-party alliance, which I hope will commend it to the Minister when he replies.

Before I speak to my new clause, let me touch on amendment No. 13, which I strongly support. It is wrong for this Parliament to be placed under any sort of legal obligation by a treaty, so the wording is very important. The word "shall" persists in the article on the role of national Parliaments, so we shall be required to co-operate with the European Parliament and other Parliaments and one can envisage a situation in future when we may wish not to co-operate. It is risky for the legal obligation to apply, particularly when disputes are decided by the European Court of Justice—an activist, interventionist and centralising Court that takes it cue from the existing requirement for ever closer union. Indeed, I have already drawn attention in an earlier intervention to a new requirement in the treaty whereby the Court as an EU institution will have to practise "mutual sincere cooperation", not with member states or national Parliaments but with the other institutions of the EU, including the European Parliament. That seems very dangerous.

The wording in article 8C has been modified, and the word "shall" has been taken out—although not in the French version, as my hon. and learned Friend the Member for Beaconsfield noted. That simply creates confusion and ambiguity. It is worth reading out the sentence from the European Scrutiny Committee report on that:

"Given its constitutional significance, we must emphasise that this is not an area in which any ambiguity is tolerable and we shall look to the Government to ensure that its original undertakings are met in any new text."

It is interesting that the Committee described the matter as of constitutional significance, because it undermines the Government's attitude that the treaty has been downgraded from a constitution to simply an amending treaty. Ambiguity is not tolerable. Whether it is from feebleness of negotiation or from a deliberate belief that national Parliaments should be part of a European legal order, the Government failed in that respect.

It seems to me—again, as a non-lawyer—that the phrase in article 8C cannot simply be descriptive and refer to a state of affairs whereby national Parliaments contribute to the functioning of the European Union. This is a legal text. It is designed to create obligations and responsibilities. It is not a text from an observer status. It is designed to do something—to change things—and it is almost certain that the drafters regarded it as conferring a new obligation. That is what the Court, in my view, will follow. It is right that the Government return to the matter and at least give an account of why they did not discharge their original undertaking to the European Scrutiny Committee to remove the ambiguity completely by inserting the word "may" rather than "shall".

New clause 5 would reinstate a requirement that was in the original European Union Bill to make the Government justify all new EU proposals on grounds of subsidiarity. It would add conferral and proportionality to those grounds. However, it is a reinstatement, because that Bill, which received a Second Reading in 2005 and was withdrawn only when the French and Dutch referendums destroyed the constitutional treaty, contained a similar clause. Is it not appropriate to reinstate that proposal? That is the force of my new clause.

I should say at once that I have no real faith in the subsidiarity principle. The European Scrutiny Committee, of which I am a member, sees many proposals that are pretty clear breaches of subsidiarity, which is the principle whereby the European Union legislates only when the action in question has to be taken, or can only be taken properly, at EU level and cannot be done adequately at national level. Almost at random from my file, I pulled out proposals that came to the Committee. One, of a year or two ago, proposed action at EU level on violence at work. That is obviously a serious problem and we all want to deal with it, but it was not clear why the EU should legislate on that when it was clearly a breach of the subsidiarity principle. We corresponded at some length on that. What is interesting is that the Commissioner at the time, Commissioner Dimas, justified EU action on the grounds of

"awareness raising, information, exchange of good practice and practical guidance."

If those are the reasons to justify EU action, there is no policy area in which such action could not be justified as there is always scope for the exchange of good practice.

Another legislative proposal to come before the ESC was for a programme to counter violence against children. Again, the Committee wondered what added value was supplied by adopting an EU-level approach, and we asked whether the proposal breached the subsidiarity principle. The answer was that the proposed action was intended to "identify and disseminate" best practice.

A more recent example was rather topical, in that it was about the assessment and management of floods. The Committee wanted to know how river flooding in England was a matter for the EU. We asked what would be added by EU action but, again, it was never explained. The ESC suggested that some EU action could be appropriate when a river crossed the boundary between member states, and we noted that there was such a river in Northern Ireland. However, that was not good enough for the EU, which was intending to tackle all river flooding, and the assessments thereof, by means of EU action that satisfied the subsidiarity principle.

It is not difficult to see from those few examples that the principle of subsidiarity is almost meaningless. The detailed protocol on subsidiarity has been a feature of EU law for more than 10 years but, given the widespread breaches, I do not have much faith in the ability of the EU or the ECJ to police the system.

The treaty contains one innovation. Its proposed yellow card system would allow national Parliaments collectively to object to a proposal for legislation on the grounds of subsidiarity. That proposal was advanced in the Convention on the Future of Europe as an extension of the rights of national Parliaments, but it was nothing of the kind. National Parliaments—and the ESC as well—already lodge objections on the grounds of subsidiarity. We never make any progress: for example, the EU was required only to review the yellow card proposal, but not to withdraw it.

The British Government wanted a much stronger, red card system whereby a proposal would have had to be withdrawn if national Parliaments objected to a proposal on the grounds of subsidiarity. The system that we proposed failed, of course.

If I may, Sir Alan, I should like to suggest the adoption of a new convention in our debates. When we objected to something in the Convention on the Future of Europe, the Government almost always ended up objecting to it too. The same thing continues to happen—although the difference is that we can maintain our objections, whereas the Government must pretend that they never had any. Well, we were all on the same side in the Convention on the Future of Europe: we failed, but the objection remains valid that the treaty contains no real, new powers for national Parliaments.

We now have what is called the orange card system. The colour has been changed, but the proposal could almost be called a green card, or a green light, for all the difference it would make. Under the new system, if a majority of national Parliaments object to a legislative proposal on subsidiarity grounds, and if they are joined by a majority in the European Parliament, the proposal has to be reviewed and could be withdrawn.

6.15 pm

However, if so many people and national Parliaments object to a proposal, it will be withdrawn anyway, on other grounds. No proposal could succeed if it was opposed by a majority of member states and European parliamentarians. The subsidiarity principle is therefore largely meaningless, and it is certainly not much of a safeguard. Any case is to be decided by the ECJ, but no one can recall an occasion when the Court decided against a proposal on subsidiarity grounds. The question that needs answering is whether national Parliaments can object on the grounds of subsidiarity to the European Court of Justice, which is the supreme arbiter in the matter. Again, there is an ambiguity. The Committee that deals with European matters in another place raised it with the Government and received no clear answer. We do not know whether Parliament—or the Government—can make an objection on the grounds of subsidiarity.

There are no additional powers for national Parliaments. Meanwhile, powers are haemorrhaging from Parliament upwards to the European Union in almost every aspect of policy. New clause 5 would require the Government to justify EU proposals not only on subsidiarity and proportionality grounds but on that of conferral. Conferral is the principle whereby the EU enacts only measures that national Governments and member states grant it the power to enact. The problem is that the division of powers between member states and the European Union in the treaty has been determined decisively in favour of the European Union. The principle of conferral, which provides that all powers remain with national Governments unless they have been conferred, has been overtaken by provisions that deal with exclusive and shared competences.

The origins of those provisions go back to discussions on the Convention on the Future of Europe, where they were immediately perceived to be key matters. After all, constitutions divide powers—between states and the federal Government in the case of the United States, and between member states and EU institutions in the case of Europe. Those provisions have been included wholesale in the treaty of Lisbon and it is therefore a constitutional measure, whatever the Government say.

When considering the Convention on the Future of Europe in 2002, a working group was set up to look into the matter. It produced a report, which was highly sympathetic to the position of member states, possibly taking its cue from the suggestion in the Laeken declaration that some powers should revert to member states. The working group examined and was critical of article 308, which is the flexibility clause—sometimes called the rubber article. It grants the power by unanimity in the Council of Ministers to create new powers that the treaty does not contain. That is highly controversial and means that the treaties, including the treaty of Lisbon, will not be limiting because article 308 endures in a slightly amended form in the new treaty. Any temporary Council of Ministers could agree to move into new territories and acquire new powers not seen by those drafting the treaty.

The working group was critical, and that created consternation in the upper reaches of the convention—among the presidency and the secretariat, who ensured that none of the proposals appeared in the final document. Instead, the definition of shared competences endured. That definition is curious. Shared competence allows

member states to legislate in many matters only if the European Union has not done so. To put it the other way around, as soon as the European Union legislates in any policy areas, member states lose their ability to legislate or decide. That is an odd definition of sharing. If I were to share a meal with someone on that basis, they could eat the lot and give me nothing yet claim that they had shared the meal. In truth, national Parliaments are given only a residual power to legislate.

Nor is the list definitive or exhaustive. It specifies 11 policy areas, some of which—such as freedom, security and justice—are very general, but it also states:

"Shared competence... applies in the following principal areas".

That is the worst of all worlds. The article gives the European Union substantial new powers without limiting them in any way. My new clause applies here as well. It was not just me who objected to the wording; the Government objected to it, and we both lost. It is in the treaty. I can maintain my objection, but the Government must now defend what they regarded then as indefensible.

Then there are the areas of exclusive competence, in which member states cannot legislate at all and the principle of subsidiarity therefore does not apply. We discussed fisheries yesterday, so I will not repeat those arguments, but competition policy has also been asserted as an area of exclusive competence, and my new clause applies to that too. The Government did not like the proposal. but it was approved. They lost, and now they must pretend that they do not mind it after all.

International agreement is a significant new power for the European Union. When the negotiation and signing of international agreements becomes a matter of exclusive competence across policy areas such as the environment, transport, energy and crime, this country will not be able—and therefore this Parliament will be forbidden—to conclude or negotiate such agreements with third parties or international organisations. That is an enormous extension of the powers of the European Union.

The exclusive competence and shared competence clauses have huge implications for the powers of the House, and also for the supremacy of EU law. Other new clauses in the group deal with the supremacy and I will allow my hon. Friend the Member for Stone to make the case for them later, but let me say now that supremacy is asserted not just in declaration 17, which takes the case law of the European Court of Justice and inserts it in a treaty, but through the shared and exclusive competences.

I was puzzled when the hon. Member for Cambridge said that we were supreme in our own legal order but not in the European order. How can we be supreme in our own legal order when the national Parliament will be entirely and completely forbidden to legislate in areas of exclusive competence, and will be forbidden to conclude international agreements with third parties?

David Howarth: The obvious answer is that we are supreme because we can free ourselves from all those obligations simply by repealing the 1972 Act.

Mr. Heathcoat-Amory: I am glad the hon. Gentleman concedes that that can be done. In his speech he outlined a different scenario, in which some judges would send that decision to the European Court of Justice.

David Howarth: Let me clarify what I said. I was responding to the hon. Member for Stone (Mr. Cash), who described circumstances in which we had passed legislation that was incompatible with our obligations but had not withdrawn. It is possible that, in such circumstances, the judge might follow our law or the European legal order, but that does not preclude withdrawal as the solution to the whole problem. That is our prerogative, and it is the way in which our supremacy remains.

Mr. Heathcoat-Amory: I think it follows from what the hon. Gentleman has said that if we pass the Bill and ratify the treaty—which hands over legislative supremacy to the European Union in the areas that I listed—we can reverse that only by withdrawing completely from the European Union. I want to take the slightly less drastic step of amending the Bill and the treaty to establish the supremacy of this Parliament. My new clause would require the Government regularly to explain how powers have been transferred from this Parliament thus, in my view, undermining self-governance. They would have to do that every time the EU advanced a proposal for legislation or decision making. That would also never allow the Government to forget that these powers have been transferred without the consent of the public, if they deny them a referendum.

Mr. Cash: I wish to begin by drawing an historical comparison with an analogous time when people decided what laws they wanted their Parliament to exercise: the Putney debates, compared with which our debates are pretty tame. Much concern was expressed in the great Putney debates about who governs us and how; matters were dealt with in a manner that befitted their importance.

We have had an interesting debate, and I congratulate Labour Members on their contributions to it. We are discussing hugely significant questions. I want to concentrate on new clauses 8 and 9, which I tabled. I endorse the arguments of my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) on amendment No. 13 and the customarily perspicacious remarks of my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) on new clause 5. I also pay tribute to the contribution of the hon. Member for Linlithgow and East Falkirk (Michael Connarty), who has extensive knowledge from his extremely good chairmanship of the European Scrutiny Committee. I have not mentioned everybody, but I should add that I enjoyed the perambulations around the question of supremacy of the hon. Member for Cambridge (David Howarth), although I do not agree with him on that—but, not unnaturally, I do agree with him on the Bill of Rights question.

This is not just a legal debate; it is a debate about the political will of the nation as expressed through the representatives in this House on behalf of the voters of this country. That is the measure of the importance of the debate. It is also about the question of whether we are able to demonstrate and reassert in the context of this Bill the principle of the supremacy of Parliament. That is not an abstraction; it is about essentially practical matters, as I shall explain. Against that background, let me also say that, with the leave of the Chair, I shall press new clauses 8 and 9 to a Division; I want to put that on the record, as I understand that that is a necessary formality.

I wish first to refer to some comments of Edmund Burke, the great Conservative philosopher-in-action and politician and in many respects the founder of the Conservative party, in his famous essay, "Reflections on the Revolution in France" of 1789. William Pitt, whose biography our shadow Foreign Secretary has recently written, was then Prime Minister. Edmund Burke's words—which I paraphrase slightly—are worth bearing in mind. He said that they

"will pull down more in half an hour than prudence, deliberation and foresight can build up in a hundred years".

He went on to say that

"the best legislators have often been satisfied with the establishment of some sure, solid and ruling principle in government...and, having fixed the principle, they have left it afterwards to its own operation...By their"—

the politicians'—

"violent haste and their defiance of the process of nature, they are delivered over blindly to every projector and adventurer, to every alchemist and empiric."

What he meant by that was that it was possible, in a very short time, to pull down a whole constitution. I believe that, for practical purposes, that is what we have been doing with this Bill—not only in the manner in which our discussions have been truncated but in the impact that it will have on the constitution of this country.

6.30 pm

Adam Afriyie (Windsor) (Con): My hon. Friend is making a clear and eloquent case. He has cited Edmund Burke, and it seems to me that, if, under the treaty, we wished to negotiate a policy that had been proposed by the European Commission, the only way to state our negotiating position with any strength would, in many cases, be to threaten to use the European Communities Act 1972. The treaty might well lead to the break-up of the European Union, rather than to the furtherance of the Union that is desired.

Mr. Cash: Indeed. I made that very point yesterday in the debate on competences. This attempt to press everyone into this compression chamber will produce tensions and diversity, particularly if the economies of Europe do not work according to the plan laid down by the bureaucrats.

To carry forward the historical connection with William Pitt, I recall that, in his famous Guildhall speech, he said:

"England has saved herself by her exertions, and will, as I trust, save Europe by her example."

I believe that that is extremely relevant to this debate, however relatively sparsely attended it might be—certainly on the Labour and Liberal Democrat Benches. We are talking about our own Government, and we have to remember that the Bill will implement in United Kingdom law all the existing treaties, with the accumulated functions and proposed amendments, which, as the European Scrutiny Committee has clearly stated, are substantially equivalent to the original constitutional treaty.

I am not going to go right the way down that route, however, as I believe that that case has been thoroughly examined, but I want to repudiate what the Prime Minister said, yet again, at Prime Minister's questions today about the abandonment of the constitutional concept. So many statements have been made by other leaders in Europe to contradict him that I do not need to repeat them all now. They are on the record.

I sometimes make the point—and I am open to correction on it, by myself, among others—that, when we say that we are implementing a treaty in UK law, that is actually not quite correct, legally and constitutionally speaking. It is the manner and form in which we translate the treaty into an Act of Parliament, but subject to the 1972 Act through the operation of sections 2 and 3. For practical purposes, by using our Acts of Parliament as a vehicle, we are, in a circular way, putting into European law the provisions of the treaty that have been agreed by prerogative.

It so happens that the provision is made through a UK enactment and is justiciable by the UK courts. *[Interruption.]* If the hon. Member for Cambridge wishes to intervene, I am happy to let him do so. Such a provision is justiciable in the UK courts and is therefore an Act of the UK. I have no doubt about that. Because we have voluntarily surrendered through sections 2 and 3 of the 1972 Act, in the terms of Lord Bridge and the Factortame case, we have effectively imposed voluntarily on ourselves the European legal order as an incubus within the Act of Parliament.

The problem is therefore very simple. We are creating a kind of façade, of which we need to be very aware. There are those who will argue that we cannot hereafter amend any of those enactments, for the reason that I have given. I disagree profoundly. That lies at the heart of what I am about to say. I also believe, particularly with reference to new clauses 8 and 9, which are supported by more than 40 MPs, that the question is raised of the significance and value of Parliament to the voters and the country.

Let me get away for a moment from the purely legal arguments, because this is essentially about political will, although it has to be addressed in a proper constitutional and legal framework. This is not "our" Parliament. This Parliament does not belong to the Members of this House but to the people outside. It is their Parliament and its powers are draining away. The reasons were given by my right hon. Friend the Member for Wells just now, and I put forward the arguments on the questions of competences yesterday. Those exclusive and shared competences are accumulating and have accumulated to such a critical mass that it is almost impossible to find any area of law that is not within either of those competences. We are not allowed to legislate within them.

We are neutering ourselves by putting through this treaty and by the accumulation of the other treaties. Furthermore, the Minister for Europe had an exchange with me yesterday about my analogy with the corn laws, the Reform Acts and women's votes. He said that it was ludicrous to suggest that the Bill should be subject to any comparison with those cases. I do not agree. The impact of what was done in the Reform Acts, for example, in granting greater democracy, is being undermined by the undemocratic institutional arrangements to which we are hostage in this process. We are also unwinding and taking away from ourselves a democracy that was fought for and won in those Reform Acts and, in particular, in the great battle for the Reform Act 1867.

[Mr. Cash]

It is quite incredible to my mind that there is so little public concern. I suspect that one reason for that is the fact that the arguments have not been properly presented and addressed in the public arena. I have made the point that I do not believe that the television and broadcast media have gone anything like far enough in explaining what is really going on; neither have any other media. The referendum issue has foundered because of the lack of a full explanation in the right forum. We can talk to ourselves in the Westminster village and in the Chamber, but, in the modern age, people who are not heard outside are not heard at all. During the passage of the Bill that became the Reform Act 1867, John Bright and others addressed meetings of 200,000 people in Birmingham and Glasgow because those people had no other means of hearing.

There is a lack of knowledge, not understanding. People's instinctive understanding is that they do not want the treaty and do want a referendum. That is the view of well over 50 per cent. of people—the figure is well into the 60s. However, it is no wonder that so few people attend these debates and that so few people bother to vote in elections. People know instinctively that their powers, which they exercise through voting, have been diminished and taken from them. Members know that when they legislate as a consequence of, or to implement, European Union regulations and decisions, they cannot change them, so why should they take an interest? The Government know perfectly well that many Bills cannot be amended, even though amendments are tabled, because of the requirements incumbent on us under sections 2 and 3 of the 1972 Act. That is why I have tabled new clause 9 on the supremacy of Parliament.

Rob Marris: I stoutly refuse to accept the hon. Gentleman's intellectual construct that power is a zero sum game—it is not.

Mr. Cash: The hon. Gentleman can say what he likes. I am setting out the argument as I want to present it. If people were more conscious of the effect of European legislation, they would be more likely to take part in such debates and in elections.

We need to ask whether all this matters. I believe that it matters profoundly. Let me quote Burke once more. In his famous speech on constitutional reform in 1782, he said:

"Our constitution stands on a nice equipoise with steep precipices and deep waters upon all sides of it."

That is where we are in relation to the Bill.

We should not forget that our Parliament has been the bastion of freedom for hundreds of years in Europe, and was the foundation of our successful resistance of tyranny in two world wars that saved Europe from itself. What an irony that the mother of Parliaments now faces a reverse takeover from its siblings. We face not a theological abstraction—not just some vague concept of sovereignty—but practical questions to which people want answers. However, the people simply do not yet know how far all this has gone in relation to the competences, the exclusivity, the sharing of those competences, and the power that has drained away from this place due to the fields in which we cannot legislate. The Minister has admitted by implication that very little is left, and the European Court of Justice rules supreme.

Michael Connarty: I have had the pleasure of reading the shadow Foreign Secretary's biography of William Pitt. I studied British history up to A-level and I continue to read about it. However, I did not study it at university because I liked it so much that I did not want to be put off by someone chopping it into little pieces and feeding it to me in lectures.

I understand that the debate between Burke and Pitt related to the defence of the Bill of Rights on the basis that it gave power to the King. Burke and Pitt divided on the challenge to the King's authority. Surely the hon. Gentleman accepts that the conclusions of the process improved this country's constitutional arrangements. Even he must accept that as the European Union has advanced since its inception and the first treaty of Rome, we have been able to do things across Europe that we never thought would be possible, such as breaking down the iron curtain and bringing people into a democratic settlement and a much more prosperous way of life. I agree with my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) that politics is not a zero sum game. It is something to which great value can be added through flexibility and development.

6.45 pm

Mr. Cash: The answer to the hon. Gentleman is simply this: the kind of Europe that he describes is not the kind of Europe that I witness. Although I have, for example, been in favour of enlargement—I never said otherwise—my problem, having voted yes in 1975 and, although I have now repented, having also voted for the Single European Act, is with the European Union as it is constructed. I do not have a problem with the kind of Europe that Winston Churchill advocated in his famous speech in Zurich in 1946, saying that we should be "associated but not absorbed". I believe in an association of nation states working within a loose co-operation that enables us to form alliances, but not within a centralising, European Court of Justice-dominated, supranational arrangement.

In his diaries, de Gaulle wrote about his exchanges with Adenauer. He wrote that they agreed that they did not want their countries to be merged into a stateless institution. However, that is precisely what happened, and that is part of the problem. When de Gaulle came to this Parliament, he made a remarkable speech in which he confirmed what, to him, this country represented. He said, on 7 April 1960,

"This outstanding role in the midst of the storm"—

the 1940-45 storms—

"is owed not only to your profound national qualities but also to the value of your institutions...With self-assurance, almost without being aware of it, you operate in freedom a secure, stable political system."

I think he was right. He understood what the problems were, which is why he took such a difficult position in the EEC. However, the history of de Gaulle, Adenauer and the rest is for another occasion.

Mr. Bernard Jenkin (North Essex) (Con): I merely add that the great man's last utterance on the subject was contained in a letter to the chairman of the constituency association where my father was the

parliamentary candidate. From his hospital bed, Winston had inveighed against joining the European Economic Community, but he had subsequently been persuaded to write a letter to satisfy the Whips and others who were pressing him on the subject. In his letter, he said that the only reason to apply was to find out what the terms of membership might be, not necessarily to accept those terms.

Mr. Cash: That is very interesting. It is as well in a debate of such importance to put such matters on the record, albeit we must not stray too far from the amendment.

I believe that we have to negotiate; that is part of the essence of the process. However, I invite my right hon. and hon. Friends to recall our position on, for example, the repatriation of economic competitiveness and the social chapter, and our statements on the common agricultural and fisheries policies, the working time directive and so on, not to mention the problems that arose in the Northern Rock case from the market abuse directive. The plain fact is that if we are to deal with the questions before us and work out how to reassert our ability to legislate, we must have a sound constitutional basis on which to do so, and that is what new clause 9 offers.

With respect to new clause 8 and the Bill of Rights, I have said that Speaker Boothroyd invoked the Bill of Rights in relation to the potential ratification of the Maastricht treaty, and the courts agreed that it was not possible—because they backed down—to go into the question of ratification. They left the matter entirely to the question of legality. There is also the problem of the charter of fundamental rights and the implications of the European Court of Justice in respect of a vast area of activity that the Government themselves do not want to be brought into effect.

The bottom line is that we must use the powers contained in the judgments made in case law in McCarthys Ltd *v.* Smith and Garland *v.* British Rail Engineering and by Mr. Justice Laws, which clearly and unequivocally state that we in the House have the right to pass legislation inconsistent with that of the European Union if we do so in the correct manner. As Lord Denning said,

> "If the time should come when our Parliament deliberately passes an Act with the intention of repudiating the treaty or any provision in it or intentionally of acting inconsistently with it and says so in express terms then I should have thought that it would be the duty of our courts to follow the statute of our Parliament."

That is the basis on which I rest my case with respect to the supremacy of Parliament and new clause 9. I believe that we should adopt the new clause, because it is absolutely fundamental to the future self-government of this country and to our ability to reform, review and, where necessary, amend provisions that otherwise will be imposed on us through the Court of Justice, creating a situation in which we can no longer govern ourselves.

Mr. Shepherd: I would like to have heard the Minister's reply earlier to my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) when he moved the amendment, as it would have added to the vitality of this debate.

When asked what history was, Santander said, "First you have to invent it." In a sense, the House reinvents its perception of history again and again. I stand here after 29 years, having been present at all the debates on the development, as we put it, of what we now call the European Union, with the exception of the debate on the originating Act. I came to the House with certain assumptions and with the assumptions of my electorate. That is why the amendments are of critical importance: it must be ascertained where they stand. I am here only by their writ and only as a manifestation of their sovereignty. That is why the concept of the sovereignty of Parliament is not just a nightmare. It is part of the development of our constitution, and therefore the definition of what we understand by liberty. That is why this is not a debate to be disposed of in seven minutes, an hour and a half or two and a half hours in this phoney Committee construct. It is something that touches the rights of the people of this country to determine the laws under which they live.

Michael Connarty: Will the hon. Gentleman give way?

Mr. Shepherd: No; I simply do not have the time. The hon. Gentleman should take it up with his party's Whip. It is the mandate for which the hon. Gentleman voted that constricted the debates to an hour and a half to two and a half hours. That is an outrage, as he well knows. Our difficulty is in reconciling great principles to a new constitutional order. I certainly did not understand that when I first came to the House in 1979. On Second Reading—that, too, was a debate in which many of us could not contribute—the right hon. Member for North Antrim (Rev. Ian Paisley) said that we had had many assurances, but that it did not mean very much.

In fact, the Bill is only a little step; we have had pillar arrangements, and we were even given assurances, which I know were given in good faith, about the Single European Act. When people such as me expressed fears about what the measures meant for the people whom I am sent to represent, we were always given the reassurance, "No, no. That's a nightmare scenario; it's a fanciful interpretation", but when I look at the Bill, I see that we are a long way off from where we were in 1972 and subsequent years. *[Interruption.]* I hear mumbling; we are stimulating a debate at last. We are now hearing the devotion to a new constitutional order, without ever having invited the British people directly to express what their understanding is, and without asking them whether the measures are appropriate.

The House drifts along as we are hollowed out. That is what is happening under the aegis of the Bill. The House is now a hollow, echoing Chamber. My hon. and learned Friend the Member for Beaconsfield raised a question under amendment No. 13. It seemed reasonable and rational, and met the observations of everyone in the Chamber. If the Government's understanding and my hon. and learned Friend's understanding are the same, could we not accept the amendment?

I next come to an issue on which there must be a difference between people such as me and the Government: the sovereignty of Parliament and the very reason why we stand here in the Chamber. Who makes the laws and who judges on them? Our constitutional integrity requires

[Mr. Shepherd]

that ultimately we be the judge on the laws that affect our people, who sent us here. I understood that that is who is judge, under the constitution and the history of liberty in this country. Protection of the sovereignty provisions is protection of the things that are central to the existence of this place. I therefore agree with, and will vote for, all the amendments that are pressed to a Division that try to protect the integrity of those who sent me here to represent them.

Mr. Jim Murphy: I am delighted to have the opportunity to respond to this evening's debate at the end of six hours of deliberation. The fact that the debate was six hours long reflects the wish, set out in today's amendment to the programme order, of both Labour and Conservative Front Benchers. I share the frustration felt about the fact that we will not debate the other groups of amendments, particularly those on the EU competence for animal welfare in outer space, and that we will not have the quasi-theological debate on the European definitions of sentient beings. Perhaps we can return to those issues another time.

Martin Horwood (Cheltenham) (LD): I am interested to hear the Minister make light of the issue. I share the frustration felt by many Members present about the fact that we have not had the opportunity to discuss important amendments covering issues such as animal welfare and space, public health and the environment. Does he agree that the impact of the amendments—if we imagine that the treaty would be left intact if they were passed—would be not simply to preserve the status quo ante, but to frustrate, truncate and possibly even reverse the progress of European policy in some important areas?

Mr. Murphy: I know that the hon. Gentleman came along to participate in debate on amendment No. 151, but he has had the great opportunity of listening to the very informative assessment made by the hon. Member for Cambridge (David Howarth) of the relationship between domestic law, the sovereignty of Parliament and the European Union. Those are important issues, and we will continue to discuss them in the Chamber.

Let me turn to the specifics of the amendments before us. New clause 5, which was tabled by the right hon. Member for Wells (Mr. Heathcoat-Amory), is about a proposal relating to draft EU legislation. The Government already provide the European Scrutiny Committee with an explanatory memorandum that specifically addresses whether the Government consider a proposal to have met the principle of subsidiarity.

The Government are committed to effective and improved scrutiny, but I accept the tone in which the right hon. Gentleman moved new clause 5 and the encouragement from my right hon. Friend the Member for Leicester, West (Ms Hewitt), and I will bring to the attention of the Leader of the House the points that the right hon. Gentleman fairly made about the way in which we could improve the scrutiny of proposals from the Commission and elsewhere, and see whether that can be incorporated in the wide-ranging review being undertaken by the Leader of the House and the Deputy Leader of the House. It is important that we do that.

7 pm

Amendment No. 13 is unnecessary. It is the established view of Governments of both parties that it is a bad principle to have redundant provisions in legislation. I shall set out why that is the case. My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) alluded yesterday to the fact that in EU treaties "shall" does not always impose an obligation to take action. It can also set out powers. The meaning depends on the context. In this case the relevant provisions confer rights and powers on national Parliaments. The language used is therefore simply descriptive.

The hon. and learned Member for Beaconsfield (Mr. Grieve) referred to the French text. My Dutch is better than my French, and that text as well is descriptive when it states "De nationale parlementen dragen". That is clear. It is descriptive text. That is the wording that has been accepted across the entire European Union. Other language versions, such as German, use the present tense where the English text would use "shall". The English language version is clearly and intentionally non-binding.

"Shall" is retained in the protocol, which states that the European Parliament and national Parliaments shall draw up arrangements for co-operation. That is not a commitment to co-operate. If it is in any way an obligation, it is an obligation to act jointly in drawing up arrangements. National Parliaments are not required to participate in such arrangements. If the hon. and learned Gentleman seeks to intervene, I am happy to give way, although he will have a couple of minutes towards the end.

The EU legal experts group includes representatives from all member states and all European institutions and reflects the views of others, including the Dutch Government and the French Government, who have confirmed separately that no obligation is intended. In a debate on ratification—

Mr. Peter Bone (Wellingborough) (Con): Is the Minister contending that the translation is incorrect and that a different word should be used?

Mr. Murphy: I am contending that no obligation is intended. As I said, the legal experts group has come to that conclusion. Also, in the summing up at the General Affairs Council towards the end of last year, the presidency made it clear, and it was agreed by all member states, that there was no compulsion.

In a letter to the Foreign Secretary on 16 October the Minister of State and Foreign Affairs of Portugal, which fulfilled the role of presidency, stated that

"the Legal Experts reached the conclusion, by consensus, that this article imposes no obligation on the national Parliaments and it is purely declaratory in nature."

The House of Lords European Union Committee commented on the revised text in its report of 1 November 2007, which stated:

"While we accepted these reassurances"—

that the treaty was not intended to impose obligations on national Parliaments —

"we considered it necessary to ensure that the phraseology was correct while the interests of national parliaments were appropriately presented in the text. . . We were accordingly pleased to have heard that the word 'shall' has been eliminated from the English text."

Mr. Grieve: There appears to be a contradiction in the Minister's position. Earlier, he told us that the context meant that "shall" could not under any circumstances be mandatory, yet a moment later he told us that the House of Lords Committee was reassured by the removal of that word. There is a certain lack of clarity on where the Government stand.

Mr. Murphy: That is not the case at all. The European Scrutiny Committee, ably led by my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), raised a specific concern and I undertook to address it. I sent myself to the Netherlands and France to negotiate with the Dutch and French Europe Ministers and got the agreement that was reflected in the outcome of the General Affairs Council, at which it was agreed unanimously that that would be the case. The House of Lords Committee then responded to that change and I have read that issue into the record.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Will the Minister give way?

Mr. Murphy: Unfortunately, I cannot.

I turn to new clause 9. The hon. Member for Stone (Mr. Cash) has asserted that the UK's membership of the EU has fundamentally diminished parliamentary sovereignty. That is a striking claim. I disagree with the hon. Gentleman, but I do not disrespect him. He has sought to make his case in an entirely cogent and logical manner. As the hon. Member for Cambridge (David Howarth) is well aware, the classic definition of sovereignty is given by Dicey in his "Introduction to the Study of the Law of the Constitution":

> "The principle, therefore, of parliamentary sovereignty means neither more nor less than this, namely that 'Parliament' has 'the right to make or unmake any law whatever".

Parliament exercised its sovereignty in passing the European Communities Act 1972. By doing so, Parliament—not the EU, not the European Court of Justice, but Parliament—decided to accept the obligations of EU membership for the UK. Parliament has continued to exercise its sovereignty in passing the legislation necessary to implement every EU amending treaty since the Single European Act 1986.

Let me be clear, as I was yesterday—the UK Parliament is and remains sovereign. That is not affected one millimetre or one inch by the Lisbon treaty. As our own courts have ruled,

> "the fundamental legal basis of the UK's relationship with the EU rests with the domestic not the European legal powers."

That came from Lord Justice Laws.

In concluding, let me be clear that the primacy of EU law has existed since before we joined the EU, and it remains today. In his earlier contributions, the hon. Member for Stone described his amendments as a "get out of jail free" card. They are not that, but a "get out of the EU" card that is anything but free. It would be a danger to our national interests, undermine our economy and put in jeopardy the many hundreds of thousands of jobs on which our constituents' welfare and livelihoods and our relationship with the EU depend. On that basis, I encourage and invite my hon. Friends to oppose the amendments.

Mr. Grieve: I echo the Minister in regretting that we have not had the chance to consider the competences and climate change amendments. It is clear that this debate has not been time wasted; there has been no filibustering and there have been important matters to be discussed and debated. That shows how woefully unsatisfactory is the Government's timetable for the consideration of these matters. The Minister said that he hoped that there might be some opportunity a little later to consider the matter, but he knows that there will be no such opportunity. That rather diminished in my eyes the trust that I placed in anything that he said thereafter.

I come to what the Minister said about the substance of these matters. He would not even listen to the carefully worded thoughts of the right hon. Member for Leicester, West (Ms Hewitt) when she commended what my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) had put forward in his new clause 5. We shall return to this point next week, but it seems to me that it would be open to the Government to accept it in the Bill rather than simply saying that the matter will be passed to the Leader of the House for consideration in respect of changing the House's procedures. That, if I may say so, smacks of mañana.

Ms Hewitt *rose—*

Mr. Grieve: I do not have time to give way, I am afraid.

If the Government wish to be constructive, here is an opportunity for them, between now and when we may well vote on this next week, to indicate that they accept the amendment.

I noted that what my hon. Friend the Member for Stone (Mr. Cash) said about new clause 8 had certain support from those on the Liberal Democrat Benches.

Amendment No. 13 would do nothing to damage the Government's position. It would provide the reassurance that the lack of clarity in the original text does not provide about this House not being mandated to do anything. For those reasons alone, it is beyond my comprehension that the Government will not accept an amendment that is slight, innocuous—as the Minister himself seems to acknowledge—and would go a long way towards meeting some of the criticisms that have been made of the text of the treaty. That text is poorly worded; in places, it is not even proper English. I will point out to the Minister on another occasion just how sloppily the drafting is that has taken place.

I urge the Minister to accept amendment No. 13. If he will not, as he seems to have indicated, I am afraid that I will put it to the vote.

It being two and a half hours after the commencement of proceedings, the SECOND DEPUTY CHAIRMAN OF WAYS AND MEANS *put forthwith the Question already proposed from the Chair, pursuant to Orders [28 January and this day].*

The Committee divided: Ayes 156, Noes 350.

Division No. 104] **[7.11 pm**

AYES

Afriyie, Adam	Ancram, rh Mr. Michael
Ainsworth, Mr. Peter	Arbuthnot, rh Mr. James
Amess, Mr. David	Atkinson, Mr. Peter

Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Richard Benyon and Mr. Crispin Blunt

NOES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Featherstone, Lynne
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter

Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Alan Campbell and
Mr. Sadiq Khan

Question accordingly negatived.

THE CHAIRMAN *then put the Question necessary to dispose of the business to be concluded at that hour.*

Motion made, and Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 342, Noes 156.

Division No. 105] **[7.25 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baker, Norman
Bails, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom

Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Featherstone, Lynne
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan

Waltho, Lynda
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Alan Campbell and Mr. Sadiq Khan

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davidson, Mr. Ian
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. Richard Benyon and Mr. Crispin Blunt

Question accordingly agreed to.

Clause 2 ordered to stand part of the Bill.

To report progress and ask leave to sit again.—*[Mr. Blizzard]*

Committee report progress; to sit again tomorrow.

PETITIONS

Palestinian Community of Jayyous

7.37 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): I beg leave to present a petition on behalf of Ms Cate Mowat, members of the Antonine Friendship Link, and others. It states:

The Humble Petition of Ms Cate Mowat and others of like disposition,

Sheweth

That families within the Palestinian community of Jayyous are being forced off their agricultural land due to a lack of water from wells. Five of the groundwater wells which they previously had access to, are now situated beyond the new Israeli wall. The Israeli authorities are refusing permits to drill new wells on Jayyous land.

Wherefore your Petitioners pray that your Honourable House shall urge the Foreign and Commonwealth Office to consider the plight of the community within Jayyous and to pressurise the Israeli authorities to allow new wells to be drilled on their land.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000088]

Referendum on the EU Constitution

7.39 pm

Bob Spink (Castle Point) (Con): Councillor Alan Wood and members of the Campaign for an Independent Britain who compiled the petition agree that it is in the interests of Britain and Europe to renegotiate our relationship with the European Union. They therefore felt it right to test public opinion in the Prime Minister's constituency and the surrounding areas on the promise that the Prime Minister and nearly all Members of Parliament made, as a basis of their election to Parliament,

[Bob Spink]

to hold a referendum on the EU constitution, which is now being railroaded through, with inadequate and often no scrutiny on crucial matters, as happened today.

The constitution shifts powers from Parliament to an unaccountable and undemocratic EU, which is so corrupt and incompetent that, for the 13th year in succession, it has failed to have its accounts signed off—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman cannot make a speech. He must deal specifically with the petition.

Bob Spink: On a point of order, Mr. Deputy Speaker. I understood the tradition to be that a Member was allowed to speak for about two minutes when presenting a petition.

Mr. Deputy Speaker: Hon. Members must stick to the points that derive from the petition. They cannot make a general speech. Two minutes is generous, and the content must arise from the petition, not the hon. Member's comments.

Bob Spink: I understand entirely and appreciate that you are always generous, Mr. Deputy Speaker. I shall therefore draw my comments to an end.

The petition, which I welcome and support, states:

The Petition of Councillor Alan Wood and residents of Kirkcaldy and Cowdenbeath and surrounding areas,

Declares that the Prime Minister has no mandate to ratify the Treaty of Lisbon and cites as firm evidence a professionally conducted ballot in the constituency of Kirkcaldy and Cowdenbeath asking residents the unambiguous question: "Do you want a referendum on the EU Treat of Lisbon—Yes or No?", to which the result was 81.6 per cent. in favour of a referendum, and that the result was accurate to + or - 7.8 per cent. at the 95 per cent. confidence level; and that this result is remarkable considering that there was no pre-publicity and is yet another illustration of the people's concern about the breach of promises made at election times and the further and historically most significant erosion of the UK's parliamentary powers and democracy.

The Petitioners therefore request that the House of Commons urges the Government to consult the people on this question of fundamental constitutional importance.

And the Petitioners remain, etc.

[P000127]

7.41 pm

Mr. Lindsay Hoyle (Chorley) (Lab): I want to present three petitions on behalf of my constituents in Chorley.

The first deals with more funding for the hospice movement, and 800 people in Chorley constituency have signed it. They rightly believe that there should be extra money, direct from the Department of Health, to contribute towards funding hospices not only in Chorley but throughout the country. It is right to take note of the dedicated work of the hospice movement, whether for adults or children, and recognise that hospices are underfunded. We want to increase funding for hospices, especially Derian House in Chorley and St. Catherine's hospice just outside Chorley.

My second petition is about the military covenant, and it has been signed by 1,500 people in the Chorley constituency. They ask the Government to enforce the military covenant. The petition was begun by Chorley Royal British Legion, which rightly took the petition forms out on to the streets of Chorley. People have signed in great numbers because they respect and support our troops and their fight overseas. The people of Chorley support not only the Territorial Army from Chorley and C squadron, which is currently in Afghanistan, but all our troops who serve overseas. We ask the Government to ensure that the military covenant is upheld.

My third petition is on behalf of Bolton street post office, Chorley. It is an excellent post office and 1,500 people signed the petition on the premises. The strength of feeling about the possible closure of such a successful post office cannot be underestimated. People are appalled that the Post Office or Royal Mail is considering closing it. I stress that 1,500 people who use the post office have signed the petition. There is no other post office for three miles to the south. It serves an elderly population, the area needs it and its closure would be detrimental. The people who signed the petition asked me to present it to the House on behalf of the postmaster at the Bolton street post office in Chorley.

I would now like to present all three petitions.

Following is the full text of the petitions:

Hospices

[The Petition of residents of Chorley and others,

Declares that hospices do an excellent job in looking after the terminally ill and their families and therefore should receive more funding from central Government.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Health to make it his policy to increase direct funding to hospices through the National Health Service.

And the Petitioners remain, etc.]

[P000131]

Support for Armed Forces

[The Petition of the residents of Chorley and others,

Declares that British Service personnel should receive the necessary help and support they require, particularly medical support.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Defence to honour the covenant between Government and service and ex-service personnel in providing the necessary support and medical assistance they require.

And the Petitioners remain, etc.]

[P000132]

Post Office Closures (Chorley)

[The Petition of residents of Chorley and others,

Declares that Bolton Street Post Office provides an essential service to the local community and the proposed closure will be a serious loss to residents within the locality.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory Reform to review the proposed closure of Bolton Street Post Office.

And the Petitioners remain, etc.]

[P000133]

Police Escape Masks

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Blizzard.]*

7.45 pm

Mr. Michael Ancram (Devizes) (Con): I am grateful for the opportunity to raise the subject of the procurement—or, as the case may be, not the procurement—of police escape masks from Avon Rubber. The matter affects the well-being of the company and that of my constituents who work in it, but it is also a matter of principle in relation to the moral obligation of Government to those to whom they look to provide them with the equipment that they need.

Avon Rubber is a famous manufacturing company situated just outside Melksham in my constituency. It currently employs a significant number of my constituents, as well as constituents of my hon. Friend the Member for Westbury (Dr. Murrison), who, I know, hopes to speak in this short debate as well. It manufactures specialised equipment, often for Government and Government agencies, which is how the current circumstances arose.

In 2005, through the police national chemical biological radiological and nuclear centre at Winterbourne Gunner, ACPO (TAM)—the Association of Chief Police Officers terrorism and allied matters committee—identified the need for a design for a protective hood to be used by police officers in the event of a CBRN attack. It asked Avon Rubber, which has been the supplier to the United Kingdom Ministry of Defence and security services for nearly a century, to help it to draft a specification. Once the specification had been approved by the team at Winterbourne Gunner under the direction of Inspector Allan Sneller, the Winterbourne CBRN escape hood, as it had become known, was handed over to OGCbuying.solutions for an international tender.

The tender specified a requirement for a basic form of respiratory personal equipment to prevent harm to emergency responders so that they were better able to escape safely from a CBRN attack, regroup, re-equip and then redeploy. That, the tender stated, would preserve our limited human resources and enable responders to take the necessary actions to ensure the safety of both the public and themselves, and is the first stage in the response of a CBRN incident. The tender specified a range of required numbers between 170,000 and 350,000.

Avon Rubber won the tender on 24 August 2006. The official acceptance letter read as follows.

"On behalf of the Treasury"

—I stress those words—

"I accept your tender dated 23rd September 2005 for the supply and delivery of the CBRN escape hoods as amended by the enclosed emails dated 27th June 2006 and 18th July 2006. The contract will commence on 24th July 2006 for a 2 year period with a possible extension for a further 2 years."

The cost of the hoods stated in the e-mails referred to in that letter was based on a volume commitment of 170,000—140,000 for the police and 30,000 for the national health service ambulance service. As required by the contract, Avon Rubber then invested £2.2 million in establishing a production line, together with sufficient manpower to run two shifts. Thus the minimum number of units contracted in the first two years was to be 170,000.

[Mr. Michael Ancram]

Soon after the award of the contract, the police national CBRN centre at Winterbourne Gunner was reorganised and most of its responsibilities transferred to the police national CBRN centre at Ryton, near Coventry. That, apparently and inexplicably, led to a change of attitude towards the escape hood. It now seems that the procurement and the contract were a sham, and that there has never been an agreement between the various police forces on a common strategy for rolling out the hoods. Indeed, the national co-ordinator for CBRN policing, Assistant Chief Constable Richard Stowe—who has since left the post after little more than a year—has told Avon Rubber that he sees no need for the numbers committed to in the contract.

After 20 months, the number of hoods ordered by the police amounts to 21,000 against the 140,000 promised, which would have equipped every officer in the country. There is now no pattern as to who has hoods and who does not. For example, the Scottish constabulary have ordered enough to equip every officer on duty. The Metropolitan police, having originally said no, have recently changed their minds and funded an order for 10,000. The ambulance service has bought its 30,000 so that every ambulance is now equipped. The Ministry of Defence has also taken 4,500 for its civilian contractors in Iraq. However, as a result of the change of policy with regard to the police order and the massively reduced take-up, the manufacturing line has had to be closed down and the work force reallocated or made redundant.

I and my hon. Friend are anxious to see this company, which employs our constituents, prosper. We feel that there has been a breach of good faith on the part of the Government, which is why I am raising this matter on the Floor of the House tonight. The principle to which I referred at the outset of my remarks is that where companies make investments because they have been asked to do so by Governments or their agencies, that must create at least a moral obligation on the Government to see, either directly or through its agencies, that the agreements upon which the request are based are subsequently fulfilled.

I have been to see the Minister in this regard and although he listened with courtesy, he later in effect washed his and the Government's hands of all responsibility. I say to him in all sincerity tonight that he cannot wash his hands. The tender that led to this contract was accepted "on behalf of the Treasury", which is an integral part of the Administration to which he, as a Minister, owes collective responsibility.

The Minister must see, as I do, that the shambles over this procurement could have far-reaching consequences. Why should Avon Rubber ever trust the police or the Home Office again? Why should it put any effort into supporting the design and manufacture of a vital product if in the end it is treated in such a cavalier fashion?

This goes wider, however. Increasingly, Government look to the private sector to provide for their specialist requirements. If they are to continue to do so, they must build a strong sense of trust with the private sector to ensure continuity of supply. In this case, that trust has blatantly been breached. As things stand, the message to other suppliers and manufacturers is that Government assurances upon which they are asked to make significant investment decisions cannot be trusted. That is a bad message to give.

There is another aspect. We live at a time of heightened security. I know, as does the Minister, that we can be anything but certain that there will not be further successful terrorist incidents. We might not know the nature of such incidents, but the possibility must be that they could well involve explosives, radiological material or chemicals or gas, or a combination of them. What would happen if, heaven forbid, there was such a serious incident? The ambulance crews would be protected by the hood—which, incidentally, has now been re-designated as an "emergency" hood. That would provide them with short-term protection at the scene of the incident while they helped victims, as well as the protection to escape. Astonishingly, they might have no immediate police back-up to support them because the police had no such hoods.

The Government owe it to the people to ensure that the services of law and order and the rescue services are all properly equipped to respond in a co-ordinated manner to such situations. Failure to do so could be culpable. I hope that the Minister will bang heads together in the national interest to reactivate the order. If he does not, he might have to accept responsibility for the consequences. What is certain is that he can no longer wash his hands of this.

7.53 pm

Dr. Andrew Murrison (Westbury) (Con): I am grateful to my right hon. and learned Friend the Member for Devizes (Mr. Ancram) for allowing me a couple of minutes to make a few supporting remarks.

I am familiar with the Defence NBC school at Winterbourne Gunner where I have trained with my own trusty respirator, which was, of course, made at the excellent Avon Rubber in Melksham. The EH20 escape hood was developed jointly by Winterbourne Gunner and Avon Rubber. Subsequently, at the time of its relocation to Ryton, the Police National CBRN Centre appeared to change its mind on that piece of kit, which it had jointly brought to life with Avon Rubber. Such dither on something so important is cause for great concern, and I hope the Minister will comment on that.

The tender was accepted by the Treasury and was subsequently reneged on by the Home Office, and yet the Scottish police and the English ambulance service have proceeded with it in full. Either they have got it right or the English police have got it right; they cannot both have got it right. At a time when we are supposed to be looking at a co-ordinated response to the threats we face, it strikes me as somewhat odd that we should be adopting such a mosaic response to threats of this kind—so much for a joined-up approach to homeland security.

The EH20 escape hood is designed for escaping safely from a hazardous environment, and it is good for about 20 minutes. It was developed following the Tokyo subway disaster of 1995. The Minister will remember that the wash-up from that incident seemed to suggest that the emergency services' responses were somewhat lacking, and that the toll from the incident might possibly have been due in part to the failure to plan adequately for such eventualities. Such threats still stand, but where is the means of protecting escapees

and first responders? The Minister needs to understand that there will be first responders at such scenes who will wish to go in and render assistance.

What message does the Minister think his indecision and delay send to partners in the UK defence industry? Our defence and security industries are meant to be in some kind of partnership with Ministers as we face the various novel threats of today, yet here we have the Government establishing themselves as a somewhat unreliable customer who reneges on deals. That seems to be a strange way of approaching a partnership. We can be sure that the industry will have noted the way Avon Rubber has been treated by the Government, and that it will wish to amend any tenders that it makes for this kind of Government work accordingly.

In the absence of a dedicated homeland security Minister, the Minister for Security, Counter-Terrorism, Crime and Policing is responsible for this matter, as he is responsible for preparedness. I have to say that this sorry episode makes me wonder what he is up to.

7.57 pm

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): I shall address the concerns expressed by the right hon. and learned Member for Devizes (Mr. Ancram), but I shall ignore the contribution of the hon. Member for Westbury (Dr. Murrison), as he has failed to show the common courtesy of the House by not asking me whether he could take part in the debate. I do not know whether he asked the Chair.

As is customary on these occasions, I would like to congratulate the right hon. and learned Member for Devizes on securing the debate. As he said, I am familiar with the matters that he has raised, having met him on 16 April 2007 to discuss the EH20 escape hood, and having corresponded with him on several occasions since then. He will perhaps not be surprised to hear me say that I can add nothing new to those exchanges.

As I have previously indicated to the right hon. and learned Gentleman, although I agree that the situation that has arisen is regrettable, it is not one in which the Government have a direct role. The Government have always worked in close partnership and co-operation with the police to ensure that they have the necessary resources, training and equipment to perform their various roles. However, chief constables retain ultimate discretion over tactical decisions and operational requirements and procedures. They make the day-to-day decisions about priorities for their forces, the deployment of their staff and the use of the funding available to them to deliver their objectives.

The Home Office has, of course, worked particularly closely with police forces over the years to tackle the threat of terrorism, including the possible use of chemical, biological, radiological or nuclear materials or weapons against this country. As part of that, the Home Office has centrally funded the development and procurement of police personal protective equipment—the so-called CR1 ensemble—which enables police officers to operate in hazardous environments. However, it is not the case that the Home Office centrally supplies all police equipment; nor does it supply all equipment used for counter-terrorism purposes. Central funding and procurement arrangements apply to a limited and agreed set of equipment.

Forces are themselves generally responsible for the training and equipping of their officers, as appropriate to their duties. The costs of doing so are met from the annual police grant paid to each force. It is entirely a matter for each force to decide on its individual needs and priorities for day-to-day policing in its area, and to determine whether to acquire additional quantities of centrally supplied equipment or to supplement it with alternative kit. I would far rather rely on the judgment of each and every one of those chief constables in assessing the equipment and resources that they need, rather than on the judgment, however impassioned, of Back-Bench Members of this House. That is the role of the chief constables. I slightly resent the aspersions cast on the integrity of every one of those chief constables and the decisions that they make in real and serious circumstances for the protection and welfare of their local communities.

In 2003, the Association of Chief Police Officers identified a potential risk to police officers who might be exposed to hazardous environments without notice and would therefore be unprotected from the effects of dangerous materials. In its resulting report, ACPO recommended a range of measures including raising staff awareness of chemical, biological, radiological and nuclear incidents and promulgating guidance on what to do following a CBRN attack. ACPO also identified a need for portable safety equipment for officers who are not normally expected to deal with CBRN incidents. On the latter point, a scrutiny of the marketplace at the time failed to identify an available, suitable product that could be issued to front-line officers for use, should they find themselves caught up in such an event. A decision was therefore reached to seek to develop a bespoke product.

A multi-agency steering group led from the police national CBRN centre at Winterbourne Gunner was convened to mount a procurement process. After competitive tendering, that resulted in the award of a contract to Avon Protection UK for the EH20 escape hood.

A framework contract was put in place by the Office of Government Commerce enabling not only police forces but other public sector bodies to purchase quantities of the hood. I am informed that to date orders to the value of £2.9 million have been placed by the police, the ambulance service and the Ministry of Defence, equating to around 50,000 hoods.

The establishment of the police national CBRN centre at Ryton has had no bearing on decisions on the EH20 hoods. The contract was already in place at the time and decisions on procurement, as always, rest with the individual forces. The right hon. and learned Gentleman states that the contract is misleading in that it stipulated that at least some 170,000 units would be purchased. Although the contract does indeed provide estimated sales volumes and overall value, it also makes it clear that there can be no guarantees of the actual number of units purchased. That is entirely the norm in a framework contractual agreement. Given that the requirement for the EH20 was derived from a police health and safety assessment and that individual chief constables are responsible for the health and safety of their staff, it is right that forces should be responsible

[Mr. Tony McNulty]

for purchasing the products according to their respective needs and their professional assessment and judgment.

The police national CBRN co-ordinator has taken steps to ensure that all forces are aware of the existence of the EH20 hood and of the framework contract arrangements. He had carried that out before I met the right hon. and learned Gentleman and, at my behest, has done it again since. Although I agree that greater clarity and precision during the procurement process would have been desirable, it is unlikely that such a situation could occur again given the more rigorous approach now being adopted for any centralised police procurement processes for CBRN equipment.

As I stated at the outset, the operational responsibility for day-to-day policing rests with chief constables, as does the decision on appropriate equipment and procedures for their staff. Decisions on whether to purchase the EH20 hood are therefore solely a matter for individual forces. It would not be appropriate for the Government to seek to interfere with that operational independence or in the commercial arrangements entered into by Avon Rubber by way of the framework contract.

Question put and agreed to.

Adjourned accordingly at three minutes past Eight o'clock.

DEFERRED DIVISION

LOCAL GOVERNMENT

That the draft Cheshire (Structural Changes) Order 2008, which was laid before this House on 31st January, be approved.

The House divided: Ayes 278, Noes 151.

Division No. 101]

AYES

Ainger, Nick
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harvey, Nick
Havard, Mr. Dai
Henderson, Mr. Doug
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan

Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Cormack, Sir Patrick
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dodds, Mr. Nigel
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Dunwoody, Mrs. Gwyneth
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Hughes, Simon
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard

Simpson, David
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spink, Bob
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wright, Jeremy

Question accordingly agreed to.

House of Commons

Thursday 28 February 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BROADS AUTHORITY BILL (BY ORDER)
Order for Third Reading read.
To be read the Third time on Thursday 6 March.
BOURNEMOUTH BOROUGH COUNCIL BILL *[Lords] (By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 6 March.
CANTERBURY CITY COUNCIL BILL *(By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 6 March.
LEEDS CITY COUNCIL BILL *(By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 6 March.
LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL *(By Order)*
Order for Second Reading read.
Hon. Members: Object.
To be read a Second time on Thursday 6 March.
MANCHESTER CITY COUNCIL BILL *[Lords] (By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 6 March.
NOTTINGHAM CITY COUNCIL BILL *(By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 6 March.
READING BOROUGH COUNCIL BILL *(By Order)*
Order for Second Reading read.
To be read a Second time on Thursday 6 March.

Oral Answers to Questions

BUSINESS, ENTERPRISE AND REGULATORY REFORM

The Secretary of State was asked—

Regulatory Regimes

1. **Gordon Banks** (Ochil and South Perthshire) (Lab): What steps he plans to take to improve his Department's communication of changes in regulatory regimes to businesses. [189938]

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): My Department is working closely with business to communicate the Government's regulatory reform programme. The Government have introduced two common commencement dates for regulations. In October last year, 200,000 businesses received simple guidance to support the changes coming in on the common commencement date. On 6 April this year, we plan to reach 1 million businesses with user-friendly summaries.

Gordon Banks: With my business background, I share my hon. Friend's aspirations in that field, but has he seen the recent press release from the Scottish Chambers of Commerce highlighting that the cost of regulation to business in Scotland has risen by £600 million to £4.2 billion in the past year, despite the Government's better regulation agenda and the Department's simplification plans? Does he agree that what we need is better regulation, not more regulation?

Mr. McFadden: We take the better regulation agenda very seriously. That is why we published the simplification plans, which detail some 700 measures across 19 Departments and agencies that will save some £3.5 billion by 2010. Some of the regulations detailed in the Chambers of Commerce burdens barometer report, from which I think he was reading, have significant benefits for the public, including the working time regulations as well as regulations on the child trust fund, disabled access to transport and so on. We take the business burden very seriously. That is why we produced the simplification plans and are acting in Europe on that agenda.

Mr. Philip Hollobone (Kettering) (Con): Low-tax, high-enterprise economies, particularly those in the far east, are powering ahead because the burden of Government regulation there is low and decreasing. What efforts has the Department taken to send civil servants to see how other nations do such things rather better than the United Kingdom?

Mr. McFadden: In a globalised economy, we keep a close eye on regulatory regimes around the world. That is why the UK Government are leading the debate in Europe on better regulation and have been instrumental in the European Union's adoption of a target to reduce the administrative burdens on business resulting from EU legislation. We are conscious of the fact that it is not just a UK agenda but an international one.

Mr. Jim Devine (Livingston) (Lab): On improving communication within the Department, will my hon. Friend ensure that the appropriate Minister writes to me and other concerned MPs who were involved in the Farepak scandal? The report was due to be completed at the end of last month, and a briefing from the Department would be helpful.

Mr. McFadden: My hon. Friend makes a good point. We are conscious of the impact of the Farepak affair on constituents throughout the country. The Minister with responsibility for consumer affairs, my hon. Friend the Member for Harrow, West (Mr. Thomas), leads on that issue, and I understand that the report should be published around Easter.

Internet Fraud

2. **Mr. David Kidney** (Stafford) (Lab): What steps he is taking to prevent internet fraud originating overseas. [190060]

The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Mr. Gareth Thomas): We are talking to internet service providers about harmful content, including about what work they are doing to prevent internet fraud. The Office of Fair Trading is providing advice to consumers on how better to protect themselves, and UK law enforcement authorities are collaborating with police forces overseas to try to cut the problem off at source.

Mr. David Kidney (Stafford) (Lab): Staffordshire trading standards has a brilliant scheme whereby it trains volunteer watchdogs to protect their local communities. One small sign of its success is that it was a volunteer who raised the following issue with me. Has the Department noticed the incidence of foreign fraudsters using website addresses that end in ".co.uk", which misleads innocent dupes in the UK into thinking that they are trading with someone in this country, and are therefore protected by this country's laws? When they have handed over their money, they find that it has disappeared somewhere overseas, and they have no recourse. Can anything be done about the use of ".co.uk"?

Mr. Thomas: A series of initiatives is in place to try to give consumers better protection and to raise their awareness of the scams that my hon. Friend describes. He is right to pay tribute to the work of trading standards. We have worked with trading standards teams through the scambusters initiative in three pilot areas. My right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform recently announced funding to roll out the work of scambusters across the country. That work will focus on local problems, but it will also help to tackle internet fraud of the type that my hon. Friend describes.

James Brokenshire (Hornchurch) (Con): Part of the problem in dealing with international internet fraud is the need to promote closer international co-operation. The Government signed the cybercrime convention in 2001 to promote closer cross-border working on the issue, but seven years later they have not even started to ratify the treaty. Why not?

Mr. Thomas: The hon. Gentleman is right to say that stronger collaboration is needed, both across Europe and more generally, if we are to protect UK consumers from internet fraud. He may not be aware that there is now a network of consumer centres across the European Union, with which we work closely to help to tackle problems that our constituents face in their dealings overseas. Issues to do with internet fraud are being looked into under that regime, too.

Energy Tariffs

3. **Paul Rowen** (Rochdale) (LD): What steps he is taking to introduce social tariffs for vulnerable energy consumers. [190081]

The Minister for Energy (Malcolm Wicks): We have no plans at present to introduce mandatory social tariffs, but as the Secretary of State has said, we do not rule it out, should it become necessary. In our energy White Paper, we made it clear that energy suppliers should put in place social programmes to help the most vulnerable. Energy suppliers have responded by increasing the value of their programmes from £40 million to £56 million this winter, benefiting some 700,000 households and taking an estimated 70,000 out of fuel poverty. I recently had a meeting with all six major supply companies, which the Secretary of State for the Environment, Food and Rural Affairs attended because of his Department's concern about fuel poverty.

Paul Rowen: Is the Minister aware that the criteria that Powergen uses for its "stay warm" social tariff have recently been changed, with the result that many consumers are paying increased prices? The company spends £4.4 million a year on that social tariff, yet it spends £32 million a year sponsoring the FA cup. Does the Minister think that that is a good use of priorities, and of the profits that the company makes?

Malcolm Wicks: I am not going to attack a great working-class game, and make comparisons with football. As we made clear at our recent meeting, we welcome the social programmes and tariffs that are in place. Given rising public and parliamentary concern about energy prices we feel that all the supply companies have an obligation to do more for the most vulnerable, but of course the Government also play their part. Indeed, since 2000, the Government have spent some £20 billion on fuel poverty measures, benefits and programmes of different kinds. However, there is a role for private companies, too.

Tony Lloyd (Manchester, Central) (Lab): The measures that the Government have already taken are important, but if we are genuinely to protect vulnerable groups, perhaps the biggest single thing to do now is to stop the energy companies—the big six to which the Minister spoke, which have been accused directly of collusion and price fixing—effectively robbing the consumer. Is not reference to the competition authorities important, so that the public, and vulnerable groups in particular, know that they are not being ripped off and robbed by those energy companies?

Malcolm Wicks: All the independent analysis shows that we have the most competitive energy market in the European Union, and I can verify that through independent reports. However, I understand the public concern. Ofgem has announced that it will conduct an inquiry into the competitive market to make sure that it is functioning well. It is not complacent, and neither are we. If there is evidence of collusion, it should be presented to the regulator. The companies meet to discuss a range of issues, and I sometimes join those meetings, as does the Secretary of State. I do not feel that there is any evidence of collusion, but, if there is, it should be taken to the regulator.

Mr. Mike Weir (Angus) (SNP): The amount that energy companies spend on social tariffs differs vastly. Is the Minister aware that e.on and other companies

recently announced that they are considering introducing guarantors or deposits for new customers before they will take them on? Will that not impact greatly on the most vulnerable groups and prevent people from switching suppliers?

Malcolm Wicks: All of us are concerned to protect the most vulnerable. The poor often end up paying more per unit of fuel because of prepayment meters, which is another matter that I have raised with the supply companies. My advice is that the hon. Gentleman should report his concerns to the regulator.

Mr. John Grogan (Selby) (Lab): As the Third Reading and Report stages of the Energy Bill approach, does my hon. Friend think there might be a majority in the House for an appropriately crafted amendment that put a statutory obligation on energy companies to provide a minimum level of social tariffs?

Malcolm Wicks: Having just come from the Committee considering the Energy Bill, I like the idea of the Report stage almost being upon us. I only wish that were the case, as I listen to my speeches in Committee. Of course I recognise that there is widespread support in the House for greater action on social tariffs. My concern is to persuade the supply companies to move forward voluntarily. We are making progress, but there is more to do. There is a concern that if we mandated social tariffs, that might be the end of the matter: the companies would do that but no more. There would be no grounds for innovation, and that could be the downside of a mandatory approach.

Postal Services

4. **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): If he will make a statement on the future of postal services. [190082]

10. **Michael Fabricant** (Lichfield) (Con): What his policy is on the future of postal services; and if he will make a statement. [190088]

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): The Government are committed to an open and competitive UK postal services market. However, the market conditions for all postal service operators are changing rapidly, and in December 2007 I announced an independent review of the postal sector under Richard Hooper. The review will assess the impacts to date of liberalisation of the UK postal services market, explore trends in future market development and consider how best to maintain the universal service obligation.

Mr. Lancaster: The consultation for post office closures in Milton Keynes is not due to start until July, but last November the Post Office inadvertently published on its website the five post offices that it has already earmarked for closure in Milton Keynes, clearly underlining the local view that any consultation is a sham—a view perhaps shared by some Ministers. Given that I have campaigned hard for I before E, or infrastructure before expansion, why, at a time when the Government are forcing Milton Keynes to expand, are they forcing our post office network to shrink?

Mr. Hutton: I assure the hon. Gentleman that there will be a full and proper consultation process on closures. One inescapable fact must be addressed by all of us in the House—that the Post Office is losing business. It has lost 4 million customers a week, and we must recognise that. It has lost that business partly because of the internet and people doing their business online, and partly because the Post Office itself lost business—for example, in relation to TV licences from the BBC. We have a simple choice. Either we go on subsidising the Post Office at a cost to the taxpayer, or we address the losses now and make sure that the Post Office runs on a proper commercial basis for the future. I would have thought Conservative Members understood that.

Michael Fabricant: The Secretary of State will know that in the past 10 years there have been 3,200 closures. He knows that another 2,500 post offices are under threat. I join the Secretary of State for Justice, the Home Secretary and others in the Cabinet who have all said that the importance of post offices should not be underestimated, in particular post offices such as Longdon and Hammerwich in my constituency, which are the only shops in those small villages. If they close, it will have a devastating effect on the rural economy.

Mr. Hutton: One of the matters that must be considered in the closure programme is whether there are viable alternatives to closure for local sub-post offices. If the hon. Gentleman and his constituents want to make such proposals to the review team, I would strongly recommend that he do so, and that all my right hon. and hon. Friends take the same advantage of the consultation process to make such representations.

Sir Peter Soulsby (Leicester, South) (Lab): Will the Secretary of State acknowledge that Postwatch is seen as totally ineffective in representing the needs of residential and commercial customers of the Post Office, as it was in my constituency in the closure of Francis street and Walnut street post offices? Will he take steps to ensure that Postwatch is made truly independent and give it the teeth to make sure that it can represent the needs of customers effectively?

Mr. Hutton: Postwatch will shortly become part of the new National Consumer Council, and I very much hope that in that guise it will go on representing the consumers of postal services.

Mr. Brian Jenkins (Tamworth) (Lab): My right hon. Friend will remember that last time round in the south of Tamworth every single sub-postmaster took the money and ran, shutting six sub-post offices. The plan was no longer in the hands of the Post Office, but in those of the sub-postmasters. Will he give me an assurance that this time there will be more structure to the outcome?

Mr. Hutton: Yes, I can give my hon. Friend that assurance, because for the first time we will have new national access criteria, which will ensure that all our constituents have convenient and timely access to postal services.

Peter Luff (Mid-Worcestershire) (Con): As the Secretary of State reflects on his response to the Business, Enterprise and Regulatory Reform Committee's report, which I am glad to say he has agreed to expedite and which I welcome unreservedly, may I help him by suggesting that it has one main theme and one qualification? First, the consultation process is not working as it should do, because it is largely constructed for the benefit of the Government, Post Office Ltd and sub-postmasters, not for the community served by the sub-post offices. Secondly, is he aware of the growing concern being expressed to me by sub-postmasters that the report significantly underestimated the harassment and pressure that they were being put under by Post Office Ltd during the public consultation stage?

Mr. Hutton: I am not in favour of harassment and pressure. If the hon. Gentleman and his Committee have examples of that I am prepared to look into them. I have great respect for the hon. Gentleman and the work of his Committee, and I am sure that he will be glad to know that we will respond properly and fully to his Committee's report in due course.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am sure that the Secretary of State is concerned about the impact on small businesses in the communities that are losing their post offices. They will have further to go, longer to queue, and fewer places to weigh and dispatch small packages in the eBay era. Is he concerned about that? Are we not seeing a Gadarene rush for deregulation and competition, showing every sign of damaging the small business sector and the universal service obligation as well?

Mr. Hutton: As I said in my answer, I want to see a competitive postal market with high-quality services, for both domestic and business users. I would say two things to my hon. Friend in particular. For the first time we are providing an underpinning payment of £150 million a year, which we have guaranteed for the next five years, to support the delivery of postal services in rural areas, and on top of that there will be new outreach services, serving the needs of my hon. Friend's rural constituents and businesses. The Post Office provides an important service for small businesses, which I want to ensure continues in the future.

Tony Baldry (Banbury) (Con): What kind of community consultation is it when Cherwell district council is told that however good a case is put to retain Grimsbury or Orchard Way post offices in Banbury, or Kings End in Bicester, regardless of what it does, come what may, four post offices will close? That is not fair consultation, that is fraudulent consultation, and people are getting increasingly angry as a consequence.

Mr. Hutton: We should look at all the alternatives. If there are local suggestions about how losses for the Post Office may be avoided, we should look at them. However, the Post Office has a responsibility to us and to the taxpayer to run the network of sub-post offices efficiently, effectively and to a profit for the taxpayer, not a whacking loss. That is a responsibility that, however much the hon. Gentleman might like to avoid it, Ministers cannot avoid. We have a responsibility to run the business properly, and we will discharge that responsibility.

Mark Williams (Ceredigion) (LD): The 63 post offices in my constituency of Ceredigion are awaiting the outcome of their futures, which they will hear about next week. Is there not still a great inconsistency in timing? The legislation is completely against the spirit of the Sustainable Communities Bill.

What discussions has the Secretary of State had with his counterparts in the National Assembly for Wales? There will be a sledgehammer blow on our post offices next week, but it has been announced that next year there will be a re-enactment of the post office development fund in Wales. When that fund comes into effect, our post offices will have gone.

Mr. Hutton: The issues to be addressed in Wales are the same as those in any other part of the United Kingdom. The post office network has to stop making a loss and start making a proper return for the taxpayer. We have regular and proper discussions with our colleagues in the Welsh Assembly Government, and we will continue to have them.

Sarah Teather (Brent, East) (LD): Last year, bonuses awarded to the board of the Royal Mail Group totalled £4.7 million, more than 10 per cent. of the total savings that the Government want to make from closing 2,500 of our post offices. Given that the most vulnerable use our post offices most, does the Secretary of State think that that is an example of robbing the poor to pay the rich?

Mr. Hutton: No, I do not. There have to be proper incentives for the senior management team at the Post Office; ultimately, such matters are the responsibility of the Royal Mail board.

Charles Hendry (Wealden) (Con): Is the reality not that the closure programme has been forced on the Post Office by the Government? The Government have determined that 2,500 post offices will close; the Government have set the access criteria that will decide which ones are put forward for closure; the Government have forced through an unacceptable consultation programme against Cabinet Office guidelines; and, worst of all, the Government have insisted that if one post office is saved, another in the same location must close in its place. Yet Ministers are now arguing why their constituencies should be exempt.

The Secretary of State is a fair and decent man. Does he not understand why people will be so angry about a Government who decide to force through a massively unpopular closure programme, when members of that Government believe that only other people's constituencies should be affected?

Mr. Hutton: No, I do not accept that. The one thing that I do accept is that the closure programme is unpopular—of course it is. It is a very significant change to push through at this moment in time, but it has to be made if the Post Office business is to enjoy a secure and proper future.

It is right and proper, however, that individual Members of this House should, on behalf of their constituents, make representations to the Post Office about the closure programme. There are those who say that that is not responsible; that is patently ridiculous.

Civil Engineering Industry

5. **Mr. Andrew Robathan** (Blaby) (Con): What assessment he has made of the contribution of the civil engineering industry to the development of UK infrastructure. [190083]

The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Mr. Gareth Thomas): Civil engineering and the construction of highways and water projects account for nearly 13 per cent. of construction output, which stood at more than £113 billion in 2006. The total market value of UK financial and non-financial assets in the same year was £6.5 trillion. Of that, civil engineering works accounted for just over 11 per cent.

Mr. Robathan: I do not think that that reply was terribly helpful. Has the Minister seen the briefing from the Institution of Civil Engineers, "The State of the Nation"? I am sure that he was sent it. It states:

"Unpredictable, stop-start procurement by government is having a damaging effect on the civil engineering industry and holding back development of UK infrastructure.

Poor planning means public sector projects often have to compete with each other for resources, increasing the cost to the taxpayer."

Is the ICE right or wrong?

Mr. Thomas: In his foreword to the report, the president of the ICE stated:

"There has rarely been a better time to be a civil engineer. The UK is entering one of its strongest periods of infrastructure investment, and the civil engineering industry is experiencing one of its busiest times."

I suggest that the hon. Gentleman read the whole report.

Mr. Mark Prisk (Hertford and Stortford) (Con): Given that, as the Minister has just mentioned, civil engineering and construction are so important, it is vital that the relationship between the Government and the industry should be close and trusting. Yet Baroness Vadera, the current ministerial incumbent, has a record on Metronet and on Network Rail that leads many people in the industry simply not to trust her. Given the industry's importance, to which the Minister has just alluded, does it not deserve better than a Minister who is neither suitable for the job nor accountable to this House?

Mr. Thomas: With the greatest respect to the hon. Gentleman, the line of people from industry queuing up to see Baroness Vadera and, indeed, my right hon. Friend the Secretary of State, suggests that the industry continues to have considerable confidence in this Government. Perhaps that explains this further comment by the ICE:

"The outlook for the"—

civil engineering—

"industry has rarely been more buoyant and exciting".

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): Has the Minister seen the report that was published last year by the Royal Academy of Engineering, entitled "Educating Engineers for the 21st Century"? One of its main conclusions was that in 10 years' time we will need far more high-calibre engineers than we are producing at the moment. Will the Minister meet me and members of the Royal Academy of Engineering to address those issues and to explore further what is in the report?

Mr. Thomas: I would be very happy to meet my hon. Friend and anybody he wishes to bring with him to discuss that. Significant work is already being done to increase the opportunity for young people to go into civil engineering. I am sure that he will be aware of the establishment of the national skills academy for construction and of the programme that the Department for Innovation, Universities and Skills has under way to invest in modern apprenticeships and a new diploma course. Of course we cannot be complacent about the skills that we need for this country's economy in future; on that basis, I would be happy to meet him and those whom he wants to bring with him.

Temporary/Agency Workers

6. **Richard Ottaway** (Croydon, South) (Con): What assessment he has made of the contribution of temporary and agency workers to the economy. [190084]

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): Agency and temporary work is a relatively small but important part of our labour market, providing additional choices over working patterns for many workers. Companies have made clear to Ministers the importance that they attach to the flexibility that agency workers can often provide in handling peaks and troughs in work load. That flexibility can help to create extra jobs and provides a significant opportunity for people on benefits, in particular, to re-enter the labour market.

Richard Ottaway: I am grateful to the Secretary of State for that answer, but why does he not admit that the British Government are blocking measures on this in the European Union? We can agree that temporary work provides flexible work options, helps people into permanent jobs and provides opportunities for the young, the over-55s and ethnic minorities, but the question is whether he has the guts to take on the Luddite, red-flag-singing comrades on his own Benches who argue otherwise.

Mr. Hutton: The hon. Gentleman should not tempt me on those issues. I must say that I am not sure that I would get beyond the first line of the "Red Flag" myself. *[Interruption.]* I thank my hon. Friends for a bit of prompting from the back, but I think that I will resist the temptation to join in the singing.

On the agency workers directive, we have always accepted that abuses take place in relation to the employment of agency workers, and we want to deal with those, particularly in the context of "permatemps", who are taken on almost as full-time workers but not given the same access to the employer's terms and

conditions as full-time staff. That is a genuine issue that should concern all Members of this House. However, we have not been able to agree the text of the current directive because it is not right for the United Kingdom. The hon. Gentleman asked me to acknowledge that, and I am happy to do so. The directive needs to be changed to provide greater flexibility for the UK, and that is what we are determined to achieve.

Dr. Brian Iddon (Bolton, South-East) (Lab): I am one of those red-flag-singing comrades, and if the House would like a rendition now, I will do my best.

On a serious note, one of my relatives was recently badly exploited by so-called agencies operating in the construction industry who, in my opinion, are nothing more than gangmasters operating under another name. Will my right hon. Friend do his best to root out those poor agencies, which are giving all the reputable agencies an extremely bad name?

Mr. Hutton: I am happy to ensure that the existing legislation is properly enforced, as it must be—that is why we have doubled the number of inspectors going in to support the regulation of employment agencies. A lot of the examples of abuse that Members on my side of the House—*[Interruption.]* I mean our side of the House—have been bringing forward are violations of existing health and safety or employment law, so we should focus our resources on dealing with that as a first priority. I very much hope that there is a way forward on the directive. We are working very hard to secure an agreement on it in Europe, because that is ultimately where we need to do so.

Lorely Burt (Solihull) (LD): In light of the Secretary of State's comments, I am sure that he agrees that the practice of some employers of keeping agency and temporary workers on such contracts for years on end is a scandal. However, the Temporary and Agency Workers (Equal Treatment) Bill will damage the interests of most workers and businesses alike, so will the Government work urgently to eradicate this abuse, either in Committee—

Mr. Speaker: Order. I must say to the hon. Lady, and I have mentioned this before, that reading off a supplementary question is not permissible. That was a bit too long.

Mr. Hutton: I repeat to the hon. Lady what I said earlier: we recognise that there are abuses in relation to permatemps. Those abuses should be addressed, and they can be if we get a sensible agreement on the agency workers directive. For those reasons, and others that I could go into, the Government are not supporting the Bill of my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller). We are hoping instead to reach proper agreement in the European Union.

Mr. Jonathan Djanogly (Huntingdon) (Con): Following more than 120 of his union-inspired hon. Friends rebelling against the Government last Friday, the Minister ran scared into announcing a commission to review laws on agency workers. Yet, in Europe, he still claims to stand firm against losing our competitive advantage on agency workers—

Mr. Speaker: Order. I cannot very well tell off a Back Bencher, and then find that a Front Bencher has gone on to make a speech. The hon. Gentleman is putting a supplementary so that is what he should do.

Mr. Djanogly: Is there some hidden agenda here or is this another example of the Government dithering?

Mr. Hutton I think—*[Interruption.]*

Mr. Speaker: Order. I see that the hon. Gentleman is protesting. Surely the Front Benchers know how to put a supplementary question. *[Interruption.]* Then do it. As to stepping up and starting to read off a speech, it has to be remembered that it is not only the Front Bench that gets privileges in this House, but every Back Bencher. If hon. and right hon. Gentlemen on the Front Bench cannot do it right, I have to intervene on them.

Mr. Hutton: All I can say to the hon. Gentleman is that our proposals for a commission to try to resolve those issues were raised several weeks ago, and if we can reach an agreement on this issue, that is the right way forward. Decent employers recognise that there has been abuse and they want to work with us to tackle it. It does the UK no favours to be accused of not tackling such abuses. The simple choice for us is this: if we think that there is a problem, we should try to solve it. We think that there is a problem, but the directive has to be right before the UK can sign up to it.

Nuclear Power

7. **Andrew Rosindell** (Romford) (Con): How many expressions of interest in developing new nuclear power stations he has received from commercial entities since publication of the White Paper on energy policy; and if he will make a statement. [190085]

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): There has been a very encouraging response from industry to the nuclear White Paper. I have had several meetings with energy companies and potential manufacturers to discuss the opportunities to build new nuclear power stations in the UK. My Department will be organising a major nuclear investors conference in London later in the spring.

Andrew Rosindell: The Minister will know that the nuclear installations inspectorate has expressed great concern about the UK being able to maintain, train and gather the right sort of people in order to assess and approve future installations in this country. Bearing in mind that so many of our skilled workers in this area are seeking work abroad, how does he intend to reverse that worrying trend?

Mr. Hutton: The hon. Gentleman raises a fair point. He will be aware that we recently established a new national skills academy for the nuclear industry, which I think will make a positive contribution. The nuclear installations inspectorate is currently seeking to recruit additional inspectors so that it can complete the generic design assessment process in a timely fashion. We have had a positive response to the recent adverts:

more than 160 qualified applicants have applied for those posts. Nevertheless, the hon. Gentleman has raised a fair point and we are trying to address those concerns.

Paul Flynn (Newport, West) (Lab): Is the Secretary of State concerned that we learned this week that the already immense cost of £73 billion to clear up the current legacy of nuclear waste is probably an underestimate, and that taxpayers are likely to have a bill of at least £3,000 per family? The nuclear industry has never paid its way; it has always been an economic basket case. Why are we so committed to future nuclear power technology when we know that it will fix another financial albatross around taxpayers' necks?

Mr. Hutton: We support a new generation of nuclear power generation in this country for all the reasons that we set out in the nuclear White Paper, about which I made a statement to the House a few weeks ago. The economics of nuclear power has changed dramatically because of the science of climate change and the introduction of carbon pricing. It would be stupid to deny the United Kingdom and future generations of citizens in the UK the same access to reliable electricity that this generation and previous generations have enjoyed. Nuclear can play a role in future; we should be prepared to give it that opportunity.

Miss Julie Kirkbride (Bromsgrove) (Con): The Secretary of State and I share the aspiration of private sector nuclear build in the UK. From his Select Committee appearances, I know that we all agree that that must happen as speedily as possible, given that our energy supplies will be depleted in the next decade or so. Will he help the House and set out a rough time scale for when he hopes that actual building of the first new nuclear power plant will commence?

Mr. Hutton: I hope that that will be done in the next three or four years, and that it will be possible to make such progress. It is in the UK's national interest to move ahead with the programme as quickly as possible. We have a responsibility to deal with the past—the taxpayer must discharge that—but we have made it clear that, in future, private sector operators will be responsible for waste disposal and decommissioning. That is a fundamental difference in our new nuclear power proposals. I hope that they have the hon. Lady's support and that of her Committee.

Hugh Bayley (City of York) (Lab): There is public concern about the possibility of radiological leaks from nuclear power stations but less public awareness of the dangers of carbon emissions from fossil fuel power stations. Will the Secretary of State commission research to compare the environmental impact on people and their livelihoods of fossil fuel, nuclear and renewable generation, so that our debate can be better informed?

Mr. Hutton: I am grateful to my hon. Friend for that suggestion—let me consider that point.

I hope that we all agree that carbon dioxide is a serious pollutant. It is changing the climate of our planet and it is imperative to get on with tackling the problem of climate change. I strongly believe, on the basis of science and economics, that nuclear power can play a large role in helping us meet the challenge of climate change. I should also make it clear that the UK nuclear industry has an exceptional safety record.

Fuel Poverty

8. **Sir Robert Smith** (West Aberdeenshire and Kincardine) (LD): What estimate he has made of the effects on the number of households in fuel poverty of the changes in energy prices in the winter of 2007-08. [190086]

The Minister for Energy (Malcolm Wicks): After years of progress, rising energy prices during the 2007-08 winter will result in upward pressures on the numbers in fuel poverty. Of course, the numbers will also be affected by increases in incomes and energy efficiency. The most recent estimate that we have produced for the number of households in fuel poverty is for 2005, when there were 2.5 million fuel poor households in the UK. Figures for 2006 will be available later this year.

Sir Robert Smith: Does the Minister accept that his answer about the increase in fuel poverty this winter suggests that the Government rely too much on cheap fuel as a means of tackling the problem? Should not they consider improving Warm Front and Warm Deal to ensure that more households are permanently taken out of fuel poverty? To that end, has he considered the windfalls from VAT on energy and from the European emissions trading scheme for generators?

Malcolm Wicks: The hon. Gentleman knows that those are matters for the Treasury and the Chancellor of the Exchequer, not me. After the years of progress, with better housing standards and energy efficiency measures, which have helped some 2 million households, and social security measures, including winter fuel payments, rising energy costs are knocking us off course. Of course, I recognise that and we looking hard at what can be done. As I said earlier, we are discussing with companies their obligations in the difficult circumstances that we face.

Mr. David Chaytor (Bury, North) (Lab): Is not part of the solution to the problem the increasing use of rising tariffs, whereby the price of each unit of electricity increases with consumption? That makes things easier for low-income households, rewards households that have invested in energy efficiency measures and generally improves understanding of the imperative to reduce CO_2 emissions. What possible argument can there be against requiring all suppliers to structure their tariffs on the rising tariff basis?

Malcolm Wicks: I am sure that people will consider that suggestion. Moving forward, the Government are committed by, I think, 2014 to building only zero-carbon housing. That is crucial. We are also considering the possibility that in future the supply company, instead of incentivising householders to use more gas and electricity, will incentivise them to use less, by reducing demand. That puts another premium on energy efficiency and renewables. We are looking hard at all such issues, and my hon. Friend raises an important question.

Topical Questions

T1. [189928] **Mr. Andrew Mackay** (Bracknell) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): My Department is committed to ensuring the prosperity and success of British business in an increasingly competitive global economy.

Mr. Mackay: Does the Secretary of State not understand that those such as me who have a high regard for him as a Minister are deeply disappointed that he does not realise that the public are desperately upset about the way in which the sub-post office closures have taken place? The public are completely aware that the closures are Government driven, by a Cabinet decision, and are particularly irritated that the Home Secretary, with a marginal seat that she is likely to lose at the next election, is not taking collective responsibility.

Mr. Hutton: Ministers do accept collective responsibility for the decisions that have been made in relation to the Post Office. However, I am sure that the right hon. Gentleman, for whom I, too, have a high personal regard, would be the first to accept that it is the right of every Member of the House to make representations on behalf of their constituents, and that is what my right hon. Friend the Home Secretary has sought to do.

T5. [189932] **David Taylor** (North-West Leicestershire) (Lab/Co-op): Despite Ofgem's repeated assertions that we benefit from some of lowest energy prices in Europe, we are in fact No. 3 in the European Union if we discount for the impact of taxation. Why is the Competition Commission not being asked to review the situation whereby a handful of energy companies—that is all that is left of the 15 or so companies post-privatisation—are creating such difficulties for our constituents with their oligopolistic behaviour?

Mr. Hutton: I am sure that my hon. Friend, who takes a close interest in such matters, will know that Ofgem recently announced that it would look into the issue and that the Select Committee on Business, Enterprise and Regulatory Reform is committed to conducting an inquiry, too. There should be a proper argument about the issue. There are significant public concerns about energy prices and it is right that they should be looked into.

T4. [189931] **John Barrett** (Edinburgh, West) (LD): The Secretary of State will be aware that there are about 3,000 people in each constituency with visual impairment. What is his Department doing to communicate with such people and ensure that British business communicates with them, too?

Mr. Hutton: I will probably have to write to the hon. Gentleman to give him a detailed answer to that question. However, the Department makes every effort to ensure that it communicates properly with all our stakeholders and with people who use our services and rely on the information that we provide.

T7. [189934] **Paul Flynn** (Newport, West) (Lab): When can we get a bit more oomph and conviction behind our policies for exploiting the one greatly neglected source of power that we are fortunate enough to have in this country, namely marine and tidal power? Although there is enthusiasm for the Severn barrage, it might be delayed by environmental objections. Should we not look into the many other ways of exploiting a source of power that is carbon-free, that does not leave a legacy of waste and that is eternal and British?

The Minister for Energy (Malcolm Wicks): We are a leading nation when it comes to such technology. We have put a great deal into the research and development phase and we have a programme of some £40 million to £50 million for the deployment of marine, which is waiting for successful applicants. The reform of the renewables obligation gives added incentive to both wave and tidal power. I think that my hon. Friend knows that the technology is in its infancy; however, for the reasons that he suggested, it has enormous potential, not least around our British Isles.

Alan Duncan (Rutland and Melton) (Con): Eight years ago, the then Secretary of State intervened to block a bid for Rover, preferring instead one that ultimately guaranteed that company's closure. What lessons have been learned, and is the Secretary of State fully satisfied that the actions of his predecessor and Department were in the best interests of that company?

Mr. Hutton: Yes, I think that Ministers always act in the way that the hon. Gentleman has described. I have absolute personal confidence in and respect for the judgment of my immediate predecessors who have done this job. In relation to the Rover inquiry, which I am sure will be of concern to the hon. Gentleman and to everyone else, we obviously want to see the report produced as quickly as possible, but it is ultimately a matter for the inspectors as to how quickly that can be done.

Alan Duncan: The Rover inquiry has been going on now for two years, and it is costing more than £80,000 a week. It looks more and more like a concerted attempt to disguise the incompetence of the former Secretary of State and the seriously questionable conduct of the so-called Phoenix four. Can the Secretary of State tell us when the report will be published, and will he give a guarantee that he will urge its publication without any further delay?

Mr. Hutton: I am very surprised that the hon. Gentleman has impugned the integrity of the inspectors who are doing this inquiry. They are going about it in a thorough and professional manner—this is a complex set of issues—and working to produce their report as quickly as possible. I am surprised at his line of questioning.

T6. [189933] **Mr. David Burrowes** (Enfield, Southgate) (Con): Given that the final decision on London's post office closure programme will be announced after the London elections, and that the post office Minister's own constituency closure programme will be one of the last to be announced, on 27 August, will the Minister assure me that the voices of the hundreds of my

constituents who are campaigning to save their local post offices in Palmers Green and Hadley Wood will be heard, and that this is not a centrally determined, politically determined process?

Mr. Hutton: I can give the hon. Gentleman and his constituents that assurance. We have set up a process for local consultation, and he has just outlined the extent of the local engagement in that process in his constituency. It is important, however, to respect one fundamental principle about ministerial behaviour, which is that Ministers do not make announcements during election periods. That has always been the principle, and it applies just as much in relation to this issue as to any other. If the hon. Gentleman wants me to depart from it on this occasion, perhaps he will also support any positive announcements affecting his constituency that Ministers make during future election periods.

Dr. Vincent Cable (Twickenham) (LD): Following the Secretary of State's emphasis on commercial reality in the Post Office, will he explain why commercially successful, profitable branches are being closed in order to meet a national quota based on generous incentives through the redundancy package?

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): The judgment of the commercial success or profitability of any branch has to take into account a number of factors. These include not only the payments made to the sub-postmaster but the central costs borne by Post Office Ltd for IT support and the secure and complex cash handling and cash delivery processes. Taking all those factors into account, three out of four post offices in the present network are run at a cost to Post Office Ltd rather than a profit.

T9. [189936] **Gordon Banks** (Ochil and South Perthshire) (Lab): Returning to the theme of regulation, and in particular to the Government's internet portal, are there any plans to introduce industry sector-related portals within that portal? Will the Government also address the issue of how to get information to very small businesses that might not be members of trade associations?

Mr. McFadden: My hon. Friend is absolutely right to say that there is an important task to be done in communicating information to businesses. That is why more and more Government business-related content is being concentrated on the Business Link website, which I would recommend to any small business. It provides very good advice on a whole range of Government policies, and businesses might find that picking up advice that is freely available on the Business Link website, rather than paying for it, saves them money.

T8. [189935] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Can the Secretary of State confirm that it is now his Department's policy to be increasingly supportive of offshore wind farms while becoming increasingly sceptical about onshore wind turbines? Is he aware that, in my Norfolk constituency, 500 wind turbines are now either under construction or planned for sites in the Wash or along the Norfolk coast? That is a large enough amount to achieve critical mass and to make a real contribution to green energy, unlike the onshore clusters, which impose a big cost on the environment for very little gain.

Malcolm Wicks: We are committed to the expansion of renewable energy, and I think that Opposition Front Benchers are as well—at least, in principle. We need renewable energy from different sources and onshore wind farms are important. There is a proper planning process, and when proposals come to our Department, we sometimes say yes, and sometimes we say no in view of local objections. I believe that we will see a massive extension of offshore wind farms in future, for the reasons that the hon. Gentleman indicates.

Mr. David Chaytor (Bury, North) (Lab): On the question of the accuracy or otherwise of this week's report on the costing of radioactive waste management, will the Secretary of State confirm that if there were any new nuclear build in the UK, the spent fuel from the nuclear power plants would not be reprocessed? Given that the THORP—thermal oxide reprocessing plant—at Sellafield has been closed for much of the last three years, will he give us some indication of what he thinks about the reprocessing industry's future?

Mr. Hutton: My understanding is that none of the prospective nuclear operators is currently working on the assumption that spent fuel will need to be reprocessed. However, it is important to make it clear that that is ultimately a commercial decision for the operators. The regulatory authorities would obviously have to take a view about the safety and environmental issues surrounding any such proposal in the future, but it is our working assumption at the moment that the spent fuel arising from any future nuclear operations will not be reprocessed.

T10. [189937] **Tony Baldry** (Banbury) (Con): What assessment does the Department intend to make of the impact of economic partnership agreements on economic growth and poverty reduction on the African, Caribbean and Pacific countries that are signed up to them?

The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Mr. Gareth Thomas): Given the history of the process of the creation of economic partnership agreements, we have been in discussions with those ACP nations for some years about the economic benefits of signing up. One particular benefit for the non-least developed countries of signing up to an EPA is that they get duty-free and quota-free access to Europe's markets. That is a huge benefit for some of them.

Mr. Brian Jenkins (Tamworth) (Lab): I recently had discussions with Friends of the Earth, which seems to believe that carbon capture from coal-fired power stations, after which the carbon is taken to the redundant oil fields in the North sea, is a technology that is already available and can be taken off the shelf. Will the Minister tell us what progress has been made on this technology and clarify the Department's policy on it?

Malcolm Wicks: It is, of course, a crucial technology, but it is in its infancy. I am proud of the fact that the UK is a leading nation when it comes to developing carbon capture and storage; and I am proud that our Government announced a major demonstration project around a coal-fired power station—one of the first projects in the whole world to demonstrate carbon capture and storage. It is a new technology that needs to be proven, but given that the world will be burning huge amounts of coal for a century or more, it is crucial that we get this right—and Britain is leading the way.

Mr. Brooks Newmark (Braintree) (Con): The George Yard post office in Braintree is going to be closed in less than two weeks' time, despite not having been involved in the initial Essex consultation. When I raised that matter with the chief executive of the Post Office, he first apologised, but then asked me to keep it in the strictest confidence until he could make an announcement. Does not the Minister agree that consultations on the post office network should be both accurate and public?

Mr. McFadden: Throughout this process, we have emphasised that the consultation relates to how the plans are implemented, not whether there should be closures. Replacement closures sometimes have to be identified because the Post Office is closing post offices that cost significant amounts to run—on average, £18,000 a year for each branch. I understand the hon. Gentleman's point, but that is the reason why such decisions have to be taken.

Mr. Richard Benyon (Newbury) (Con): Notwithstanding the fact that the Post Office got wrong the name of one of the postmistresses in my constituency whose post office is due to close, that same postmistress then applied to have a pay point in the post office when it is removed, but the Post Office has said that it will remove all compensation from that post office if it acts within a year. Does not the Minister think that that adds to the cruelty of the closure programme and illustrates the bovine stupidity with which it has been implemented?

Mr. McFadden: I do not think it is correct to say that Post Office Ltd is removing all compensation from people in those circumstances. The Select Committee discussed the matter when compiling its recent report, and the general secretary of the National Federation of SubPostmasters said he thought it quite right for the taxpayer not to compensate sub-postmasters for business that they were not actually losing because they would replace it the day after closure. There is an adjustment in the compensation to take that into account, but it is not the case that all compensation has been removed.

Business of the House

11.30 am

Mrs. Theresa May (Maidenhead) (Con): Will the Leader of the House please give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be as follows.

MONDAY 3 MARCH—Continuation of consideration in Committee of the European Union (Amendment) Bill [9th Allotted Day].

TUESDAY 4 MARCH—Continuation of consideration in Committee of the European Union (Amendment) Bill [10th Allotted Day], so far not completed on 3 March.

WEDNESDAY 5 MARCH—Continuation of consideration in Committee of the European Union (Amendment) Bill [11th Allotted Day] covering clause 8, the schedule, new clauses and new schedules.

THURSDAY 6 MARCH—A debate on international women's day.

FRIDAY 7 MARCH—Private Members' Bills.

The provisional business for the week commencing 10 March will include the following.

MONDAY 10 MARCH—Estimates [2nd Allotted Day]. There will be a debate on Northern Rock and banking reform, followed by a debate on London Underground and the public-private partnership agreements.

At 10 pm the House will be asked to agree all outstanding estimates.

TUESDAY 11 MARCH—Proceedings on the Consolidated Fund (Appropriation) Bill, followed by remaining stages of the European Union (Amendment) Bill.

WEDNESDAY 12 MARCH—My right hon. Friend the Chancellor of the Exchequer will open his Budget statement.

THURSDAY 13 MARCH—Topical debate: Subject to be announced, followed by continuation of the Budget debate.

FRIDAY 14 MARCH—Private Members' Bills.

The House may wish to be reminded that we will rise for the bank holiday at the end of business on Thursday 20 March and return on Tuesday 25 March.

I should also like to inform the House that the business in Westminster Hall for 20 and 27 March will be as follows.

THURSDAY 20 MARCH—A debate on creative industries.

THURSDAY 27 MARCH—A debate on the report from the Quadripartite Committee on strategic export controls: 2007 Review.

Mrs. May: I thank the Leader of the House for giving us the forthcoming business.

May we have a debate in Government time on spinal injuries units in the national health service? Last Friday my constituent Baroness de Knayth, who was disabled as a result of spinal injuries and who was a hard-working and much-respected Cross-Bench peer, was taken ill. When she arrived at her local acute hospital, Wexham Park, the hospital did not even have the right sort of bed for a person with her disabilities. The spinal unit at Stoke Mandeville hospital refused to admit her. On Sunday morning, she died. I am sure that the whole House will want to send condolences to her family and friends.

The House was promised line-by-line consideration of the European Union (Amendment) Bill, but so far we have had a daily average of less than two and a half hours of detailed debate on amendments. That has meant that important amendments concerning such matters as asylum and immigration, borders and visas, defence, and climate change have not been discussed at all. May I repeat the call made last week by my hon. Friend the Member for North-West Cambridgeshire (Mr. Vara), the shadow Deputy Leader of the House, for an extra day of debate on defence matters?

During Prime Minister's Question Time yesterday, the Prime Minister said

"this is an amending treaty and not a constitutional treaty. We have said that there is no necessity now to have a referendum."—[*Official Report*, 27 February 2008; Vol. 472, c. 1084.]

I have here an internal document that was sent to Labour Members by the Minister for Europe, which highlights the question

"Do you expect your constituents to vote for you at the next election knowing that you will have broken an important manifesto pledge".

May we have a statement from the Prime Minister on why he is forcing Labour MPs to break their promise to the British people?

Having pushed through the Criminal Justice and Immigration Bill and introduced 85 new clauses and 11 new schedules to the Bill after Second Reading, the Government have since removed 52 clauses and nine schedules, including proposals on prostitution. We know that the Government are desperate to get the Bill through before the threatened prison officers' strike, but may we have a statement from the right hon. Lady on the appalling handling of the Bill?

May we have a debate on Cabinet responsibility? The Cabinet, which includes the Justice Secretary, the Home Secretary and the Culture Secretary, has agreed to close 2,500 post offices. Those very same Ministers are campaigning against post office closures in their constituencies. As a Member with six post offices in my constituency under threat of closure, I oppose the closure programme. Where does the Leader of the House stand?

Talking about disunity in the Cabinet, was it death sentences for those who wanted to flee, torture and prison sentences for dissidents, gags for the press or jail for homosexuals that made the Leader of the House support Castro? Given this list of atrocities, and the fact that the Prime Minister obviously does not agree with her, will she tell the House if she still believes that Castro was a hero of the left?

The Government have broken their pledge to the British people, shown utter contempt for the procedures of the House and double standards at the very top. New Prime Minister, same old ways; nothing has changed.

Ms Harman: I would like to join the right hon. Lady in expressing my condolences to the family of Baroness Darcy de Knayth and I will refer her serious points

[Ms Harman]

about the late noble Baroness's care to my right hon. Friend the Secretary of State for Health and ask him to write to her.

I remind the right hon. Lady and the House that we have had more debate in Committee on the European Union (Amendment) Bill than we had on the Nice and Amsterdam treaties and the Single European Act put together. The procedure motion had a considerable amount of debate and it is for the House to go through the Bill, as it has done, day in, day out. We are three quarters of the way through the Committee stage, on day eight. There will be further debate, as the House will have heard, next week. It is for hon. Members to decide whether they want to table an amendment on a referendum and it is for the Speaker to choose which amendments to select. It is then for the House to decide.

The right hon. Lady mentioned the Criminal Justice and Immigration Bill. She is right; we want clarity about the legal position in relation to strikes in the Prison Service. That has put a time scale on the Bill and added to the consideration of how it is handled not just in this place, but in the House of Lords. She mentioned the withdrawal of the two clauses on prostitution. She will know that we are engaging in what will be a six-month review into how we deal with the demand side of prostitution. It will not be a bad thing to look at how we deal with prostitution of a piece when we have considered the review of how we tackle the demand side of human trafficking.

The right hon. Lady mentioned post office closures, and she will no doubt have heard some of the discussions during topical questions to Ministers from the Department for Business, Enterprise and Regulatory Reform. She will know that there are about 14,000 post offices in this country and that there has been a drop in use of post offices because, for example, of the loss of the contract for television licences, because more people are choosing to get their tax discs on line and because more people are opting to have pensions or other benefit payments made by direct debit. Fewer people are using the post office and, therefore, there has been an increase in the taxpayer subsidy. She knows that the framework has been agreed and that up to 2,500 of the 14,000 post offices will be closed. There is the question of which post offices will be closed, and, as my hon. Friends said during Business, Enterprise and Regulatory Reform questions, there will be a consultation on which post offices are put forward for closure. It is important that that consultation is realistic and that it examines the individual circumstances of each post office, including the deprivation of the local area, transport to nearby post offices and the usage of the post office in question.

The Conservatives have made yet another unfunded public spending pledge. They say that they do not want any post offices to close, but we have put in a great deal of public subsidy from the taxpayer, whereas their policy is to put in no public subsidy. I will add unfunded commitments on post offices, which I will report to my right hon. Friend the Chief Secretary to the Treasury, to the unfunded commitments on defence and health. Those unfunded promises are matched only by the promised tax cuts, and they do not add up.

Nigel Griffiths (Edinburgh, South) (Lab): Will the Leader of the House comment on supermarkets and others that set the price of a can of lager at 22p, which is at cost, close to cost or below cost? Will she ensure that the Office of Fair Trading allows supermarkets and others to agree a minimum price for such products, which is part of the necessary action to tackle the scourge of alcoholism in this country?

Ms Harman: I agree with my hon. Friend's point. The issue was the subject of a topical debate before Christmas. Since then, my right hon. Friends the Secretary of State for Culture, Media and Sport, the Secretary of State for Health and the Secretary of State for Business, Enterprise and Regulatory Reform have conducted further work, and I will bring my hon. Friend's point to their attention.

Simon Hughes (North Southwark and Bermondsey) (LD): The Leader of the House has rightly announced that we have had eight days' debate on the European Union (Amendment) Bill and that we will have four more days' debate in the next two weeks. Will she arrange a debate on how an amendment supported by a party that was backed by nearly one quarter of the British electorate at the previous election and by one third as many Members as the other major Opposition party cannot be selected after eight days of debate, because of the rules of the House of Commons? Will she allow us to debate the processes that prevent issues that the public want to be debated from being discussed?

Following the welcome announcement by the Members Estimate Committee of the speeding up of the process of examining Members' allowances—a decision will be taken in July rather than in the autumn—will she make a statement confirming that any proposals will be subject to external approbation to ensure that they are not solely concocted within this place? Will she ensure that any such proposals have the support of independent and reputable bodies outside this place?

On Members of the House of Lords, will the Leader of the House ensure that the Bill proposed by the hon. Member for Pendle (Mr. Prentice) and a similar Bill that was introduced yesterday in the House of Lords by my noble Friend Lord Oakeshott are given the parliamentary time that will allow us to end the practice of Members of the House of Lords in the UK Parliament taking seats when they do not pay tax in the United Kingdom, which is an absolute disgrace?

The Leader of the House has announced that we will quite properly have a debate on international women's day next week, and we are quite properly having the St. David's day debate today. There has still been no word on having a Commonwealth day debate—Commonwealth day is a week on Monday. Given the important Commonwealth issues, not least the new presidency in Cyprus, which raises the hope of new negotiations for peace, can we have a Commonwealth debate, for which some of us have been asking for a long time?

Will the right hon. and learned Lady talk to the Home Secretary not about post offices, although she might do that, but about finding time for debates on important Home Office matters that are currently not listed to come before the House? The immigration

changes that are due to come into force at the end of this month will make it very difficult for many long-term husbands, wives, fiancés and partners to come and settle in this country with their lawful other half. Will she also give us the opportunity to debate in this place the citizenship Green Paper, which many Commonwealth citizens are very angry about because they feel the ancestry issue and their commitment to this country is being disregarded, and to debate Home Office policy, which is still willing on occasions to send gay people back to countries such as Iran where they could be persecuted, and even executed?

Finally, given that we now know that the National Institute for Health and Clinical Excellence does not have information on drug trials that show that certain drugs are no good for their purpose, such as dealing with depression, may we get that subject on the Order Paper so we can expose the pharmaceutical industry's unwillingness to reveal that patients often spend a lot of money on drugs that are probably of no clinical use at all?

Ms Harman: The hon. Gentleman raised the question of the consideration of amendments to the European Union (Amendment) Bill. As he knows, the tabling of amendments is a matter for individual Members and the selection of amendments is a matter for the Speaker. I do not want to trespass on the Speaker's territory, but I would assume that tabling an amendment that is about our leaving the European Union to a Bill that is about the Lisbon treaty would not be in order, as it would not be within the Bill's scope. However, that is a matter for the Speaker, not me, to decide.

The hon. Gentleman asked about Members' allowances. As he knows, before the case of the hon. Member for Old Bexley and Sidcup (Derek Conway) arose on a report from the Standards and Privileges Committee, we debated on 24 January not only Members' pay but reimbursement for our expenditure on activities as Members. The House decided unanimously to refer the question of Members' allowances to the Members Estimate Committee, which the Speaker chairs. Under its remit from the House, that Committee has been taking forward its review and on 25 February published how it will make progress. The Committee has invited all Members who wish to do so to give evidence, and it states that it will consider not just a root-and-branch review of the structure of allowances and reimbursements, but how there can be proper checks and auditing of claims made under the new process. That is important work, and the Members Estimate Committee is getting on with it. The review will also deal with the question whether there may be an additional role for the Committee on Standards in Public Life or any external auditing.

The hon. Gentleman asked whether consideration could be given to having a debate on Commonwealth day. He has made that point a number of times before, and I shall consider whether there should be a topical debate.

The hon. Gentleman raised Home Office matters in relation to immigration and the citizenship Green Paper. Those are important issues for the public as well as this House, but I assure him that the Home Office does not send people back to where they would be tortured or executed, and if there were any question of that happening the courts would rightly step in and stop it.

On drugs trials and NICE, we need to be sure that it has all the necessary published and unpublished material so that it can make its decisions on the basis of the fullest possible information.

Mr. Eric Illsley (Barnsley, Central) (Lab): Will my right hon. and learned Friend find time for the House to debate the regulation of paediatricians? Following the striking off of Professor Southall last year in respect of an incident, witnessed by a third party, that occurred some years ago, paediatricians are very reluctant to involve themselves in interviews with parents or to undertake examinations, because they could be subject to false allegations even when such an examination or interview has been witnessed by a third party. There is great reluctance and fear among paediatricians. Will my right hon. and learned Friend examine the matter?

Ms Harman: The question of there being enough properly trained paediatricians is a matter of concern for my colleagues in the Department of Health, and I shall bring my hon. Friend's point to their attention.

Mr. Andrew Mackay (Bracknell) (Con): Why did the Leader of the House fail to answer the question about her comments on Fidel Castro? Does she not understand that as Leader of the House, deputy leader and chairman of the Labour party and deputy to the Prime Minister, her backing a homophobic dictator who has abused human rights in his country is no laughing matter?

Ms Harman: I also said in that interview that it was time for Cuba to move on, and I look forward to its moving on to democracy and full human rights.

Julie Morgan (Cardiff, North) (Lab): May I thank the Leader of the House for making time for the annual St. David's day debate this afternoon? I am looking forward to it. Tomorrow, the national minimum wage outreach campaign bus comes to Pontprennau in my constituency to spread the news of the minimum wage and employment rights. When can we have a debate to celebrate the success of the minimum wage and the benefit it has brought, particularly to low paid women workers?

Ms Harman: I thank my hon. Friend for that point, which has reminded the whole House of the importance of the national minimum wage, particularly for low paid women workers. It gives me the opportunity, in a non-partisan way, to remind the House and everyone who has benefited from the minimum wage that the Conservative party voted against it, saying that it would undermine the employment of women. In that respect, as in so many others, Labour Members were right on the economy and social justice, and the Conservatives were wrong.

Sir Nicholas Winterton (Macclesfield) (Con): The Leader of the House will be aware that elections are imminent in Zimbabwe. Surely she agrees that it is crucial that they should be properly and fully monitored to ensure that Mr. Mugabe cannot yet again claim victory when he has lost an election. Will she allow a debate in Government time—if not then, will

[Sir Nicholas Winterton]

she allow a topical debate, although I know that she will claim that such debates are in Government time—so that the matter can be discussed and appropriate arrangements made to help the people of Zimbabwe to get a Government who will help that country and help them?

Ms Harman: The hon. Gentleman makes a crucial point, because it is important that this country works with other countries and, in particular, with the European Union, to monitor those elections, and I take it as a proposal for a topical debate.

Dr. Brian Iddon (Bolton, South-East) (Lab): I am sure that my right hon. and learned Friend has noticed that, yet again, six Bills listed on the Order Paper are identical to my private Member's Bill, the Pedlars (Street Trading Regulations) Bill, which comes before the House next Friday. The Chairman of Ways and Means has written to the Government asking them to facilitate the legislation by supporting my Bill, which is supported by the Opposition parties. Will she have a word during the week with the Under-Secretary of State for Business, Enterprise and Regulatory Reform, my hon. Friend the Member for Harrow, West (Mr. Thomas), to see whether he will facilitate getting the Bill into Committee on Friday, so that we can unblock all this legislation? I am told that up to 50 Bills are likely to come before the House in the not-too-distant future.

Ms Harman: I will bring my hon. Friend's points to the attention of the relevant Minister.

Mr. Speaker: I call Angus Robertson.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): That will be myself. [Hon. Members: "You will do.] I have been called worse than Angus Robertson—but not much worse.

Would the Leader of the House make time available for an urgent statement by the Secretary of State for Transport on the Maritime and Coastguard Agency's rapidly deteriorating industrial relations? The right hon. and learned Lady will doubtless be aware that its workers are anticipating strike action for the first time. The management claim to have contingency measures in place should that happen. Many of us in coastal and island communities do not have a great deal of confidence in those measures, and this matter needs to be discussed in this House before it becomes time critical.

Ms Harman: We all hope that the contingency arrangements will not have to be put into effect because we hope that any disputes will have been settled before they reach that point. I join the hon. Gentleman in placing on record the importance of the MCA's work, and I pay tribute to those who work in it.

Kelvin Hopkins (Luton, North) (Lab): My right hon. and learned Friend will recall the chaos on the railways over Christmas, about which I tabled an early-day motion in January.

Yesterday, the Office of Rail Regulation published a report that was highly critical of Network Rail and the ongoing railway track work problems. Can we have a full debate on the Floor of the House on the whole railway industry so that we can compare public and private ownership of the railways and, in particular, examine track work costs and the levels of public subsidy and fares?

Ms Harman: That matter could be the subject of a debate—perhaps my hon. Friend could propose it as the subject of an Adjournment debate. He makes an important underlying point. Since we came into Government, more passengers and more freight have been carried on the railways, and more trains are running on time. The ORR is right to place strongly and publicly on record the unacceptability of Network Rail's track repairs in that respect, and I hope that we will see a prompt improvement.

Sir Patrick Cormack (South Staffordshire) (Con): Could the Leader of the House tell us when we will have the opportunity to debate the Human Fertilisation and Embryology Bill? Will she assure the House that the conscience clauses will not be subject to a Government Whip?

Ms Harman: The hon. Gentleman will know that the Human Fertilisation and Embryology Bill has completed its passage through the House of Lords following its introduction there, and that votes were whipped on both sides. [Hon. Members: "Not true."] Well, if I am wrong about that and if I am reminded in what respect I am wrong, I shall correct myself at some point. The Bill will come before this House in due course. It is a Government Bill, but the question of how different clauses are dealt with will be decided in due course.

Mr. Denis MacShane (Rotherham) (Lab): Can we have an early debate on prostituted women so that we can get a sense of the feel of the House ahead of the review that the Leader of the House mentioned? Can she confirm that the rate of murder among prostituted women in this country is 18 times that among other women? Can she also confirm that in places where prostitution is legal, such as Nevada, or semi-legal, such as Germany, the rates of violence towards or abuse of prostituted women is far higher than elsewhere? Does she agree that taking DNA samples from men who go to massage parlours and brothels would be a way of putting men in front of their responsibilities, because almost all the horrible murders of prostituted women are carried out by men who have frequented them beforehand?

Ms Harman: My right hon. Friend raises a number of very important points, and I hope that he will raise them more fully in the international women's day debate. One of the Government's priorities is to end violence against women, and women who have got into prostitution face very high levels of violence and intimidation. On the question of DNA samples, it is right that I have the opportunity to bring to the House's attention the fact that not only murders but many rapes can be solved by using DNA evidence that is collected and stored, whereas previously we would not have been able to bring offenders to justice.

Sir George Young (North-West Hampshire) (Con): The Leader of the House may recall that last July, she caused uproar in the Chamber when she unilaterally and spontaneously suspended the Standing Orders of the House so that the Government, not the House, could put somebody on a Select Committee. Will she find time for a debate on item 47 of the future business, in my name and that of my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), which would prevent any recurrence of that abuse?

Ms Harman: I do not accept that I have caused uproar or done anything that has broken the rules of this House or exceeded my rights, nor would it have been accepted by the House authorities if I had done so. Everything that I have done has been perfectly in order and within the procedures.

Mr. David Chaytor (Bury, North) (Lab): Next week, hundreds of thousands of parents will receive notification of the school to which their child has been allocated for the year beginning in September. Given that it will be the first year under the new code of practice on school admissions, and in view of the important statements made by the schools adjudicator this week about how the system could be improved, may we have a debate on the issue to evaluate the effect of the new code of practice on school admissions?

Ms Harman: Ministers in the Department for Children, Schools and Families are evaluating closely how the new law and processes are working. The overwhelming majority of parents get their first choice of school, but we want to ensure that the system operates fairly and that everybody is in an equal position to get the choice of school that they want for their children. I shall draw my hon. Friend's comments to the attention of the relevant Ministers.

Stephen Hammond (Wimbledon) (Con): The post offices in Leopold road, Kingston road, Coombe lane and Wimbledon village in my constituency are threatened with closure. In many cases, the consultation is believed to be a sham and the rationale being put forward is simply wrong. May I ask the Leader of the House to reconsider her intemperate response to my right hon. Friend the Member for Maidenhead (Mrs. May)? After all, given the dithering of the Prime Minister and the Chancellor of the Exchequer, which cost the British taxpayer £50 billion, to chide us for extra money seems a little rich. Will she reconsider her answer and give us time, in Government time, to debate this matter, which is important for local communities?

Ms Harman: The Minister for Employment Relations and Postal Affairs has recently given evidence to the Select Committee on the progress of the post office closure consultation programme. No doubt the Committee will produce its report in due course. Nobody would defend a consultation if it were not carried out properly, in good faith, openly and according to objective criteria. That is how we expect the consultation to be carried out, and we are entitled to know that it is.

David Taylor (North-West Leicestershire) (Lab/Co-op): A few days ago, I tabled early-day motion 1014.

[That this House congratulates all those who have expended huge efforts over a decade to return an Avro Vulcan aeroplane to public display; believes that this is an icon of British heritage and an invaluable asset in assisting today's students to better understand British science, engineering and history; recalls that it remains the only project of its kind to have received support from the Heritage Lottery Fund and salutes the record-breaking first flight in its present restored form in October 2007; is concerned to learn that, because the final tranche of funding and sponsorship has yet to be secured, this fully flight-ready aircraft presently languishes in a Leicestershire hangar, unable to appear at UK airshows in 2008; and believes that urgent advice and assistance should be provided to the project team by the Department for Transport, the Ministry of Defence and the Department for Innovation, Universities and Skills to surmount the final funding hurdle of £150,000 before the end of March 2008 and thus to carry on the vital educational programme built around this incredible machine.]

It draws attention to the fact that languishing in a Leicestershire hangar is a magnificent, fully flight-ready Avro Vulcan, which has been restored over 10 years by an active team of people. Will my right hon. and learned Friend draw the early-day motion to the attention of the Secretary of State for Transport, the Secretary of State for Defence and the Secretary of State for Innovation, Universities and Skills, to see how they can help to bridge the final gap of £150,000—we have had some Heritage Lottery Fund funding—by the end of next month, so that we can put on full public display this magnificent symbol of British science, engineering and post-war history? We are so close, but we need some central support.

Ms Harman: My hon. Friend poses a challenge. That is important work, and it seems that we are right near the end of it and want to ensure that we take the final steps so that that important Vulcan can be on public display.

Stewart Hosie (Dundee, East) (SNP): The hon. Member for North Southwark and Bermondsey (Simon Hughes) alluded to the recent publication of the amalgamation of 47 published and unpublished clinical trials on antidepressants. The Leader of the House and other hon. Members will be aware of the concerns that their constituents have about some of those drugs, particularly selective serotonin reuptake inhibitors. May I suggest that that would be a useful subject for a topical debate, so that we can probe the Government's attitude to SSRIs and in particular how the Medicines and Healthcare products Regulatory Agency—as opposed to the National Institute for Health and Clinical Excellence—works in relation to the approval of those drugs?

Ms Harman: I do not think that I can assist the hon. Gentleman any further than to say that I will refer his point to Ministers in the Department of Health. We want open, transparent and scientifically based assessments of and decisions on medicines that are available, to ensure that they do what they are supposed to do, that they are safe and that there is a fair deal between the taxpayer and the pharmaceutical companies. I shall raise the point with Ministers in the Department of Health.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Can my right hon. and learned Friend inform the House how much taxpayers' money has been used to refurbish the facilities in the Press Gallery, particularly the heavily subsidised bar? I have scanned the newspapers to try to get some information, but as yet I have been unsuccessful.

Ms Harman: I undertake to find out the information about the cost of the refurbishment of the Press Gallery and I shall arrange for the appropriate House official to write to my hon. Friend and put a copy of the letter in the Library.

To add to my earlier answer on the Human Fertilisation and Embryology Bill, the amendment on abortion in the House of Lords was of course subject to a free vote. Should there be any amendment on abortion in this House, of course and as is always the case, it would be subject to a free vote.

John Bercow (Buckingham) (Con): What a pleasure it is to see you in the Chair, Mr. Speaker, and to know that we have as our Speaker somebody who is simply not prepared to be pushed around, either by snobs or by bullies.

May we have a debate on the continuing crisis in Darfur? Given that the numbers of dead, dying and destitute are increasing exponentially every day, is it not time that we had a debate in Government time, on the Floor of the House, to try to establish whether, and if so when, we will get the imposition of the no-fly zone first discussed more than three years ago and the necessary full-scale African Union-United Nations troop deployment to the region? That combination alone offers hope to the people of Darfur that they might enjoy the freedom, peace and justice that we have so long enjoyed and they have so long been denied.

Ms Harman: These are issues of great concern to Ministers in both the Department for International Development and the Foreign Office. I wholly agree with the hon. Gentleman's points about the African Union force and the no-fly zone, and of course it is important that pressure be kept up on the Sudanese Government.

May I take the opportunity to associate myself with the hon. Gentleman's remarks about you, Mr. Speaker, and to remind the House of what we all know—that we, as Members of Parliament, choose the Speaker of this House? It is our choice, not that of the newspapers.

Mr. David Burrowes (Enfield, Southgate) (Con): When the Human Fertilisation and Embryology Bill comes to this House, will the Leader of the House ensure that there is a Committee of the whole House to consider significant issues relating to respect for human life? Will she follow the precedent of the Human Fertilisation and Embryology Act 1990? On 23 and 24 April that year, the whole House considered embryo research and abortion.

Ms Harman: I will consider the hon. Gentleman's points about how we should handle the Bill at Committee stage. We will make an announcement in due course, following consultations across the House.

Andrew Rosindell (Romford) (Con): I am sure that hon. Members on both sides of the House and from all parts of the United Kingdom will welcome today's debate on Welsh affairs, coinciding with St. David's day. Will the Leader of the House make similar provision for a debate on 23 April, to coincide with St. George's day, so that we can debate affairs relating to England?

Ms Harman: I will consider that proposal.

John Barrett (Edinburgh, West) (LD): Will the Leader of the House find time to debate the genuine concerns of the south Asian community about two issues: the new immigration laws that are coming in, and the increasing burden on south Asian businesses, which affect a major part of the UK economy?

Ms Harman: I will bring those points to the attention of my right hon. Friends in the Home Office. I think we all want to be sure that those who migrate to this country continue to play their important part in local communities and in our economy, our services and the community life of this country, and that they can be joined by relatives. We also need to make absolutely sure that we have fair and firm rules to ensure that those who come here do so within the rules, and that those outside the rules are deported.

Mr. William Cash (Stone) (Con): Would the Leader of the House, who I think has general overall responsibility for the recording and broadcasting of proceedings in the House, give us a debate on the BBC's use of proceedings, particularly those on the important questions relating to the Lisbon treaty? We pay some £3 billion a year in the taxpayers' licence fee, and there are people outside this place who, apart from the parliamentary channel, simply do not hear what goes on here, irrespective of the differences between the political parties. The bottom line is that this is a matter of public policy under the charter. There was nothing on "Yesterday in Parliament" today with regard to the important issues of the supremacy of Parliament that were debated yesterday. That means effectively that people outside do not know what is going on in the House with respect to the vital matter of who governs them and how. Would the—

Mr. Speaker: Order. I get the impression that the Leader of the House will be able to answer that question.

Ms Harman: I think that editorial decisions about news coverage of what goes on in the House are a matter for the broadcasters themselves. I think that we would all like more coverage of the House so that people outside can understand the work going on in Parliament, but in that respect, it is important for us to ensure that we debate things in a way that is not arcane and technical, but which not only contributes to the discussion but is understandable outside the House. I, for one, would suggest that we ban the word "passerelles", but that is a personal view.

We must recognise that although these issues are important and it is right that we should be spending 12 days in Committee of the whole House discussing the European Union (Amendment) Bill, there are a lot

of other issues that people outside the House would like to see us debating, such as public services, the economy and other things that they know affect their lives directly.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on collective responsibility in government? It cannot be right that the Home Secretary, the Justice Secretary and the Chief Secretary to the Treasury—I do not wish to embarrass the Welsh Secretary, who is sitting on the Front Bench—while campaigning in their own constituencies against the closure of post offices, are fully signed up to closing post offices in constituencies such as mine. If Ministers feel so angry about their own policy, they should resign.

Ms Harman: As I understand it, there is no constituency where it is proposed that every single post office should be closed. The notion suggested by the hon. Gentleman that some Members will find all their post offices closed, while others will find that all theirs have been kept open, is not correct. If there is a consultation about which post offices will close and which will stay open, it cannot be right to say that Members of Parliament who are also Ministers cannot represent the views of their constituents on how post offices in their constituencies are configured. Hon. Members can well understand that it is perfectly possible to agree to a situation where, of some 14,000 post offices, about 2,000 will be closed, and that there must be a consultation about which should be closed. To ban Members of Parliament from being involved in that consultation because they are Ministers would be completely wrong.

Mr. Mark Harper (Forest of Dean) (Con): Taking the Leader of the House back to her announcements about the European Union (Amendment) Bill and its progress through the House, I mention in passing that, as she will remember, the House did indeed vote on whether we would have an in/out referendum during the Queen's Speech debate, and the motion was, of course, resoundingly defeated. On the question raised by my right hon. Friend the Member for Maidenhead (Mrs. May) about debating defence matters, the Leader of the House will remember that the relevant parts of the Bill were not even reached in debate. I think that there is assent throughout the House that that subject is so important that if she could find some extra time specifically to debate defence, it would be very welcome.

Ms Harman: The way in which we are dealing with Committee consideration was the subject of a procedure motion, which was itself the subject of debate. There is also the question of how Members deal with it; those who spend a lot of time making lengthy speeches early in debates will crowd out others later on. We do not want to be too prescriptive. We were not too prescriptive in the programme motion and we have shown ourselves, as we promised, to be flexible about the balance between four and a half hours and one and a half hours, sometimes making it three hours and three hours.

We have tried to be flexible. We have given a great deal of time. We are eight days in; we have had eight full days of parliamentary debate on the Bill, and that is just in Committee. It is a very long debate. Second Reading was one day, the business motion was one day and Committee stage and Third Reading have 12 days. I think that we have had a great deal of debate. The suggestion that we are somehow trying to stifle debate makes me wonder whether colleagues have been in the Chamber and listening to the business statement. The debate has been extensive—some would say exhaustive. I am not saying that the Lisbon treaty is not important. Of course it is important, but I think that the House has had ample time to debate it.

Mr. Richard Benyon (Newbury) (Con): May I ask the Leader of the House what has happened to topical debates? We do not seem to have so many of them, and when we do, the subject matter bears a remarkable similarity to that of whatever speech the Prime Minister may have made earlier in the week. I suggest, in addition to my oft-repeated request for a debate on post office closures, that we have a debate on the human rights record of Fidel Castro.

Ms Harman: The hon. Gentleman will know that I have made an announcement that, after the introduction of topical debates in Government time, following the proposals of the Modernisation Committee, I undertook to review how the topical debates were operating. We have not had any for a number of weeks, for one reason or another: for example, pressure on Government business time by Northern Rock and the fact that I took a view on the need to discuss Members' pay at length. Due to a number of issues, we have felt that Thursday business needed to be devoted to something other than topical debates. I point out, in relation to the hon. Gentleman's point that the topical debate subject always seems to be the Prime Minister's latest speech, that the last topical debate was on a subject proposed by the shadow Leader of the House.

Mr. Rob Wilson (Reading, East) (Con): May we have a debate in Government time on the third runway at Heathrow? Considerable doubts are being expressed about the environmental assessment that has taken place and the role of BAA. Heathrow plays a crucial role in the life of the national economy, so it is extremely important that the issue should be debated fully and frankly.

Ms Harman: I agree that that is a very important issue. As the hon. Gentleman will know, the Government have undertaken a consultation exercise, which has just closed. There were many thousands of responses, which are being considered by the Government, and the decision will be reported in due course.

Mr. Philip Hollobone (Kettering) (Con): If the Government are serious about combating climate change, may we have a joint statement from the Department for Environment, Food and Rural Affairs and the Department for Business, Enterprise and Regulatory Reform on climate change and retail premises that leave their doors open all day, blasting hot air into the atmosphere? My constituent, Mr. Mike Southwell of Weston by Welland, wrote to me this week to say that on a visit to his local high street he

"counted TEN shops with their doors wide open to the skies, and large fan heaters blowing hot air down in an effort to keep the stores warm. On going into"

[Mr. Philip Hollobone]

one of the shops

"and suggesting that the door should be closed, the shop assistant said that the management insisted the doors be open at all times to increase footfall."

What will the Government do to resolve that dilemma?

Ms Harman: I will ask my right hon. and hon. Friends the Ministers in DEFRA and DBERR to address the issue that the hon. Gentleman raises. The practice sounds wasteful, and it is obviously costly and not good for the environment. We want our retail businesses to thrive, but we also need to save the planet.

John Hemming (Birmingham, Yardley) (LD) *rose—*

Mr. Speaker: I do not mean to embarrass the hon. Gentleman, but he did not come into the Chamber for the business statement. Hon. Members must hear the statement to ask a supplementary question.

Paul Flynn (Newport, West) (Lab): Yesterday, we heard of the new drugs strategy, but we have not had a debate on the old drug strategy that was introduced with the full support of every party—

Mr. Speaker: I must stop the hon. Gentlemen. There are yellow cards and red cards being shown today. He left the Chamber and then came back in.

Paul Flynn: I heard the statement.

Mr. Speaker: Yes, but the hon. Gentleman left and came back in, and that is not on. It cannot be done. He should try again next week; he is sure to catch my eye then.

Welsh Affairs

Motion made, and Question proposed,

That this House has considered the matter of Welsh Affairs.—*[Siobhain McDonagh.]*

12.22 pm

The Secretary of State for Wales (Mr. Paul Murphy): Before I begin my contribution, I should like to pay tribute to my predecessor, my right hon. Friend the Member for Neath (Mr. Hain), for the work that he did, not only as Secretary of State for Wales, but as Secretary of State for Work and Pensions, and Secretary of State for Northern Ireland. Many people's lives in our country have improved because of his work.

This debate is sometimes called the St. David's day debate, but as you will know, Mr. Speaker, St. David's day is on Saturday. It is in fact the feast day of St. Llibio, a sixth-century hermit from the island of Anglesey. Nevertheless, we can say that we are almost on the eve of St. David's day. Just a few moments ago, a large number of Members of both Houses were privileged to attend the St. David's day service at St. Mary's Undercroft. I pay tribute to all those who organised the service, and particular tribute to the two schools who sang at the service—the London Welsh school and the Welsh school from Abercarn. It was an excellent start to our deliberations on Welsh matters.

Some people say that we should not have a Welsh day debate, and that since devolution arrived, there is no need for it, but I do not agree. It gives us an opportunity to debate and deliberate, and to celebrate our country. We have had a Welsh day debate since 1944, when the then Member for Ebbw Vale, Aneurin Bevan, addressed the House. It was in 2002 when I last spoke as Secretary of State in a similar debate, almost six years ago to the day. I reread my speech—I do not do that often, to be perfectly honest—and what struck me was that the Under-Secretary of State for Wales, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), made his maiden speech on that day, and I welcomed him to the House. Who would have thought that, six years later, he would wind up the St. David's day debate in the Chamber?

I also reflected on what has happened in Wales in the six years between my leaving office and returning to it. Of course, we could talk, as we do in Welsh questions and on other occasions, about improvements to our public services—to the health service and education—and about the environment and local government. Those are largely now issues for the National Assembly for Wales. However, as the House of Commons determines the Assembly's finances, as Parliament must do, we, too, play our part in ensuring that our hospitals, schools and public services generally in Wales improve.

Mark Pritchard (The Wrekin) (Con): May I congratulate the Secretary of State for Wales on his return to the Dispatch Box? He mentioned the financing of education in Wales. Obviously, it is a devolved matter, but does he share my concern that the chief inspector of schools in Wales recently said that 16 schools—double last year's number—will now have to be put into special measures, or be given significant improvement notices?

Mr. Murphy: Of course I share the concern that if schools are not performing, they should improve. There is always room for improvement, but as I said yesterday in the House in reply to the shadow Secretary of State for Wales, the hon. Member for Chesham and Amersham (Mrs. Gillan), if one looks at the overall picture for education, and particularly for schools in Wales, standards in our schools have risen, certainly in my constituency. School buildings have improved and class sizes have reduced. Every Member who represents a Welsh constituency will have a good tale to tell. That does not in any way mean that we can be complacent. We have to look seriously at the inspector's report. That, of course, is ultimately a matter for Jane Hutt, the Minister for Education, Culture and Young People in Wales. I am sure that she will take any remedial action that is necessary. However, it is a devolved issue.

Our role, as a Parliament and a Government, is obviously to ensure that there are sufficient resources for our public services in Wales. There is no question but that in the past decade, an enormous amount of public money has gone into our services in Wales. That was possible because of a strong economy, which has been handled well, and because of low mortgage and interest rates. The effect of that, as every constituency Member of Parliament can say, is that there are many more people in work than there were a decade ago. Unemployment rates have fallen dramatically in every single constituency, and there are 130,000 more people in work than there were just over a decade ago. That is a good story for our people. It is against that background that we have had the money to give the Welsh Assembly to improve our services.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I thank the Secretary of State for the approach that he is taking to the debate. Does he share my concern that a recent answer to a written question revealed that more than 400,000 people are still economically inactive or unemployed in Wales? What does he have to say about how we can help the people and families concerned back into work?

Mr. Murphy: The hon. Member for Monmouth (David T.C. Davies) raised the same issue yesterday, and I mentioned then that the various initiatives that have been taken, such as the pathfinder initiative, help. However, I do not for one second underestimate the issue that we have to address. The Department for Work and Pensions has a role to play, and the National Assembly takes the issue very seriously. I do not underestimate the problem, but neither would I exaggerate it. The situation has to be considered in light of the enormous rise in the number of people working in Wales in the past 10 years.

Simon Hughes (North Southwark and Bermondsey) (LD): I welcome the Secretary of State back to the Front Bench, and I join him in paying tribute to his predecessor, the right hon. Member for Neath (Mr. Hain), for his work in the Wales Office. I took my seat in the House on St. David's day, nearly 25 years ago, and I still support home teams in sport. Will the Secretary of State confirm that it is important that we raise spirits in Wales not only through better housing, schooling, transport and health services, but by supporting sport in Wales? Given that we have had such a fantastic start—I mean this seriously—to the rugby season, which has lifted spirits so well, will the right hon. Gentleman confirm that he and his colleagues will do all they can in the next few years to make sure that Welsh women and men can play as prominent a part as possible in the Olympic games in four years and in all other UK and international sport?

Mr. Murphy: The hon. Gentleman is right. With the Olympics coming to our country, there is an opportunity for Welsh men and women to train and take part in those games and the various spin-offs. Because the Olympics are in London, that can help Welsh sports people. May I also tell the hon. Gentleman that I was at the match on Saturday when Wales defeated Italy by a rather large margin? One hopes that in the two remaining matches in Dublin and in Cardiff, against Ireland and against France, we will indeed get the grand slam.

Ann Clwyd (Cynon Valley) (Lab): On the point about the Olympics, my right hon. Friend will know that there is considerable concern in Wales about the cuts faced by organisations such as the Eisteddfod and various arts groups because of money being spent on the Olympics in London. Can he tell us what he thinks the benefit of the Olympics will be for Wales if cuts are taking place in funding for organisations that have come to depend on it?

Mr. Murphy: I understand what my right hon. Friend says and I know that the same points have been made in the National Assembly, but we have to accept that with the United Kingdom being the home of the Olympics when they come, there will be benefits for the whole of our country, including our country of Wales. How precisely that happens is a matter for those organising the games and for the Government Departments which are deeply involved in that. I very much take the point that my right hon. Friend makes and I hope that as part of the United Kingdom, we will share in the benefits of the Olympics.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I share the concern expressed by the right hon. Member for Cynon Valley (Ann Clwyd). When it was announced that the Olympics were coming, I welcomed the announcement, but I asked the then Secretary of State for Culture, Media and Sport whether she would consider holding the canoeing championships in the world-class facility in Bala and the yachting in Pwllheli, which had been very successful for the Commonwealth games. She laughed and said, "We'll see what we can do." Nothing has come to Wales.

Mr. Murphy: I will take up the hon. Gentleman's point with my right hon. Friend the Secretary of State for Culture, Media and Sport. I am not the world's greatest expert on sport, but I understand the general point that the hon. Gentleman is making—that if there are events that can be held in Wales with the Olympics, that must be a good thing for the Welsh people.

Anne Main (St. Albans) (Con): I was born and brought up in Cardiff, as were my parents. My mother will tell you, Madam Deputy Speaker, that the swimming pool that was in Cardiff city centre was part of the last London Olympics a long, long time ago—*[Interruption.]* I am sorry, the Empire games. There were spin-offs then which are not being seen in Wales, and that is a great misfortune.

Mr. Murphy: I can remember the Empire swimming pool—it was an awfully long time ago. I agree that we need to consider these aspects. Of course, there are benefits for businesses, too, because of the arrival of the Olympics. I do not know of any country in the world that would not want to hold the Olympics, with the effect that can come to business and industry.

Mark Pritchard: The Secretary of State is being very generous. Does he accept that there is a link between sport in schools and those children developing into potential Olympic athletes, and does he share my concern that some schools in Wales have had to sell off the playing fields and the children cannot play the same sort of sports on concrete? Will he undertake to speak to the Minister for Education, Culture and Young People to try and stop the sell-off of school playing fields? As somebody who, growing up in Wales, played a poor scrum half for his school but grew up under perhaps the best rugby team ever in British history in the days of Gareth Edwards et al, may I say,—

Madam Deputy Speaker (Sylvia Heal): Order. With great respect, that is going a little far for an intervention.

Mr. Murphy: The debate is becoming a topical debate on rugby. I was not very good at it, either. I was so bad that after two games I was put on the line for ever, and that was in a good rugby school.

Albert Owen (Ynys Môn) (Lab): On the topic of the Olympics, the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) makes a good point about facilities available in Wales. If we do not get the main events in Wales other than soccer, there is the opportunity for teams to acclimatise and train beforehand in Wales. Will my right hon. Friend ensure that he works with his colleagues in Government and with the Minister for Education, Culture and Young People in the National Assembly for Wales to make sure that such projects develop from the assets already available, so that we have an Olympic legacy in Wales?

Mr. Murphy: Yes, of course. My hon. Friend the Minister is to meet my right hon. Friend the Minister for the Olympics to discuss these matters—specifically, how Wales can help in training people, as well as hosting events. I take the points that were made about north Wales as well.

Mrs. Gillan: I am grateful to the Secretary of State. I learned to swim in the Empire pool in Cardiff. More importantly, I worked for 10 years in the world of sport and I know how important it can be in crystallising the hopes and aspirations of youngsters. One of the things that I am concerned about is the way we market Wales, particularly as we are getting the Ryder cup in Wales and the Ashes match at the Sophia Gardens ground. We have a fabulous stadium and we have a world-beating rugby team. How will we market Wales as a wonderful venue for sport? Having listened to some of the presentations, I feel that we are not tying up all those events and marketing Wales worldwide in the way that we should do. Will the right hon. Gentleman undertake to look at that with me and see how we can promote Wales throughout the world as a great sporting venue?

Mr. Murphy: Yes, of course. I hope that in three or four weeks, when we win the final match against France, that will be an opportunity to deal with those matters. I know that the Assembly is doing a great deal of work in marketing Wales as a place where sport is so significant. That needs to be done in conjunction with the United Kingdom Government as well.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Before we go off the subject of the Olympics, nobody doubts that community sport and community arts activity in Wales have suffered because money has been allocated from Wales to the Olympics. It is important that after the Olympics, when the Olympic estate is sold off, moneys raised in that way come back to Wales disproportionately, because of the losses that Wales has suffered.

Mr. Murphy: The hon. Gentleman has a good point: it is important that when the Olympics finish, Wales should benefit from the legacy.

Ian Lucas (Wrexham) (Lab): My right hon. Friend is being extremely generous. On the lottery point, it is fair to point out that in a recent case in Wales concerning the Big Lottery Fund, out of an allocation of £15 million for the stepping stone project, only £8 million was spent, and no organisations in north Wales benefited from that fund. We should remember that a great deal of money is still available and not all of it is being deployed.

Mr. Murphy: My hon. Friend makes an important point about the underspend of lottery money.

Mrs. Betty Williams (Conwy) (Lab): Before my right hon. Friend leaves the subject of the Olympics, does he agree that we should direct our attention not only at the competitive side, but at the bidding process for the building of the Olympic sites? All Members received a letter a few weeks ago about encouraging contractors in our constituencies to bid for that work. If we, as Members of Parliament in all parts of the House, have not done that, we have not been doing our work properly.

Mr. Murphy: Yes. My hon. Friend makes an important point.

I come now to the changes in our economy in rural and urban areas. I recall that when I was a boy, 250,000 Welsh men worked in the coal industry—that was not confined to south Wales; there was also the great north Wales coalfield—but very few people now work in coal. Thousands, too, worked in the steel industry. The hon. Member for Blaenau Gwent (Mr. Davies) will know how his constituency was dominated by steel. When I worked in Ebbw Vale for 17 years, virtually everybody, one way or another, was connected with the steel industry. But how that has changed. First, it changed to heavy engineering, a lot of which has gone too. In its place we now have lighter, more skilled jobs, and in our rural areas, very often tourism has replaced agriculture as the main employer. There have been enormous changes in the way in which people earn their living in Wales.

Yesterday, my hon. Friend the Member for Wrexham (Ian Lucas), at a rather, shall we say, excited part of the parliamentary day, rightly raised the issue of the creative industries in Wales. When I came back into this job, I was struck by the number of people who are now employed in those industries throughout Wales. I was also impressed by the fact that the knowledge economy now dominates many parts of Wales, with the techniums that have been set up, and the fact that so many of our Welsh graduates now stay in Wales or come back to Wales to work in the new industries.

Mark Williams (Ceredigion) (LD): In the spirit of what the right hon. Gentleman is saying, does he agree that there is a particular role for our higher education institutions, and will he welcome the collaboration between the universities of Bangor and Aberystwyth and the merger of the Institute of Grassland and Environmental Research with the university of Aberystwyth to facilitate economic regeneration in our rural areas as well as our urban ones?

Mr. Murphy: That is hugely important, and I could not agree more. It is also important that we all look forward to the North East Wales Institute becoming a university as soon as possible, because the north-east is the only major region of Wales that is still without a university.

It is interesting, and perhaps startling but a great tribute to us, that the university of Cardiff has produced two Nobel prize winners. These are hugely important developments for Wales. We now have to concentrate on skills, innovation and enterprise and unlocking the talents of our young people to work in the aerospace and automotive industries, financial services and so on.

Julie Morgan (Cardiff, North) (Lab): Did my right hon. Friend see the results of the survey announced by the Minister for Education, Culture and Young People yesterday and reported in the press this morning showing that university students in Wales were the happiest and most fulfilled in the UK, and that universities in Wales scored highly in comparison with other universities throughout the UK and internationally?

Mr. Murphy: That is a great development, which has occurred alongside a growing self-confidence among Welsh people that we have a great deal to offer to people outside Wales. I am grateful to my hon. Friend for raising that matter.

Objective 1 has been an instrument by which to enlarge our economic horizons in the valleys and in west Wales. In the Republic of Ireland, by a special use—

Mr. Martyn Jones (Clwyd, South) (Lab): Before my right hon. Friend leaves the economy, particularly that of north-east Wales, which is doing well, he will know that in my constituency, Dennis Ruabon, the only quarry tile manufacturer in the UK, has closed down and is in receivership. Will he do what he can to find out precisely what is happening with that plant and whether he can help the plant and Wrexham council to make sure that that employment is returned to that site?

Mr. Murphy: I shall certainly look into that for my hon. Friend and be in touch with him.

Wales is small in geographical terms, but big in impact, and the phrase "a small, clever country" is applicable and should be said many times here and in Wales.

It is also important that our economy has benefited and our people's lives are improved because we are part of the UK. The benefits of the devolved Assembly in Wales, including making Ministers more accessible to the people and providing greater accountability, must be set alongside the benefits that we receive, from membership of the UK, such as the fact that 46,000 people have benefited from the new deal in Wales. We can learn from each other.

For example, the UK Government, and England in particular, benefit from what we do in Wales, including the establishment of the first children's commissioner, the legislation for which I remember putting through the House some years ago, and probably the best and most sophisticated free bus travel for the over-60s in the UK, which has now been adopted in other parts of our country. We, too, benefit, from the work on hospital waiting lists, for example which we discussed yesterday in Welsh questions—ideas that flow from initiatives in England. In addition, we play our part in the British-Irish Council and can learn from Scotland, the Republic of Ireland, Northern Ireland, the Channel Islands and the Isle of Man.

That brings me to devolution itself and the role of Members of Parliament in terms of a post-devolution Wales that is nevertheless still very much part of the UK. I do not believe for one second that we should reduce the number of Welsh Members of Parliament. It is crazy to suggest that we should have fewer MPs and therefore less influence in this place. Until there are considerable changes in the constitutional set-up in the UK, the number of MPs should remain the same. Nor do I believe for one second that we should be inferior Members of Parliament to anybody else. We should play our part in the deliberations of this House, of which we should be fully paid-up Members. We should represent all our constituencies and constituents in this place and in every aspect of the work of the House of Commons.

David T.C. Davies (Monmouth) (Con): I suspect that some of the right hon. Gentleman's views on these matters are closer to mine than it is wise for either of us to let on at times, but surely a man of his considerable experience can see that the current arrangements are impossible and cannot continue, with Welsh Members of Parliament voting on the health service or education system in England but not being able to do the same thing in Wales. Surely a man of his experience can see that that is a ridiculous constitutional arrangement.

Mr. Murphy: No, I do not think that it is. So many Bills pass through this House that affect England and Wales that it would be difficult to start disentangling them, with Members being able to vote on one amendment but not on another. When a Member is elected to the United Kingdom Parliament, they are elected as a proper Member. The House of Commons decides on the financing of the health service in Wales through the block grant. I do not want to stimulate too much debate

[Mr. Paul Murphy]

on the issue, but in the past months it has often been said that Welsh Members of Parliament have a different role to play from that in the past, and that is a view that I reject. Welsh Members of Parliament have the same rights, duties, responsibilities and opportunities as every other Member of the House of Commons.

David T.C. Davies: In that case, does the right hon. Gentleman agree that Welsh Members of Parliament should be able to ask questions about how the health service, the education system and the local government funding formula in Wales operate? Does he further agree that it is unfair that we cannot do that at the moment?

Mr. Murphy: I did not notice any lack of questions on those issues yesterday. There are plenty of ways for such questioning to happen. In the past few years, with the co-operation of the usual channels and the Chair, a convention has developed through which we can talk about those issues in certain circumstances. Members questioned me vigorously yesterday about health services, schools and other issues that, although devolved, are shared with us in this United Kingdom Parliament.

Simon Hughes: The right hon. Gentleman will know that I am as passionate a devotee of devolution as he; indeed, I hope that there is further devolution to Wales and other parts of the United Kingdom. However, does he accept that whatever the eventual constitutional settlement here for England-only business—and I believe that change is needed—the principle of UK representation should be that Members of Parliament should all represent constituencies of the same number, or that there should be one boundary commission and that the same rules should apply across the four countries of the United Kingdom? In respect of smaller populations in rural areas, that should be applied generally across the UK and not differentially in any one of its countries.

Mr. Murphy: Leaving aside the point about rural constituencies, there are not huge discrepancies between England and Wales—there were, of course, in Scotland and that has now been remedied the other way because of what has happened there.

The other big change that I have seen since returning to this job is how different it is six years on, given the legislative work that the House has to undertake to deal with the Government of Wales Act 2006. That has given greater opportunity for Members of this House to talk about issues that are, strictly, devolved, but nevertheless, in the context of a transfer of functional power, can now be a matter of debate in this House.

My right hon. Friend the Member for Neath did extremely well in ensuring that there is proper scrutiny of framework powers legislation and legislative competence orders. That is a big development, which all Members appreciate.

Mark Pritchard: I am grateful to the Secretary of State, who is being generous in taking interventions.

The Secretary of State would want to be accurate. The fact remains that if I go to the Table Office today and try to table a question on health or education in Wales—or any other devolved matter—I will be told that I cannot. Given that this Parliament agrees the financing of those devolved matters, it is only right that Members on both sides of the House should be able to table such questions.

If the Secretary of State agrees with me, will he undertake to speak to the Leader of the House about instructing the Table Office to receive such questions and table them?

Mr. Murphy: We have developed a pretty good compromise on how we deal with such issues in the House; it is certainly not for me to change those rules at the drop of a hat during a Welsh affairs debate on a Thursday afternoon. What is important is that the opportunities are here for Members of this House. I explained one new opportunity—when we debate the LCOs and framework powers, we have a chance to consider the issues in which we are interested that are nevertheless devolved.

Ian Lucas: I always like to assist the Conservative party whenever I can. I am aware of the close relationship between Conservative Members of Parliament and Conservative Assembly Members in Cardiff Bay. Could they not talk to each other? Conservative Members here could ask their Assembly counterparts to put down questions in Cardiff Bay; they could resolve difficulties in that way.

Mr. Murphy: It is not for me to intervene in family quarrels; that is a matter for other people.

People say that the system is complicated, and it is different and a little complicated. However, how we have passed laws here over the centuries—First Reading, Second Reading, Committee, Report and so on, and the other place—is not easy either, if we think about it. It is the outcome that matters. At the end of the day, it is not the process that is important, but the service that it delivers.

Lembit Öpik (Montgomeryshire) (LD): I am sure that the right hon. Gentleman will agree that, regardless of the constitutional arrangements, some things will always have to be discussed in Cardiff and Westminster. For example, various problems with waiting lists vex my constituents in respect of going across to Royal Shrewsbury and Gobowen hospitals; those will not be resolved simply by changes in the constitutional settlement. Does he agree that that is one issue on which we have to work in partnership with the Assembly to ensure that Welsh patients are not disadvantaged?

Mr. Murphy: Yes, that issue has exercised me in the past few weeks. Proper cross-border arrangements are important. At the moment we are looking at the development of a cross-border protocol to ensure that such matters are dealt with properly. The hon. Gentleman's point is important.

I touched briefly on the issue of scrutiny, because my hon. Friend the Member for Aberavon (Dr. Francis) is here. The Welsh Affairs Committee, which he chairs, does important work in overseeing the new process. I hope that the Committee is not overburdened by what has happened. He might catch your eye later, Madam Deputy Speaker, and comment on such things. In the

next few months, there will come a time when he has to look back at and monitor how the process has developed and consider any possible improvements or necessary changes.

I turn to the future of the arrangements. The Assembly will have a convention to ascertain whether there is any appetite for a referendum on more powers; we shall wait and see what happens. However, at the same time it is so important to the people whom we represent that we do not lose sight of the issues that matter to them. However important constitutional matters are—and they are important—at the end of the day, the issues for Welsh people are about schools, hospitals, transport and jobs.

We should not forget the issue of local government, which delivers services at the front line. It includes the organisations and elected bodies closest to the people of Wales. We should remember that the governance of Wales involves not only us in this place and the Assembly, but our local council chambers. I hope that it will be recognised that Labour local authorities deliver for the Welsh people, who will get the chance to exercise their franchise in a few months.

There is nothing wrong in feeling comfortable with the current arrangements—comfortable with the fact that we can be British and Welsh. We can rejoice in the fact that we win our rugby games, that our nation of Wales prospers and develops and that the Assembly does a good job in delivering our services. However, we can also be proud to be part of the United Kingdom, which produced the national health service that is the envy of the world and which produced the welfare state, which protects the most vulnerable in our community. There is nothing wrong in rejoicing in both those aspects of government. Above all, Welsh Members of Parliament are privileged to represent Welsh people here, and to play our part in shaping the course of the United Kingdom and our own country of Wales.

12.58 pm

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I join the Secretary of State in saying how moving the service in the Crypt was. It was truly inclusive, and it was good that it was held in both Welsh and English. I was particularly moved by the reading from "Under Milk Wood"; it took me back to my childhood.

I pay tribute to Lord Thomas of Gwydir, who, sadly, passed away last month. Everybody in the House would agree that he was a great Conservative Welsh politician who spent a lifetime serving the public. He will be greatly missed, and on St. David's day it is appropriate to remember him.

We should also recognise that four Welshmen have been tragically killed in action while deployed on operations across the globe. On St. David's day, we should remember the ultimate sacrifice that they have made for the United Kingdom and for Wales. We must also pay tribute to the undisclosed number of service personnel who have returned home with serious injuries sustained while in theatre. Thousands of Welsh sailors, soldiers, airmen and Marines from the constituencies of every Member here remain overseas, each making a significant contribution to vital military missions, most notably in Iraq and Afghanistan. Furthermore, the 1st Battalion Welsh Guards have been placed on immediate notice to deploy to Kosovo in support of the NATO taskforce already in the country. Their commitment to service is greatly appreciated, and on St. David's day the best wishes from everybody in this House go out to them.

On a linked matter, I hope that the Secretary of State will continue to support the sustained investment in St. Athan for military training and to show the political leadership that is required to maximise our military assets in Wales. There is some doubt about that, not least because of the views that have been expressed on defence policy by Labour's partners in the Labour-Plaid coalition in the Assembly. I hope that he will reject their policies and give us the assurance we need that the project will go ahead.

Much has changed since we last celebrated St. David's day. Certainly, 2007 was a watershed year for Welsh politics. May's Assembly elections marked a fundamental shift in support away from Labour and, as I believe the Secretary of State agrees, marked a new chapter in the devolution process—perhaps an unexpected chapter from the Labour party's perspective. Welsh Conservatives became the official Opposition, and our gains last May underline, I hope, our party's credentials as the only credible alternative to Labour. Not least, without wishing to rub in it in, last May represented Labour's worst electoral performance since 1918. On this St. David's day I, like the Secretary of State, look forward to the local elections in May—and to a general election, if the Prime Minister, who seems to spend most of his time dithering, summons up his courage and manages to call one.

The other change—the obvious one—is the one at Gwydir house. When, during last year's debate, I predicted the departure of the right hon. Member for Neath (Mr. Hain), it was only in jest. I would therefore like to take this opportunity to thank him for his courtesy and consideration to me throughout his tenure at the Wales Office and when I shadowed him on foreign affairs. He has always treated me with courtesy and respect—behind the Chair, if not always on the Floor of the House. I wish him well, and I would like to put that on the record.

I am pleased to welcome the right hon. Member for Torfaen (Mr. Murphy) back to the post of Secretary of State for Wales. The Chamber seems slightly surreal this week, as we have had a Murphy—Jim Murphy or Paul Murphy—at the Dispatch Box every single day; we seem to be making Murphy's law.

What a challenge the new Secretary of State faces, given the very different devolutionary settlement from the days when he previously held the post. He painted himself as a devo-realist and highlighted some of the problems that he has to deal with. I think he now realises that, far from diminishing, the work load at the Welsh Office has increased and is becoming increasingly complex. At the same time, the number of staff is increasing to support that increased work load. One could take the view that more work means that there is more activity, but this is not necessarily an improved deal for Wales—it reveals a Government Department that is struggling to cope with a very complicated system that the Government themselves have created.

I do not know whether the Secretary of State has had a chance to count the number of ways in which we can legislate for Wales, but we now have 13, including Wales-only Acts, provisions in Acts applying to Wales

[Mrs. Cheryl Gillan]

specifically, Acts of the UK Parliament applying to England and Wales, subordinate legislation for Wales, and legislative competency orders—I could go on. It is clear that the Government were not prepared for such a complicated system. We have struggled to get Welsh clauses drafted for Bills, Ministers have given confused and contradictory explanations of how the different processes should work, and legislation has been held up in Wales, in Westminster or sometimes in a bureaucratic black hole between the two institutions.

For me, it is crucial that an over-complex and unsatisfactory system set up by the Government does not damage the legislative process for Wales. That is why I have pushed repeatedly for protected time to discuss the Welsh provisions in Westminster Bills. I am glad that the Secretary of State and the Wales Office have now agreed on that, and I look forward to ensuring that legislation on Welsh matters, no matter what form it arrives in, is fully scrutinised and given the time that it deserves in this House. Let us face the truth—this complicated legislative system was developed to bridge the gap between Labour MPs and Labour Assembly Members—to try to pacify those holding increasingly divergent views and to fool those at both ends of the motorway, as was said in the debates on the original legislation to create the constitutional settlement. Nearly 10 years after the first devolutionary settlement in Wales, instead of getting on with the business of governing Wales we still have that constant pressure from internal politics and positioning, which I hope we will be able to put to rest at some stage. I still think that the right hon. Member for Neath was mistaken when he said that the Government of Wales Act 1998 settled the constitutional question for a generation, but we shall see.

Lembit Öpik: Obviously, the hon. Lady would like to be the Secretary of State for Wales instead of his shadow. Will she therefore clarify whether she thinks that the process of devolution should continue? What is the Conservative party line? Is it to improve devolution and give more powers to the Welsh Assembly, or is it the same as that of the hon. Member for Monmouth (David T.C. Davies), who is evidently in favour of reducing its powers?

Mrs. Gillan: I thank the hon. Gentleman, but our aim as Conservatives has been clear—it is to ensure that the Assembly is a success and delivers for people. That does not necessarily mean opposing more powers for the Assembly, but it does mean ensuring that if further powers are granted, that should be what the people of Wales want, and that it happens when the capacity of that institution has been developed so that it can benefit those it serves.

Mr. Roger Williams (Brecon and Radnorshire) (LD): What proposals for further devolution would the hon. Lady put to the Welsh people for their consideration?

Mrs. Gillan: The hon. Gentleman is leading me down a path well in advance of any policy announcements that will be made from my side of the House. We are a year or two away from a general election, if the Prime Minister finds the courage to call one, and I do not intend to lay out our policies and proposals so early on. The Secretary of State referred to the convention, the parameters of which have not even been set, and it would be courteous to wait and see what they are; indeed, I am waiting to have my first meeting with its chairman to see what proposals, thoughts and discussions are moving forward.

David T.C. Davies: Will my hon. Friend join me in expressing happiness at the deeply gratifying sight of so many Members recognising that it is very likely that she will be Secretary of State for Wales in a year or so?

Mrs. Gillan: Moving swiftly on.

Mr. Don Touhig (Islwyn) (Lab/Co-op): The hon. Lady was not able to articulate any Conservative policies just now, but her leader said he believes that only English Members of Parliament should vote on English matters. If I recall correctly, her colleague the hon. Member for Clwyd, West (Mr. Jones) said in the last Welsh Grand Committee that Welsh Members of Parliament would vote with English Members on English matters. How confusing can the Tory policy get?

Mrs. Gillan: It is precisely because this party is the party of the Union—[HON. MEMBERS: "Hear, hear!"] Hang on—wait for it. We need to acknowledge genuine concern over the devolutionary settlement, and we will work constructively to find a solution to that problem. To say at this stage that we are anti-devolution would be quite incorrect.

We have made it clear that things can be done differently at different levels of government. We share the view that when an issue can be best resolved locally, that is the course we should take. When, however, a UK-approach is needed, co-operation and collaboration should be the guiding principles. I am interested in working with the Secretary of State to see how we can improve our processes, so that Members are able to get accurate information at Government level on matters affecting their constituencies, without having to ask Assembly Members to table questions for them. There should be an open door in that case because there is a problem. Quite rightly, Members want to know what is happening in their constituencies, and if there are occasions when they are ruled out of order, or when there is no mechanism for them to do so, it is difficult. Our aim is clear: it is to ensure that the Assembly is a success and that it delivers for the people of Wales.

I should like to quote the words of the Secretary of State, which represent something that we can agree on. He said:

> "We must take great care that we do not become a little bit too obsessed with identity and nationhood. I do not have to look in the mirror every quarter of an hour to remind myself that I am a Welshman—I am, and I am proud of it. At the same time, however, I know that what my constituents expect of me is an improvement in their lives."—[*Official Report, Welsh Grand Committee*, 12 December 2007; c. 27.]

I agree with that, and I am sure that every Member can, too. I am sure that the Secretary of State will agree that Wales is, and should continue to be, part of the Union. I hope that his party's dangerous liaison with Plaid Cymru will not weaken the links.

Today is a day for celebrating Wales, its culture, its people, its heritage and its future. I want to talk about the Welsh language for a moment because I am proud to remind the House that it was a Conservative Government who introduced the Welsh Language

Act 1993, which led to a huge renaissance in the use of Welsh. Perhaps it is also an opportune moment for me to pay tribute to Lord Roberts, who retired from the Conservative Front Bench in the other place this year. Lord Roberts piloted that Act through the House, and I am sure that we have not heard the last of him.

This brings me to something that caused me great concern. I heard that the plans for the daily Welsh language paper *Y Byd*—I hope the House will please forgive my pronunciation—have been abandoned after receiving insufficient support. May I ask the Secretary of State what encouragement he has given to *Y Byd*? I met *Y Byd*'s promoters at the Eisteddfod last year, and they were full of enthusiasm and hope. I was very much looking forward to the launch of the first edition, and I am disappointed that the paper may not ever be published.

Paul Flynn (Newport, West) (Lab): Will the hon. Lady give way?

Mrs. Gillan: If it is on this point, and the hon. Gentleman has more information, I shall give way to him.

Paul Flynn: The sad fact is that *Y Byd* is no longer a practical proposition because of the collapse in circulation of print papers. It is very much a possibility that it can be web newspaper, or a handout given with other newspapers. However, for it to stand alone as a print newspaper is not a practical possibility.

Mrs. Gillan: I am grateful to the hon. Gentleman for that intervention. Perhaps it is apposite, therefore, to ask the Minister of State if he will comment on the matter when he makes his winding-up speech.

Another important matter in Wales, which the Secretary of State did not touch on, is that of law and order. In my experience, during the past two years policing has become harder in Wales. We feel that police should be out on our streets in Wales doing what they joined the police force to do: fighting crime. Instead, we are finding that all four of our police forces are fighting red tape and bureaucracy. That is why this party has advanced policies to scrap stop-and-search forms, and would certainly reduce the bureaucracy that our serving police officers face every day.

The police are not just being asked to be pen-pushing bureaucrats, but seem to have been appointed as jailers. They have to use their cells to hold so many prisoners that even the Government are losing track of them. I do not know whether the Secretary of State is aware of this, but last month the Minister of State, Ministry of Justice, the right hon. Member for Delyn (Mr. Hanson), had to write to me, informing me that he had provided me with incorrect figures on the number of prisoners who were being held in Welsh police stations. He corrected the figures, and had to revise the figure of prisoner nights upwards by 426. The total number of prisoners being held in custody cells last year in Wales was 4,200. That is a staggering increase, which puts unprecedented strain on police forces and budgets in Wales. I hope that the Secretary of State will make representations to his Cabinet colleague to consider this matter, because it has become such a burden that it is causing problems for many of our forces.

Lembit Öpik: Does the hon. Lady agree that the other scandal with regard to justice in Wales is the fact that large tracts of land, including Montgomeryshire, do not have access to a courtroom? Having been promised a courtroom for Newtown many years ago, there has not been any significant action to construct it. Does she agree that in order for the justice system to work effectively, there has to be local access to courts so that lawyers do not have to drive their own defendants to the court, with all the inconvenience and unacceptable intrusion that that entails?

Mrs. Gillan: I confess that I am not intimately familiar with the specific case of the hon. Gentleman's constituency, but that is also a matter the Minister could address in his winding-up speech. It is obviously one of great concern.

Mr. Roger Williams: The hon. Lady was talking about the budgets of the four police authorities. Does she agree that one of the real burdens on those budgets were the proposals to amalgamate all four police forces and the great amount of money—wasted money as it turned out—spent on considering that change? The Minister for Security, Counter-Terrorism, Crime and Policing has said that that process should never have gone forward at all.

Mrs. Gillan: The hon. Gentleman knows that I was very vocal on that subject at the time. I thought it was a complete waste of resources, time and effort. The process was abandoned, leaving four of our police forces much poorer, and although compensation was paid, it did not nearly meet the amount of money that had to be expended on a wasteful and useless administrative exercise. Quite frankly, the police have better things to do with their time.

That matter is no different, however, from the issues we face in other areas of law and order, such as prison overcrowding. I hope that the Secretary of State will address that disgrace in all our prisons, and specifically in Welsh prisons. They are overcrowded and full to bursting. Prisoners have to be released early and we know that often prisoners are released early merely to reoffend.

The Government have this great idea of huge, bright and shiny new prisons, but that is not the right solution for Wales or even for the UK. They may supply more prison places for a sort of factory system, but they will do nothing to rehabilitate prisoners and prevent them from reoffending. It remains a sad fact that there are no women's prisons in Wales, nor is there a prison in north Wales. Consequently, Welsh prisoners are often held far from home, are unable to rehabilitate themselves and are unable to keep those family contacts that are so important in getting a man or woman back on the straight and narrow.

Mark Pritchard: Does my hon. Friend agree that part of the prisons crisis could be tackled if the 11,000 foreign prisoners in England and Wales who had committed specific crimes were considered for deportation?

Mrs. Gillan: My hon. Friend knows that I used to speak about that subject in our Home Office team and that I felt strongly about it. It is amazing that the Government do not appear sufficiently competent to

[Mrs. Gillan]

deport people, for whom there are deportation orders, at the end of their sentences. Worse, there are some categories of prisoners about whom negotiations should have taken place to ascertain what other arrangements could be made for many of them—for example, being held in prisons in their own countries. My hon. Friend therefore makes a valid point.

Our police and prisons have suffered from Government incompetence.

Julie Morgan: The hon. Lady said that there is no women's prison in Wales. Does she support Baroness Corston's recommendations for far fewer women to be in prison? Most women in prison do not need to be there. Does the hon. Lady support developing a facility in Wales that addresses the many needs of women?

Mrs. Gillan: The hon. Lady is pandering to my personal prejudices and views. There are too many women in prison, and that has a disproportionate effect because when a woman is locked up, the children are often deprived and put into care. We must be careful about our approach to women and criminality. When I examined the matter, I was pleased to visit some of the small prison units that were designed to ensure good educative processes as well as good rehabilitation facilities, which can be provided successfully in smaller units. The hon. Lady has given me an opportunity to reflect perhaps not a Front-Bench but a personal position on women in the criminal justice system.

Mark Williams: A fundamental pressure on the prison system—overcrowding—puts pressure on the education system in the Prison Service. Many prisoners—I met some in Parc prison—despair as they wait unacceptable lengths of time to attend anger management courses. That does not help the process of rehabilitation.

Mrs. Gillan: The hon. Gentleman is right. People can start a cognitive behavioural therapy course but they do not necessarily finish it because they are moved to another prison. There is no point putting a man or woman in prison at a cost of £37,000 or £38,000 a year to receive no rehabilitation and have no hope.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): My hon. Friend may know that the Welsh Affairs Committee visited Eastwood Park, the women's prison in Gloucestershire. The educators there do excellent work. One of the perspectives that they communicated to us is that they do not have long enough to work with some of the girls and young women who pass through that prison, such as those serving sentences of four, six or eight weeks. It is not long enough to tackle some of the underlying emotional problems that drive their addictions and criminality. Indeed, they build much stronger relationships and experience more successful outcomes with the girls and young women who serve longer sentences of three, six, nine months and more.

Mrs. Gillan: My hon. Friend makes a valid point. Care in sentencing and considering what needs to be done with an individual is important in the justice system, and I thank my hon. Friend for that contribution.

Albert Owen: The hon. Lady paints a black picture of crime and justice in Wales. There are some good news stories, and she would realise that if she came to north Wales, especially north-west Wales, which has the highest detection rate in the United Kingdom. That is due to the extra investment in the police and in community support officers. Does she acknowledge that?

Mrs. Gillan: I was about to move on and cut out part of my speech because of the limited time available and the interventions that I have taken, but let me say that the hon. Gentleman is right about community support officers. I have been out on the beat with them in Wales and they make a tremendous contribution. I am grateful to the hon. Gentleman for mentioning that.

I am especially worried about the health service, not least because there seems to be an obsession with bureaucracy and targets. The Assembly Government have introduced 252 NHS targets, and I have to ask whether that has improved health care. However, I want to draw attention to a positive matter. Jonathan Morgan, the shadow Minister for Health and Social Services in the Assembly, is moving towards securing the first Back-Bench measure of the Assembly Government. The mental health reform legislative competence order, which will provide specific patient rights in mental health care, has been laid with the Assembly's unanimous approval. I hope that that again shows the Secretary of State that Welsh Conservatives are leading the agenda, when they can, with practical policies for Wales, and I hope that he shares my wish that the measure reaches the statute book soon.

The Secretary of State mentioned the economic health of Wales, which is also crucial to its success. Sadly, after 10 years of a Labour Government, I do not perceive matters through the same rose-tinted spectacles as the right hon. Gentleman because Wales remains the poorest area of the United Kingdom. The recent Joseph Rowntree Foundation report showed that no progress had been made on tackling child poverty in recent years. Worklessness and economic inactivity still blight too many communities in Wales. The figures that I mentioned in my intervention on the Secretary of State mean that many of our children still grow up in families where no one has ever worked. The decline in manufacturing has also badly affected the country.

Lembit Öpik: The hon. Lady may be interested to learn that average gross weekly earnings in Wales are £472, compared with a UK average of £550. We are therefore a long way behind the national average.

Mrs. Gillan: The hon. Gentleman makes a valid point.

On an optimistic note, I recently had the great pleasure of visiting GE Healthcare just outside Cardiff. I hope that the Secretary of State will make time to visit that facility. Its headquarters is in my constituency in England, so I have a direct link with it. I was thrilled by its education project, which takes young people from schools into a laboratory to see how things work there. Unless we can enthuse people about maths, science, English and education generally, we will not have the skilled work force in Wales that we need to keep good companies of high worth with highly skilled jobs such as GE Healthcare.

Wales is a fantastic country for natural resources for energy and for producing highly valuable energy. I hope that the Under-Secretary will reaffirm in his winding-up speech the attitude of the Wales Office to the plans for the Severn barrage. The right hon. Member for Neath was keen on the Severn barrage project and I tried to get him interested in tidal pools and lagoons. I hope that the Under-Secretary will take the opportunity to let us know whether the thinking and overwhelming support for the project remain the same because I want a slight shift of emphasis in the Department's policy.

I congratulate Transco—I flew along the pipeline to see the completion of 115 miles of gas pipeline from the liquefied natural gas terminal in Milford Haven, in the constituency of my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb). The project was delivered on time and on budget. To revert to an earlier subject, that company is also doing tremendous work to rehabilitate prisoners and has reduced reoffending rates in the groups of prisoners that it has helped into work from more than 70 per cent. to 7 per cent. I commend its work to the Secretary of State.

Our land in Wales is vital and our farmers are the natural guardians of our countryside. This year has been a tough year for farming, with the threat of foot and mouth and bluetongue hanging over many farmers. We have a proud agricultural tradition that needs Government support. It also needs the respect of Government, not the sort of cynical betrayal that resulted in a leaked copy of a Department for Environment, Food and Rural Affairs Minister's speech, which promised compensation to Welsh farmers when there was a prospect of an imminent election, only for it to be withdrawn.

Will the Secretary of State meet me to discuss what we can do jointly to push for clearance for a product of sheep meat called "smokies"? There is a treatment of sheep meat called "smokies" that could make a real difference to the income of our sheep farmers, but the process of legalising it seems to be long and laborious. The Farmers Union of Wales has told me that the process could and should be speeded up, so that Welsh farmers wanting to earn a legitimate income will not lose out to illegal and possibly dangerous imports from overseas.

Mr. Paul Murphy: I should be happy to meet the hon. Lady to discuss what seems to be a very important issue.

Mrs. Gillan: I am most grateful for that positive intervention.

To conclude, I see Wales as poised at a crossroads. For many years, Labour blamed any problem in Wales on the Tories but now, after 10 years of a Labour Government, there is nowhere to hide. The Secretary of State has entered his post at a time when standards in schools are low, crime is rising, prisons are overflowing, taxes are rising and manufacturing jobs are falling, and when we have burgeoning hospital waiting lists. Labour said that things could only get better, but that has not proved to be the case.

Conservatives have been building their support steadily, winning and providing a growing alternative to Labour and now the new Labour-Plaid Government in the Assembly. I want Wales to share the hope and optimism, which was referred to earlier, that is evident in the fantastic performance of our rugby team in the six nations tournament. I will join the Secretary of State in wishing the team well this St. David's day, and I believe that they are going to win.

Our party has increased its votes at every election since 1999. We offer the hope and optimism that Wales deserves. We are fighting more seats than ever before in local elections throughout Wales. I hope that we can build on our success. I believe that we offer the alternative to the right hon. Gentleman's Government. When it comes to the local elections, I hope that people will look closely at our candidates and give us a chance to prove it.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. May I remind all right hon. and hon. Members that Mr. Speaker has imposed a 15-minute limit on Back-Bench contributions?

1.32 pm

Mr. Peter Hain (Neath) (Lab): May I say how delighted I am to see you, Madam Deputy Speaker, as a great Welsh woman presiding over this debate? May I also express my gratitude to my right hon. Friend the Secretary of State for what he said about me? I congratulate him on getting the job, despite the surreal, nightmarish circumstances in which I left it. I cannot think of anyone whom I would more like to see holding the post. I replaced him in Wales and in Northern Ireland, and now he has replaced me in Wales. Things are becoming almost politically incestuous. I am also grateful to the hon. Member for Chesham and Amersham (Mrs. Gillan), who has always shown great decency in all the jobs that we have worked on together.

Over the past 11 years, the Welsh economy has been transformed, because of the energy, innovation and dynamism of Welsh businesses, and the skill and hard work of Welsh women and men, combined with the unprecedented annual rises in public investment and economic stability ensured by our Government. Economically and culturally, Wales has enjoyed a renaissance, after the grim decades of mass unemployment and business failure. We should all celebrate that because, working together, we—our Labour Governments in Westminster and Cardiff, business and all Welsh employees—have made it possible for Wales to walk tall with a spring in our step.

However, we are still nothing like where we should be to compete with the competition from eastern and central Europe, let alone from the emerging Asian economies and especially our new global economic partners and the superpowers of the future, China and India—countries of more than 2 billion people, producing 5 million new university graduates a year, two thirds of whom are graduates in science, technology, and information and communications technology. The central challenge that we face is to transform the Welsh economy by building a much bigger private sector. Unless we do that, we will not be able to achieve the world class success that Wales is capable of and deserves.

If I may say so, Madam Deputy Speaker, I have set out these ideas and the argument in more detail on my website, www.peterhain.org. They will also be published as an internet pamphlet, at www.wales2020.com.

[Mr. Peter Hain]

One of the elements essential to Wales's success to date has been the huge real-terms rises in public investment, with the Welsh budget increasing to almost £16 billion by 2011, some 130 per cent. higher in cash terms than in 1997. But that era is coming to an end. Britain has never had a period of such long and consistent steeply rising public spending. However, that cannot continue without unbalancing the economy, causing a return to the instability, high inflation and high interest rates that we inherited from the Conservatives and that plagued all British Governments for a generation and more. That is why the next comprehensive spending review period, from 2008 to 2011, will still see real-terms increases in public investment, but at a lower rate.

That poses challenges for the Welsh Assembly Government, because their entire life has so far been spent under the umbrella of unparalleled real-terms budget increases. From now on, the kind of efficiency measures and reforms that Minister for Finance Andrew Davies is rightly insisting upon will be needed to reduce inefficiency and bureaucracy, and release funds significantly to improve front-line services. It will also be necessary to exercise much tougher choices over priorities.

Those who claim that the Government's public spending programme has inhibited the growth of the private sector are wrong. Huge public investment in private construction, for example, has stimulated it, while five times more Welsh private sector jobs have been created in the past 11 years than in the public sector. There are many other sectors in which Welsh businesses have themselves benefited and created Welsh jobs by providing services or selling products to the Welsh public sector on the back of rising spending since 1997. That is a stark contrast with the economic instability and public spending cuts experienced from 1979 to 1997, when huge numbers of Welsh businesses went bankrupt and unemployment soared.

However, according to the Library, estimates show that public spending in Wales is equivalent to 59 per cent. of gross domestic product. The figure for Wales is higher than any other part of the UK except Northern Ireland, where it is 64 per cent., although the figure in north-east England is similar. The equivalent estimate for Scotland is about 50 per cent., while the UK average is about 44 per cent. Wales's ratio of public spending to GDP is broadly similar to, or perhaps slightly higher than, the highest ratio among OECD countries. In Wales, 23.7 per cent. of employees are in the public sector, compared with the UK average of 20.2 per cent. Again, that is similar to the figure for the north-east, but lower than the figure for Northern Ireland, at 29.1 per cent. All other areas of the UK have lower shares of public sector employment.

Public spending is high partly to correct the legacy of historically high levels of relative deprivation, of sparsity, of geographic remoteness, and of the ill health that is a legacy of Wales's industrial heritage, especially mining. Moreover, our Government have, rightly, been deliberately moving public jobs from the overheated south-east to Wales.

The argument that I make is therefore emphatically not for the cuts in public spending so beloved of the right, still less that the public sector in Wales is too big. Indeed, I am arguing the exact opposite. The real issue is that the private sector is too small. If both Welsh living standards and the economic competitiveness that underpins our prosperity are to grow as we all want, the private sector needs to grow significantly and at a relatively much faster rate. To achieve at least equilibrium with the rest of the UK and the OECD countries, Wales must move towards a private sector of around 55 per cent. of Welsh GDP. To achieve that in the next 15 to 20 years, we will need year-on-year growth that is around 1 per cent. faster than the UK average—no mean feat.

It is no good simply leaving the task of catch-up to market forces and the private sector, as the right insists. They have a critical role to play, of course, but so does the Government in London and Cardiff, by targeting public investment not only on the "soft" side of public spending—that is, on care and services—but on the "sharp" side, on skills, infrastructure, technology, research and entrepreneurialism. At the height of the industrial revolution 150 years ago, Wales had in Merthyr Tydfil what was considered the most technologically advanced town on the planet, with the most productive ironworks in the world and the development of the first rail engine. We now need new Merthyrs for this century, leading the way in the new technologies of the future.

Although we need higher labour productivity, Wales cannot and should not try to compete on cheaper labour costs, with China and India, for example, paying manufacturing workers just 60p an hour. As Rhodri Morgan has so eloquently said—and as the Secretary of State repeated—the Wales of the future will be a "small but clever country", with private sector growth in the right areas, and raised levels of educational attainment, skills and innovation to add value. At present, although Welsh spending on research and development is rising, it remains too low, and this must be addressed urgently, with ever closer partnership between—and ever more targeted spending by—the Governments at Westminster and Cardiff, our universities, colleges and Welsh businesses.

Our vision is for a Wales that acts as a centre where companies can innovate in partnership with our educational institutions. I identify seven immediate priorities. First, we must secure graduate retention, develop technical skills and inspire entrepreneurship from school upwards. Secondly, we must make tough public spending decisions, with a moratorium on handouts and a switch to supporting greater competitiveness. Thirdly, we must compete in the high added-value areas such as financial services, electronics, nanotechnology, biosciences, molecular mechanics and information and communications technology, with many more start-ups and high-tech businesses. Fourthly, we must support vital new energies, including renewables and biofuels. Fifthly, we need to support our economy with a welfare system that gets people off benefit and into work, and provides our work force with the skills that they need to progress in employment. Sixthly, we need to ensure that we have a political, economic and social culture in Wales that is truly internationalist. Finally, we need smarter government, local and national, with a more dynamic Welsh public service.

Universities need to be at the heart of our economic growth. And that can be done, as Singapore, a country roughly the same size as Wales, has demonstrated: on a per capita income basis, it is now one of the top 20 countries in the world. Our universities are already

making a significant contribution to business, and substantial increases in the Government's science and innovation budgets are enabling them to improve this still further, as I have seen myself during visits to Cardiff, Swansea and Bangor universities, for example.

David T.C. Davies: Will the right hon. Gentleman give way?

Mr. Hain: No, I will not give way to the hon. Gentleman. I will give way to Members on both sides of the House who have treated me with decency over the past few weeks.

I have also visited the North East Wales institute of higher education—NEWI—in Wrexham, and I look forward to its getting its university status. The emergence of techniums throughout Wales is hugely important in exploiting the talents of Welsh graduates to enable them to start up new companies, and in providing excellence for the knowledge economy that is our future with new, world-class employment opportunities for young skilled people, whether from Wales or elsewhere, especially in growing and important areas such as financial services, nanotechnology, biosciences and ICT.

By inspiring our young people, we can add to the natural desire to succeed that is already there. The Government need to prioritise funding to enable our universities, colleges and schools to provide much better foundations and opportunities for these potential business men and women of tomorrow, to enable them to go on to realise their aspirations.

Mrs. Betty Williams: Would my right hon. Friend acknowledge that, as part of the equation on which he is focusing, European convergence funding has been extremely important in creating tremendous opportunities for the economy and job creation? He played a great part in that in the early days, when he was a Minister in the then Welsh Office, when we managed to get Conwy and Denbighshire on the objective 1 map, having previously failed to do so.

Mr. Hain: I am grateful to my hon. Friend. She was one of those who most articulately persuaded me to extend the boundaries when I was in the old Welsh Office.

Wales has an abundance of natural resources, with a coastline and landscape that lends itself to a variety of offshore and onshore wind and other renewable energy developments, including wave and tidal. The Government are moving forward with a feasibility study into the potential for a barrage across the Severn estuary that would generate fully 5 per cent. of UK electricity needs. It would be the biggest renewable energy project by some distance on our island, creating tens of thousands jobs, first in construction, then permanently.

Lembit Öpik: I am grateful to the right hon. Gentleman for giving way, and I should like to praise him on his time in the Wales Office. There is a meeting on wind power tomorrow evening in Trefeglwys, one of my local communities. Does he agree that it is important to take local considerations into account and that, if there are strong feelings either for or against a wind construction in a local community, they should be taken into account in the planning process? In the past, the feelings of the community have not been considered in that way.

Mr. Hain: Obviously, local wishes need to be listened to, but what we do not want is local nimbyism paralysing renewable energy developments.

John Smith (Vale of Glamorgan) (Lab): I welcome my right hon. Friend's remarks about the Severn tidal barrage. Is he aware that, should the Government decide, after the two-year feasibility study, to proceed with the project, it will almost certainly come to my constituency? Coupled with the recent announcement on the defence training academy, we could acquire £36 billion of investment in the Vale of Glamorgan as a result.

Mr. Hain: That would be partly due to my hon. Friend's excellent work.

There is also a potential for growth in the Welsh coal industry, but that will not, and should not, happen unless Welsh coal becomes green coal. The Governments in Westminster and Cardiff should work together to develop innovative carbon capture and storage procedures, as well as ensuring that we have clean coal power stations and realising the enormous benefits that could be gained by exporting to countries such as India and China.

Although new technologies and back-up services are the source of potentially huge numbers of new Welsh jobs, there are currently some 50,000 vacancies across Wales, because we do not have enough people with the right skills or because they are not being given the right support to fill the vacancies. We need to move tens of thousands more people off benefits and into work, tailoring support to their needs. Opportunities should be maximised by Jobcentre Plus in Wales and by the Welsh Assembly Government to match European convergence funding and to create many more new skills and job preparation schemes in west Wales and the valleys.

Despite having come down in the past few years, the level of economic inactivity is still far too high in Wales, reflecting the dismal heritage of the 1980s and 1990s, when the number of people on incapacity benefits more than trebled and mass unemployment was a curse. When I say that the majority of people on incapacity benefit could work, and should work, it is not an attack on them. It is an attack on an outdated system that deprives them of the opportunity to share in the rewards of work that go far beyond financial independence, important though that is. Work is inherently good for people of all ages. It is good for their health, good for families and good for communities.

Clearly, government at all levels will have to raise its game. Decisions need to be taken more quickly and the Government's streamlining of planning for infrastructure and energy projects is vital to overcome endemic nimbyism. This is certainly not about riding roughshod over local views, however. It is about grasping the nettle and acknowledging that strategic policies need to be implemented much more quickly if Wales is not to fall further behind.

Business also needs much smarter local government, modelled, I believe, on Neath Port Talbot council's record of excellence for quick decisions, implemented speedily. The culture of cautious conservatism that is so rife in Welsh public services—from the civil service to local councils—needs radical reform if we are to

[Mr. Hain]

build a truly competitive economy. As I know from working with them, there are many fine Welsh public servants, including in the Wales Office. But, for Wales to succeed, our risk-averse, can't-do culture must be replaced by a dynamic, can-do culture.

Wales continues to improve, but we cannot stand still. The alternative is to fall back. We must think and act globally, not merely nationally. We must be a small country with a big global vision. Using all our institutions and talents, we must make the most of new skills, new technologies and new opportunities. We must re-prioritise our public spending to prioritise sharp rather than soft services, favouring skills, technological innovation and business support rather than free schemes. We must also rapidly grow the private sector so that it overtakes the public sector in size and creates a vibrant, more balanced economy and an even brighter, stronger future for a Wales that is reaching up to be genuinely world class.

1.49 pm

Mr. Roger Williams (Brecon and Radnorshire) (LD): It is a great pleasure to debate Welsh issues in this Chamber—an opportunity that we too rarely have. May I also say what a pleasure it is to follow the right hon. Member for Neath (Mr. Hain) and to put on the record my appreciation of his helpful co-operation with me when he was in office? Today, he has demonstrated his great knowledge not only of the Welsh scene and the opportunities available to Wales and Welsh people, but of the potential impediments to the necessary developments. He is very realistic in his assessment, but he is nearly always optimistic for Wales—an approach that I greatly appreciate. The right hon. Gentleman will also be remembered for taking the devolution settlement in the right direction—perhaps not at the pace that some of us wanted, but certainly in the right direction. He will be well remembered for that.

I should also like to put on the record how much I and other hon. Members enjoyed the service in St. Mary Undercroft. It was a memorable experience, to which the contribution of the children has already been mentioned. I would also like to reflect a little on the homily preached by the archdeacon by saying how apt it is to celebrate the life of St. David and, indeed, to celebrate the Welsh nation on that special day. We should not be niggardly or parsimonious in our celebrations; we should be truly generous in pointing out that nationality is not just for our benefit, but something to share with others, including the United Kingdom and, indeed, farther and greater reaches across the world.

I welcomed the Secretary of State for Wales to his new post yesterday and I do so again. He has served in various positions in government with great distinction. I must, however, raise some concerns about his role. I have no doubt whatever that the Secretary of State will work with colleagues in Westminster and Cardiff on transferring legislative competence to the Assembly, but I expect Wales's representative in the Cabinet to be passionate about devolution and committed to extending the Assembly's role. The Secretary of State's views on devolution, however, are on the record and I find it difficult to believe that he will be able to reconcile his past comments with the changes that Liberal Democrats feel are necessary. The Government must do away with the halfway house that they have created, whereby Assembly Members have to come begging cap in hand for the power to make their own laws.

The Secretary of State has been keen to shake off his tag of being a devo-sceptic and prefers to call himself a devo-realist; well, here is a dose of realism for him. In the 10 years since Wales has had the Assembly a great deal has been achieved, often on a cross-party basis. Wales has rejected Labour's regressive top-up fee regime and has made bus travel free for the over-60s and the disabled. The Assembly has also made health spending a priority and has introduced a vital scheme to help Wales's post offices stay sustainable.

There are still many areas where the Assembly should be making decisions but cannot. For instance, Wales should be able to take a lead on combating climate change by developing its own immense natural resources of wave and wind power in order to provide clean renewable energy and by encouraging energy efficiency through setting better building standards and introducing smart metering. On large-scale energy projects, however, including new nuclear build, decisions still lie with the UK Government, not in Wales. Building regulations are also a reserved matter. It is frustrating because, with the right tools, Wales could become a Mecca for green energy.

As a realist, the Secretary of State should recognise that if the new devolution settlement works at the moment, it is built on shifting sands. There is a progressive consensus in Wales, but to protect it, the Secretary of State would do well to keep his eyes on what happens in Westminster.

Ian Lucas: I always listen very carefully to what the hon. Gentleman has to say and I know that he is a committed European. In an age where we are talking about the creation of a European energy policy and developing closer working relationships in respect of energy, does it really make sense to fracture UK energy policy?

Mr. Williams: I think that the hon. Gentleman has a different view of devolution from me. As far as I am concerned, devolution is not about separation and isolation, but about developing good practices wherever powers are devolved and sharing them with others, also building on their ambitions for that particular policy area.

Mr. Llwyd: Subsidiarity.

Mr. Williams: Absolutely.

Simon Hughes: My hon. Friend mentions the environmental agenda. Does he agree that one disappointing aspect of the Secretary of State's otherwise excellent speech was a failure to prioritise the environmental opportunities for Wales? Our mutual friend, Mick Bates, Welsh Assembly Member for Montgomeryshire, and others have made it absolutely clear that by building on the Centre for Alternative Technology, the Cardigan Bay project, the Severn barrage and so on, Wales could become an environmental leader in Europe, consistent with being in the UK. The potential is absolutely enormous, particularly if the Government and the Welsh Assembly Government, working in tandem with the private sector, give the necessary lead.

Mr. Williams: Absolutely. My hon. Friend makes a very good point. It is all about building up partnerships rather than acting in isolation.

Paul Flynn: Does the hon. Gentleman agree that Scotland has advanced further down the road of renewable energy than any other part of the UK, and that one of the reasons for that is that Scotland has taken its own decisions and is developing its own expertise?

Mr. Williams: I thank the hon. Gentleman for that point. Scotland has huge potential for hydroelectricity and has really built on it.

I was saying how important it is for the Secretary of State to pay attention to what happens in Westminster. Currently, the Governments in Westminster and in Cardiff can work as friends, but it is arrogant to assume that that will always be the case. We should make the devolution settlement as watertight as possible, so that the progressive work of the Assembly is not blocked by a hostile Government in London. As some London MPs keep telling us, if they had their way, the Assembly would not even exist.

Lembit Öpik: On the environment and devolution, does my hon. Friend agree with what my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) said—that Wales could be the environmental capital of Europe? One good test of the effectiveness of the devolution settlement is the extent to which the Assembly is able to generate that sort of image and reputation for Wales, not least because we have the Centre for Alternative Technology in Montgomeryshire to help guide and lead the way forward.

Mr. Williams: My hon. Friend makes a very good point. I am well aware of the important work going on in that centre, based in Machynlleth in his constituency. It has proved to be a leader in developing strategies for alternative technology and alternative energy sources.

Plaid Cymru and Labour have set up a convention to look at new powers for the Assembly, but we do not even know the terms of reference—

Mr. Llwyd: It has not been drafted yet.

Mr. Williams: I know. Exactly; that is my point: some are dragging their feet on this, while the people of Wales are keen to get on with it. Every time we have a poll and the people are asked whether they want the same powers as the Scottish Parliament, the answer is definitely yes.

Mr. Llwyd: As a member of this esteemed joint committee with the Labour party—I see some of the relevant Labour Members in their places—I can assure the hon. Gentleman that there has been no dragging of feet. We will be coming to a swift conclusion in the next few days. I hope that I have not said too much for our chairman.

Mr. Williams: That is really welcome news. I was going to say that they appear to be kicking the issue into the long grass, but perhaps the grass is not as long as I anticipated. Let us hope that they now find the ball and get up and run with it.

Ian Lucas: Is not the hon. Gentleman's real problem the fact that whenever the Liberal Democrats are in a position to go into partnership with someone, they do not really want to go into partnership with anyone?

Mr. Williams: We have been in partnership in government in Wales on one occasion and we are also leading three local authorities in Wales in partnership with others and running another as a minority administration. We have some experience of partnership—*[Interruption.]* Despite the comments of the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), I detect a note of caution in Plaid Cymru. At a press conference in Westminster a few weeks ago, the hon. Member for Meirionnydd Nant Conwy told journalists that he was content with the status quo—

Mr. Llwyd: No, I didn't.

Mr. Williams: —for the time being.

Mr. Llwyd: No, no. If I am to be misquoted, I think I should correct the misquotation. What I said was that I was not obsessed with referendums, and that our first priority was making the present system work properly.

Mr. Williams: I am all for making the present system work, but I am also all for changing it. We must make it work because it is the system that we have—

Simon Hughes: But we need a better one.

Mr. Williams: Absolutely. I still think that the hon. Member for Meirionnydd Nant Conwy is changing his mind a little.

Mr. Llwyd: No.

Mr. Williams: He is a little bit cautious.

Mr. Llwyd: No.

Mr. Williams: The hon. Gentleman and the Secretary of State are very distinguished politicians and very highly thought of, but they have become almost indistinguishable when it comes to a matter on which they would have crossed swords on other occasions.

Mr. Llwyd: The hon. Gentleman does not realise how offensive I find this!

Mr. Williams: Yes, I do. I am trying to be as offensive as possible. This development is probably a symptom of the growing co-operation between Labour and Plaid Cymru in the Assembly.

We do not even know—although we may benefit from a leak from the hon. Gentleman at some point—whether the convention will examine the unfair Barnett formula, which fails to reflect the far greater demand on Welsh public services. My guess is that it will not.

Mr. Llwyd: I should be surprised if it did, but one point of agreement between us and the Labour party is that there should be a review of the Barnett formula, and that is being worked on separately.

Mr. Williams: I am glad to hear it, even if the convention is not involved.

Ian Lucas: Will the hon. Gentleman give way?

Mr. Williams: I will give way once more.

Ian Lucas: In fact, the agreement is between the Labour Assembly group and the Plaid Cymru Assembly group.

Mr. Williams: We know that. What we are trying to do is tease out a bit of information. It seems to be in a black hole at the moment.

Lembit Öpik: Does not the piece of information that my hon. Friend has managed to tease out merely confound our understanding even further? I know that Plaid Cymru would like a change in the Barnett formula, but on not a single occasion have I heard a single Welsh Minister express agreement with that. Perhaps when the Under-Secretary of State winds up the debate he will tell us whether or not Welsh Ministers support their Welsh Labour colleagues, who presumably want the formula to be changed.

Mr. Williams: No doubt the Under-Secretary of State will devote a large proportion of his speech to the Barnett formula.

Because of the geography and demography of Wales, its public services are more expensive to deliver. As a number of Members have pointed out, the country still suffers from a legacy of ill health stemming from its industrial past. The position is simple: Wales has greater needs, and they will continue to be ignored and neglected for as long as the Government continue to use the discredited Barnett formula. It has short-changed Wales for ages, as even its creator Lord Barnett now recognises. We must draw a line under that old, backward-looking funding system, and look forward to a progressive and fair system that takes account of the needs of Wales. In fact, I believe that the Prime Minister is already turning his back on the Barnett formula. The Big Lottery Fund now uses a needs-based formula to distribute grants, which gives Wales a much higher level of funding.

Mr. Paul Murphy: Whatever the pros and cons of the Barnett system, does the hon. Gentleman not agree that a system that gives the people of England just over £6,000 a head and the people of Wales just over £7,000 a head is not a bad deal for the Welsh people?

Mr. Williams: I am glad that the Secretary of State is now engaging in the discussion. We have seen no such engagement before.

All we are seeking is a fair formula. We are quite prepared to embark on a needs-based formula and see what it delivers for Wales. We believe that it would give Wales a better deal, but we hear what the Secretary of State says.

Mrs. Gillan: As the hon. Gentleman is so determined to embark on a needs-based formula, can he give us his calculation of what it would deliver per head in Wales?

Mr. Williams: No, but we are committed to a fair process for the distribution of public money.

Simon Hughes: Across the United Kingdom.

Mr. Williams: Yes. We want fairness across the United Kingdom, not just fairness for Wales. *[Interruption.]* We shall see what happens. Let us engage in the debate. The Conservatives are not even prepared to do that. *[Interruption.]*

Madam Deputy Speaker: Order. Could the debate be conducted in the correct manner?

Mr. Williams: I am sorry, Madam Deputy Speaker.

Perhaps the leaders of all the Welsh parties at Westminster would like to join me in a round-table discussion of the Barnett formula and what can be done about it. Opening up the discussion might improve it.

Simon Hughes: Just to wrap up the issue, will my hon. Friend confirm that the Liberal Democrats agree that colleagues from England, Wales, Scotland and Northern Ireland should sit down with a blank sheet of paper and renegotiate, in order to produce a fair constitutional and financial settlement for the future that will be supported and credible?

Mr. Williams: Absolutely. Then people would know that the system was fair, and not an arbitrary process.

Welsh questions yesterday focused on cross-border health issues, which affect many of us on both sides of Offa's Dyke. We need to ensure not just that we have high-quality health care in Wales, but that our constituents can have treatment that is convenient for them. I greatly appreciated the Secretary of State's response yesterday, when I raised several cases with him.

We need to work closely with English hospitals. They rely on Welsh patients for sustainability, and if we work together we can safeguard services for people in rural areas on both sides of the border. Given that 14 per cent. of elective surgery in Hereford is performed on Welsh patients, we must work together to keep English border hospitals open and ensure that a service is provided for everyone. As I think will be clear from my earlier remarks, I am a passionate devolutionist, but that does not mean that we cannot co-operate for the good of our local communities. My Liberal Democrat colleagues in the Assembly have secured a debate on this important matter which will take place next week, and I hope that all parties both here and in Cardiff will work together to ensure that those vital cross-border health services are maintained.

During Prime Minister's questions yesterday I raised the issue of post offices, which is of concern to all Members but especially to those of us who represent rural areas. In such areas, post offices are much more than places where people can buy stamps. They provide a social service, and perform an important function in the community. I am particularly worried about possible closures of post offices that are also shops. In such cases, when the post office closes the community loses the shop as well.

Next week I shall find out which post offices in my constituency face closure. I await the news with some trepidation. I have always been slightly confused by the

process of setting an arbitrary figure for closures and then working out which post offices should be included in it. Given the rural nature of much of Wales, I should like to be reassured that we will not face more than our fair share of closures because of the nature of the closure programme.

I asked the Prime Minister about the possibility of a moratorium on post office closures so that local communities could use the powers in the Sustainable Communities Act 2007. The Act applies only to England, but there are other powers in the strategy developed by the Assembly Government. Those powers must be given time to work. People are fed up with being told what to do by bureaucrats sitting hundreds of miles away. The Government supported the new powers; if they really support local decision making, why do they not put their money where their mouth is and let the people decide?

Those same communities have also suffered badly in the past year from foot and mouth and bluetongue outbreaks. On foot and mouth, farmers will receive compensation from the Assembly Government, but the Assembly should receive compensation from the Westminster Government because it was an establishment licensed by DEFRA that allowed the outbreak in the first place.

Welsh farmers do not get a fair deal at the hands of supermarkets and we are pressing the Government to accept recent recommendations to create a food ombudsman and to ensure changes. Poverty is still a big issue in Wales, which still has the highest percentage of UK pensioners living in poverty. This is a scandalous problem that can be tackled only by giving pensioners a citizen's pension, access to free personal care and a system of benefits that properly reflects the rising cost of fuel.

Liberal Democrats will pursue these issues but we think that devolution is at their heart—giving the Welsh Assembly primary law-making powers so that it can address the issues directly in a method that is most appropriate to the situation in Wales.

2.11 pm

Dr. Hywel Francis (Aberavon) (Lab): May I first pay tribute to my right hon. Friend the Member for Neath (Mr. Hain), who was at one time my Member of Parliament? He has made, in the great tradition of this House, a fine speech, one that the people of Wales would be proud of, in the sense that he located Wales in a United Kingdom and an internationalist context. He has served Wales well as Secretary of State and has served democratic devolution well. I am sure that he will continue to do so in the future.

I also wish to pay tribute to my right hon. Friend the Secretary of State for his speech, which was as erudite, thought-provoking and challenging as his first speech as Secretary of State at the Welsh day debate on 2 March 2000. On that occasion, he developed a crucial theme that was projected by another fine son of the Monmouthshire valleys, Aneurin Bevan, in the very first Welsh day debate on 17 October 1944. In 1944, in 2000 and in 2008, that recurring theme is summed up in the words of Aneurin Bevan in 1944 about the inter-war years in the south Wales valleys:

> "Our problem was to try to get enough political leverage to secure attention for our difficulties."—[*Official Report*, 17 October 1944; Vol. 43, c. 2313.]

From the perspective of the Welsh Affairs Committee, which I have the privilege of chairing, I see that challenge of political leverage very clearly: what is the best political leverage that we can achieve for Wales today?

The Secretary of State argued in 2000 for a strategic partnership between Westminster and the Assembly, and he did so again today. In 2000, he was anticipating what the Prime Minister said recently about there being no Welsh-only, Scottish-only or English-only solution to our problems. The political leverage of 1944 has evolved into the strategic partnerships of today.

The Secretary of State placed great emphasis in 2000 on policies that delivered for the people and suggested that

> "if we fail the people, the democratic institutions that we cherish, and have only just established, will fail as well."—[*Official Report*, 2 March 2000; Vol. 345, c. 601.]

That is the theme that I wish to pursue today as the Chairman of the Committee: Wales as an historic nation and as, in the words of a Welsh politician in the 1990s, "an open region", looking outwards and seeking partnerships in the United Kingdom, in Europe and in the world, a global Wales rather than an introspective "fortress Wales."

I am very hopeful that the all-Wales convention under the chairmanship of Sir Emyr Jones-Parry will have that wider vision, too. I believe that the Secretary of State has a unique opportunity and role in this context, representing Wales in the Cabinet, in Westminster and in Whitehall, and representing those institutions in Wales. In chairing the British-Irish Council and the Cabinet committee on the English regions, he has a pivotal role in bringing together and making sense of the hitherto asymmetrical and fragmented devolution across the UK.

The Welsh Affairs Committee recently published its annual report. In many ways, it is a series of snapshots of the evolving devolutionary world. We continue to scrutinise the Secretary of State and the Wales Office and we look forward to him coming before us in the next month or so for that purpose. Through a series of inquiries, we scrutinise various Government Departments in respect of their policies as they affect Wales. Our major inquiry on globalisation and its impact on Wales, and our forthcoming cross-border inquiry focusing on health, education and transport will no doubt result in UK and Welsh Ministers appearing before us.

This is our principal preoccupation: an examination of how Wales relates to the rest of the UK and the rest of the world. We have nevertheless, under the Government of Wales Act, taken a new and additional responsibility of engaging in pre-legislative scrutiny, scrutinising legislative competence orders in council either jointly with Assembly Committees or on our own. We have already completed reports on additional learning needs and domiciliary care.

Much has been said, including today, about the process and some colleagues have rightly questioned the volume of work, the nature of the scrutiny and related issues. As Chairman of the Committee, all I would say is that we are in the very early stages of a new democratic

[Dr. Hywel Francis]

process. We welcome the opportunity of working from time to time with our Assembly colleagues and we will regularly review the process and the volume of work within it. I welcome the comments made by the Secretary of State earlier.

Mr. Roger Williams: Everyone in the Chamber values the work of the Committee but does the hon. Gentleman feel that the Committee will be able to provide full scrutiny of the legislation coming out of the Assembly, along with the valuable work that the Committee does in monitoring the work of the Wales Office and Welsh issues?

Dr. Francis: As someone said of the effects of the French revolution, "It is too early to say." That is all I wish to say at the moment. It is absolutely certain that our primary scrutiny role will be of UK Government Departments and their impact on Wales. That will be paramount to us and will continue to be so while I chair the Committee.

Our work in recent years on prisons, defence, police, globalisation and—under the wise chairmanship of my hon. Friend the Member for Clwyd, South (Mr. Jones)—on manufacturing and trade and on young people is testimony to the effectiveness of the work of the Committee. I thank Committee members, past and present, for that.

I am certain, too, that the forthcoming inquiry on cross-border issues will be of great value to the people of Wales. I pay tribute to my hon. Friend the Member for Wrexham (Ian Lucas) and others for raising the matter with us.

There is considerable interest in the forthcoming inquiry that begins on Tuesday, an interest that crosses the border. Many people in England as well as Wales are keenly looking forward to the inquiry. I ask hon. Members to consider just one aspect of the inquiry—health—and the number of policy issues that probably we will examine: different policy and performance management regimes and targets, different payment systems, prescription charges or the lack of them, resource allocation, differing attitudes to foundation hospitals. The list is endless. In that respect, the landmark agreement on 5 March between the Welsh Assembly and the west midlands, which deals with a range of public services, is welcome.

The dual challenge involves ensuring, first, that policies are not only different, but result in better services, and, secondly, coherence across the border through partnership in, for example, a national health service that seeks to achieve fairness and equality for everyone throughout the United Kingdom. Solutions that do not have that wider vision and that do not look beyond our borders are doomed to failure.

During our globalisation inquiry, it was evident that the challenges posed by economic inactivity, which has been mentioned, fuel poverty, skills enhancement, university research funding, carers' rights, combating xenophobia and racism, migrant labour and—this is the most important matter—war and peace cannot be addressed by Wales-only solutions. Many of us recently met young people from youth groups all over Wales and from ysgol gyfun Rhydywaun in the Cynon valley at Westminster. They made it clear that they inhabit global Wales rather than fortress Wales, and I felt that they are already good and active citizens of Wales, the United Kingdom and the world.

Sara Pickard from Mencap Cymru has thrown down a challenge to Welsh MPs. My hon. Friend the Member for Wrexham was present and listening attentively when she asked that question, which I will repeat today: what are Welsh MPs doing to help young people with learning difficulties obtain employment opportunities? Sara obviously feels that we must all work in partnership to support the vulnerable and marginalised in our society in order to provide a voice for them and to achieve justice.

Mr. Crabb: On supporting the marginalised and achieving justice, will the Welsh Affairs Committee Chairman explain why he put his name to the early-day motion supporting the serial human rights abuser Fidel Castro, who imprisons homosexuals, tortures political opponents and is guilty of summarily executing people?

Madam Deputy Speaker: Order. We are debating Welsh affairs.

Dr. Francis: I thank the hon. Gentleman for his intervention.

I thank my hon. Friend the Member for Caerphilly (Mr. David), who is not in his place at the moment, for organising that visit by young people. I also thank Sara Pickard, who is Mencap Cymru's partners in politics officer, for her excellent work across Wales—she is a fine ambassador for young people in Wales. Bodies such as Mencap Cymru and the Shaw Trust need to be encouraged to build partnerships with the Welsh Assembly Government and the United Kingdom Government in order to achieve their fine objectives.

The Secretary of State has emphasised the importance of partnerships. I want to draw hon. Members' attention to the work of my local authority, which is arguably the best in Wales, Labour-led Neath Port Talbot county borough council. It has recently attracted the establishment of a new Amazon distribution centre, which involves 1,200 jobs, encouraged the imaginative Prince's Trust Coed Darcy housing development and transformed the Afan valley into a major leisure and tourist destination, particularly in the case of the mountain bike centre at Glyncorrwg. Its strategic partnerships with the local health board, the voluntary sector, the Welsh Assembly Government, the UK Government and European bodies are paying rich dividends for local communities.

Today is about how we can best deliver a better tomorrow for the people of Wales. We can do so by deconstructing and reconstructing our historic nation to build a more open, tolerant, fulfilled and diverse society, valuing, as Aneurin Bevan said, our rich local life at the same time as a wide cosmopolitanism. Sixty years ago this year, Aneurin Bevan and a Labour Government created the national health service, which is arguably our greatest gift to the United Kingdom and the world.

Fifty years ago this year, Aneurin Bevan welcomed the great humanitarian Paul Robeson to the National Eisteddfod in his Ebbw Vale constituency. The all-Welsh rule was suspended to allow those two great

sons of Wales to speak at what Aneurin Bevan called "a monument to civilisation", the National Eisteddfod. Bevan and Robeson had a simple message: Wales is at its best when it speaks to the world and not to itself. They did that through their purposeful lives, and we honour their memory today, when Wales speaks through Westminster to the world. As the Archdeacon of Bangor, the venerable Meurig Llwyd Williams, said this morning in the fine St. David's day service, which has been mentioned several times, St. David's day is

"a time to dream of a better Wales within a liberated world".

2.27 pm

David T.C. Davies (Monmouth) (Con): I add my congratulations to the new Secretary of State for Wales, who will do his utmost to help people. However, he faces numerous challenges, partly as a result of the policies that his Government have enacted in the past 10 years.

The Secretary of State mentioned so-called second-class Members of Parliament. I believe that he is a Unionist and that his views and mine on the importance of Wales remaining an integral part of the United Kingdom are probably very close. However, I cannot see how it is possible to continue with the current arrangements whereby Welsh and Scottish Members vote on matters on which they do not have direct representation—they vote on the health service, education and local government in England. As a Unionist, surely the Secretary of State recognises that that is bound to cause enormous tension and is likely to lead to the further break-up and disintegration of the United Kingdom. Preventing Members of Parliament from voting on matters that affect other nations within the United Kingdom will give strength to the Union, which most Government Members and all Conservative Members support.

One of the first challenges created by this Government was the change to the funding formula for local authorities, which has left some local authorities much worse off. The changes were subtle, but the new formula for local government, which was set up by the Welsh Assembly, has channelled money away from rural local authorities into more urban ones. The methods were subtle but, for example, the weighting accorded to sparsity in the previous formula has been significantly reduced, and the manner in which sparsity is calculated has also been changed. Instead of considering how close a settlement is to the largest major town, the distance is calculated not by road but as the crow flies, which is disadvantageous in an area with lots of valleys.

The formula has also altered the emphasis placed on the number of elderly people in an area. Previously, the number of elderly people was accorded a large weighting, which is right because, unfortunately, as we get older we become more likely to require the services of our local authority. Any formula that does not give significant weighting to local authorities with large numbers of elderly people will be fundamentally flawed. Monmouthshire has many retired people, so we are suffering the effects of that. There is also a fundamental fault in the method used for calculating deprivation. It is arguable whether deprivation should be a factor in deciding how much money local authorities have, but if that is the case—and if it is given the emphasis that it is currently given—the method for calculating deprivation must be seen to be fair.

I believe that the fairest way is to look at the average household incomes of people in a given local authority area. This formula looks at how many people are claiming various different benefits. That is grossly unfair on places such as Monmouthshire, which has a high number of people working for low wages, often in tourism, as has been mentioned, or in agriculture, where many people might be earning less than the minimum wage. Yet under the local government funding formula, they are not calculated as being deprived in any way, even though they clearly are. Monmouthshire is not the great affluent place that many people think it is. In fact, the local authority area has two of the most deprived wards in Wales, and when I last checked, the average household income was only just over the average for the whole of Wales. I hope that this is one of the first issues the Secretary of State will tackle.

I also hope the Secretary of State will look at the planning laws, and that when he does so he will look at the planning authorities. There was a recent article in the *Western Mail* about the failings of the Brecon Beacons national park and, although I do not think that any politicians were quoted in the piece, in my experience the park has certainly been very slack indeed in replying to letters and it takes an arrogant and high-handed view towards Members who wish to question it about its planning policies.

Mr. Crabb: My hon. Friend is making an important point on national parks. Does he agree that one way to help them raise their game might be for them to become a little more democratic by having a proportion of their members directly elected by people living in the national park area?

David T.C. Davies: I agree with my hon. Friend. That is an excellent idea, and I hope we might look into it—perhaps the Secretary of State will take it up.

The health service has been mentioned. I realise that the Secretary of State does not have any direct control over the health service, although I rather wish he did as I think he would do a much better job than any of the Welsh Assembly Members who currently have influence in that area. If he talks to the Health Minister in the Welsh Assembly Government, I hope he will take the opportunity to raise the issue of Tarceva. A constituent of mine has terminal lung cancer. If he lived in Scotland, or even in parts of England, he would be eligible to receive the anti-cancer drug Tarceva. I am told that, because of a discount given by Roche, it would be no more expensive to offer that than to offer some of the existing treatments, yet he has been turned down simply because of his postcode—simply because he lives in Wales. Surely the Secretary of State agrees that that is completely unacceptable?

I hope that the Secretary of State will forgive me, but I will not be present for the wind-ups as I have a long-standing engagement with the Royal British Legion tonight, at which I shall talk about the military covenant. The armed forces are not a devolved matter, but I am sure he will take an interest in them in his role. In particular, I hope he will look at the Royal Monmouthshire Royal Engineers, who are based in the town of Monmouth. A number of people from that fine regiment have been sent to Iraq to help with the rebuilding of that country.

[David T.C. Davies]

I know that Members have different views about whether it was a good thing to go into Iraq. Regardless of that, I think we all respect those who have put on a uniform and decided to serve their country in whatever capacity they are asked, and I should add that most of the Royal Monmouthshire Royal Engineers officers are involved in rebuilding work, and they are doing a fine job. What is most outstanding about them is that they are all Territorial Army soldiers; they are not full-time soldiers, but civilians who leave their homes and families for six months to do this. Yet despite that enormous contribution, the Royal Monmouthshire Royal Engineers have been told that they can no longer recruit because of a cut to the TA funding budget across the whole of the United Kingdom. At a time when we have soldiers fighting a war on two fronts—in Afghanistan and in Iraq—and it appears that more Welsh soldiers might be asked to put their lives on the line in the former Yugoslavia, it is unfair that the Government are reducing funds to the TA. It is also worrying that it is difficult for a constituency Member to raise these matters directly with commanding officers as they are told not to discuss matters directly with Members of Parliament—in order to do that, they have to refer back to the Ministry of Defence and get all sorts of permissions, which can take a long time.

Mark Pritchard: I have just had the privilege of spending some time in Afghanistan, and the armed forces there told me that there is a shortage of engineers in Afghanistan, not only for reconstruction but for dealing with improvised explosive devices. Therefore, I am very concerned to hear that the Government are cutting back on those vital regiments.

David T.C. Davies: I thank my hon. Friend for that excellent intervention.

Another group of people who put on the uniform to serve their country are the police. I am glad to say that as far as I am aware there are as yet no plans to devolve Home Office matters to the Welsh Assembly. *[Interruption.]* No, not yet, and hopefully not for a very long time.

Lembit Öpik: I infer from the hon. Gentleman's comment that he does not want to see more devolution. If he were the Secretary of State, would he increase or decrease the powers of the Assembly?

David T.C. Davies: Well, I certainly would not increase them; that is a straight answer.

There has recently been much discussion of policing in this Chamber. The Flanagan report, which I hope will be implemented, has made many useful and worthwhile proposals that will get rid of some of the paperwork that police officers currently face. We do not have the same problems in Wales as inner-city London has, but we nevertheless have significant problems of disorder and antisocial behaviour, even in some of the market towns.

One such town is Abergavenny, which is not the sort of place one would expect large-scale disorder. Yet young people have come to me and said that other young people are making it impossible for them to walk the streets of Abergavenny in the evenings, and particularly at weekends. If the Secretary of State is ever passing through, I will be happy to show him the problems there. When I went out with the police in Abergavenny, I saw groups of 50 to 100 youngsters gathering on Cross street, with which I think the Secretary of State will be familiar, and intimidating passers-by, drinking cans of lager—even though most of them were under age—smoking and swearing. It was intimidating for elderly passers-by who wanted to enjoy a night out in Abergavenny and perhaps go to the local theatre.

Under current legislation, it is difficult for the police to deal with such behaviour. Even when people are breaking the law, the police are not necessarily able to arrest, stop and search or even process them. Often, all they can do is ask them to move on—if the right local authority orders are in place—or confiscate alcohol, or take people home if they are clearly inebriated. That needs to change. Some of the Flanagan report proposals will help the police. Certainly where they have grounds for stopping and searching, instead of having to fill out long forms I hope that they will be able to use video camera evidence or to radio through details to the control centre, rather than having to go through the stop-and-search forms. As the Secretary of State might know, I serve as a special constable, and I have done quite a lot of stop and searches.

The report says that it takes seven or eight minutes to fill in the forms, but my experience is that it takes much longer than that, because the person being stopped and searched often does not want to co-operate with the police. Outside Wales—I am thinking of London—people who are stopped often do not speak English, and although that is not their fault, it adds to the time it takes. Simple things such as inclement weather can also have an effect. When two police officers want to stop and search three people, it can take upwards of an hour simply to go through the forms and do the search—that is much longer than stated in the report. Anything that can be done to reduce that time will be welcome, although I appreciate what is contained in the report.

The report does not address two things. First, the Government announced that they would put in place an order to allow the police randomly to stop and search in areas where there is a threat of violence. Happily, we do not see such threats on a regular basis in Wales, but we can do, particularly at football matches. I am not clear how such a provision is any different from the section 60 powers that police already have.

Secondly, when the police stop someone for a minor offence but are not going to make an arrest, instead dealing with them either by process or words of guidance, they will find out who a person is and quite often establish that he or she has a recent criminal record for a violent offence or for carrying drugs or knives—they will be warned about that through their radios—yet that in itself will not be grounds to carry out a search. The police are often stopping known drug dealers and people who have recently used a firearm or a knife but are unable to carry out a search even when that person is breaking the law. With all due respect, I hope the Secretary of State will use whatever influence he has to see whether that law can be changed.

The Secretary of State will be aware that the Gwent area has a major problem with a lack of court facilities.

Newport has been promised a new courtroom for years, but it has not been delivered yet, and as a result additional pressure has been put on the courtroom in Abergavenny and, I imagine, on courtrooms in his area. People are not getting accessible justice. The hon. Member for Montgomeryshire (Lembit Öpik) has mentioned that he has encountered a similar problem in his area, too. I hope that the Secretary of State will use whatever influence he has to ensure that promises about new courtrooms with modern, up-to-date facilities are implemented.

Lembit Öpik: The hon. Gentleman is right. This is not a devolved responsibility, and I echo his comments because the fact that the promised courtrooms have not been constructed hinders the application of justice in Wales.

David T.C. Davies: I thank the hon. Gentleman. Following on from that, we must consider what happens to people who are going into the justice system and into prison. I do not believe that the figures bandied around are particularly accurate. The average figure for keeping someone in prison is much lower than people realise, because the figures generally used take into account the high cost of category A prisons. Nobody should put that into the cost considerations because, as far as I am aware, nobody—not even Liberal Democrats—thinks that people in category A prisons should be out and about on the loose. The actual cost of putting someone in prison is probably about £25,000 to £30,000 a year. One must remember that the vast majority of those entering the system are already on full benefits—they are rarely those working in nine-to-five jobs and paying taxes—so whether we like it or not, the net cost to the taxpayer is considerably less.

The Government should remember their own 2000 figure that crime costs £60 billion a year, yet we spend only £2 billion imprisoning people. Again on their figures—those of the Carter report in 2003—half that £60 billion cost is down to 100,000 people, of whom only 15,000 are in prison at any given time. Based on the Government's own figures, if the prison population were to be doubled, the extra cost to the taxpayer would be about £2 billion and the saving would be about £30 billion.

Clearly, I would not want people to be thrown into a Dickensian hell-hole—if any exists in the Prison Service; I have not seen any—but I would like more schemes of the sort that are used in Usk prison, in my constituency, that enable people to obtain vocational skills, which they can use when they leave prison. It is simply not possible to provide such skills in the space of a few months, because often the first thing that needs to be done is to address anger management problems, or alcohol and drug problems. People can then be taken into some form of educational process; it is not something that can be done in a matter of weeks or months, because it takes a year or two. I want a humane prison system that keeps people in for longer but treats them in a humane fashion and sends them out with the ability to live a law-abiding life.

Mark Pritchard: Does my hon. Friend agree that as well as providing humane conditions for prisoners, we need reasonable working conditions for the hard-working, dedicated and loyal prison staff? Because of the prison overcrowding crisis, there is an epidemic of assaults on prison staff.

David T.C. Davies: I agree, and I shall talk about that issue at greater length on another occasion.

The Secretary of State for Wales has a huge task ahead of him. I do not doubt his commitment to Wales, but I do doubt the commitment of his Government to change the policies that need changing in order to deliver on that commitment. I must remind him that if he is unable to make improvements, many Conservative candidates will be willing to do so after the next general election.

2.45 pm

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): I shall begin by congratulating my right hon. Friend the Member for Neath (Mr. Hain), although he is not in his place at the moment, on an excellent speech. I add my words to those of many Members on both sides of the House about the service that he has given to Wales and Northern Ireland, and to the people of the United Kingdom when he was Secretary of State for Work and Pensions. He clearly has not stopped working or thinking, and still has the same dynamism as he had in office.

I also welcome the new Secretary of State. He and I have worked together on several occasions in the past, and I know that everyone recognises his abilities. Everyone in the House has enormous respect for all the work that he has done in the past, and I look forward to working with him in the future.

The last time I spoke in a Welsh Affairs debate was from the Back Benches before the 1997 election. It is true to say that Wales has been transformed, and nowhere more so than my own constituency. West Wales had a reputation throughout the 1980s and through most of the 1990s as an economic blackspot. At times, it had some of the worst unemployment in the whole of the United Kingdom. Our services were not good and we were considered a peripheral area with poor communications. We also saw the erosion of the main pillars of our economy, because international changes were affecting us. For example, changes in agriculture saw more people leaving the industry as mechanisation was introduced. There was a squeeze in particular sectors, such as new potatoes, which faced competition from imports from Morocco and Egypt. The defence closure programme in the 1990s saw the then Conservative Government close several bases or radically reducing the number of staff. The energy industry also went through a period of severe contraction, which saw the closure of refineries, power stations and so on.

The last 10 years have seen a dramatic transformation. Instead of being at the bottom of the league in terms of employment, we are now close to the top. We have had a 65 per cent. reduction in unemployment and the investment in infrastructure—roads, new, refurbished and extended schools, and new and refurbished hospitals—has led to a dramatic change in public services in west Wales.

Lembit Öpik: The hon. Gentleman may be interested to learn that while average unemployment in the UK is 5.2 per cent., it is 5.4 per cent. in Wales. In west Wales and the valleys, it is 5.8 per cent. I know that those are not big differences, but they do show that Wales is slightly behind the UK average.

Nick Ainger: I refer specifically to my own constituency, where the fall in unemployment—according to the latest Library figures and the claimant count figures—makes us 11th out of 646 constituencies. We have seen tremendous improvement on unemployment and employment, and one reason has been the clear success in my constituency of objective 1 funding—now convergence funding. The county council, the Welsh Assembly Government and the private sector have worked well together on some significant investments. Not least of those is the Bluestone project, which I know my right hon. Friend the Member for Neath has visited and which has the potential to create 600 new jobs when it opens this summer.

My right hon. Friend the Member for Neath mentioned renewable energy. The technium in Pembroke Dock was created specifically to bring together the private sector and universities in Wales to develop renewable and alternative energy, develop new products, improve existing technologies and spin out companies into larger premises. I was at the technium last week, where Welsh energy sector training, or WEST—which brings together the private sector, universities such as Swansea university, Bangor university, the university of Glamorgan and the Welsh school of architecture—highlighted specific areas in which it thinks the private sector can become actively involved. WEST is also getting involved, rightly, in encouraging the private sector to expand training for technicians in installing renewable technology and so on, because we in Wales must address the skills gap. It is important to have technologists—not just graduates but people who have the hands-on skills required to develop a modern economy, particularly in renewable energy. We are trying to encourage people to install renewable energy in their homes, so it is important that we have qualified technologists to do so.

The hon. Member for Montgomeryshire (Lembit Öpik) said that Wales was becoming a capital for renewable energy development. In my constituency, apart from technium, a UK aerospace company in Pembroke Dock is building wind turbines on a smaller scale for domestic and small commercial use. The Bluestone project will be heated and powered by a miscanthus-fired boiler system which will heat the water world and provide 1.5 MW of power. It will be the biggest renewable-fired system in Wales, and will be considered as a pilot for other large projects.

We as a Government need to incentivise people to change their habits and make the investment needed in alternative energy and microgeneration. I am thinking of the experience in Germany in particular, where they have a feed-in tariff, and of the take-up there of photovoltaic energy, for example. Much of Germany's PV technology is manufactured in the constituency of my hon. Friend the Member for Wrexham (Ian Lucas); I have visited the Sharp factory. Sharp management say that Germany is their biggest market, because of the feed-in tariff. We as a Government must address that issue, so that we can incentivise people.

Mr. Crabb: The hon. Gentleman makes an important point about feed-in tariffs, but he should know that the Government have rejected them during the Energy Bill's passage through Parliament.

Nick Ainger: Absolutely, and I agree that they ought seriously to reconsider. Feed-in tariffs are a way to incentivise individuals to invest in renewables and give a faster return on investment.

Lembit Öpik: On that point, I tend to agree that rejecting feed-in tariffs was a mistake by the Government, but it is a reparable mistake, and I suspect that it can be repaired through lobbying. Does the hon. Gentleman agree that in order to make feed-in tariffs effective, we need smart meters? I submitted to the Secretary of State for Business, Enterprise and Regulatory Reform a strong rationale for introducing smart meters. Does the hon. Gentleman agree that we should be lobbying for them in Wales and throughout the UK?

Nick Ainger: I do not argue with the hon. Gentleman on that point. Let me turn to energy prices and their impact on my constituency, and the wider issue of fuel poverty. In 2004, Brent crude cost $30 a barrel, but today it costs just under $100 a barrel. That has affected more than just our industry. Given that the price of oil has more than doubled, it is remarkable how resilient our economy has been, but the effect on our domestic energy market has been quite dramatic. Production costs for crude oil have not changed much, so there has been a significant increase in oil companies' profits. The latest figures show that profits for Shell were $27.5 billion, for BP $16.2 billion, for Exxon Mobil $40 billion, and for Chevron $4.8 billion in the last quarter of 2007.

Energy suppliers' profits have increased significantly, too. British Gas's profits are up 40 per cent. at £1.9 billion, and National Power's profits are up 41 per cent. at £500 million. That high level of profitability has enabled huge investment in Pembrokeshire. Probably more than £1 billion has been invested in the two liquefied natural gas terminals in the constituency of the hon. Member for Preseli Pembrokeshire (Mr. Crabb), and there has been construction of a 120-mile high-pressure gas pipeline. That has undoubtedly brought local benefits. However, the real impact is on domestic bills. The average annual cost of gas has risen from £370 to £569—a 54 per cent. increase. Electricity prices are up 38 per cent. Heating oil prices more than doubled over the period in question, too. The effect has been an increase in fuel poverty.

My right hon. Friend the Member for Islwyn (Mr. Touhig) last night hosted a meeting with National Energy Action Cymru, which gave us some interesting information. There is no question but that the winter fuel allowance has been a huge success in addressing and reducing fuel poverty, but given the high price rises—it is unlikely that there will be significant falls—the number of people in fuel poverty in Wales is likely to increase substantially. It increased between 2004 and 2006 by over 100,000, and for every 10 per cent. rise in energy costs, 48,000 more people in Wales go into fuel poverty.

I agree with suggestions that the first thing that we should do is ensure that energy suppliers do not apply a surcharge to those who have prepayment meters. On average, people who use a prepayment meter pay £127 more than those who pay by direct debit, although they are among the poorest people. We should make sure that all the energy suppliers end that surcharge—that penalty on being poor in Wales and on using a prepayment meter. One supplier has already done so.

We should consider extending the winter fuel payment to those who are on benefits—who are in receipt of jobseeker's allowance or some sort of disability payment—

but are below the age of 60. Not many people know about the social tariff, but it enables people to get 20 per cent. off their energy bill—that is provided by the energy supplier—and free insulation on their property if they can show that they are vulnerable and in fuel poverty. What is preventing that from being rolled out to far more people is the reluctance to exchange information between the Department for Work and Pensions, local authorities and the energy suppliers. That must be addressed.

The excess profits being made by the oil industry and the energy suppliers could fund a national energy efficiency agency. If the income of the oil industry and the energy suppliers were top-sliced, that could be dedicated to making the existing housing stock fuel efficient, thereby tackling fuel poverty and climate change and developing fuel poverty payments.

One of the issues that concerns me greatly is that people, in many cases retired, who live in rural parts of Wales and are not connected to the gas supply are totally dependent on oil-fired central heating. As I said, the price of heating oil in the past four years has gone from 20p a litre to 42p a litre, or even higher. We have not seen a change in the winter fuel allowance. I believe that the oil industry has a moral duty to start a social tariff, in the same way as have the other energy suppliers, in order to address that problem.

3.1 pm

Mark Pritchard (The Wrekin) (Con): It is a great privilege to speak in my inaugural St. David's day debate. As a recent member of the Welsh Affairs Committee, it is a great privilege to have heard some of the speeches today. I have already learned a great deal. It could be asked why an English Member of Parliament is involved in a Welsh affairs debate. I have given part of the reason, by saying that I am a member of the Welsh Affairs Committee. I also spent five years of my childhood growing up in Wales, in the Afan valley in the constituency of Aberavon. It is a great privilege to serve on the Select Committee under the chairmanship of the hon. Member for Aberavon (Dr. Francis).

That was a wonderful place to grow up, many times playing soccer by the River Afan and having to chase the ball down the river at high speed. Eventually it would turn up 10 miles down the road in Neath. There are other great memories, such as those of camping in the summer months in the hills round about. Wales is a fabulous place. It is a wonder to go there every year for my summer holidays, and in the recent recess I spent three days in Aberdovey. I hope that the purchase of the Penhelig Arms hotel in Aberdovey by Brains Brewery will not change the quality of the output. Tourism is vital for the Welsh economy. We have heard today how manufacturing is decreasing in Wales, so a reliance on tourism and the softer service industries is very evident.

Ian Lucas: Manufacturing is alive, well and prospering in Wrexham, my constituency, and throughout north-east Wales.

Mark Pritchard: I am grateful for that intervention. I do not want to be partisan in this debate because I am a fan of Wales. I have just expressed that. However, we should be realistic. The global pressures recognised even by the hon. Gentleman's Prime Minister have meant that a million manufacturing jobs throughout the United Kingdom have been lost since 1997. To identify that is to put ourselves in a position to create, as a nation, a new employment strategy. It is a matter not of being critical, but of critical appreciation.

Manufacturing in Wales, as no doubt in the hon. Gentleman's constituency, is very much linked to the aerospace industry, and that is why I hope that the Airbus project, which is experiencing many delays at the moment, will move forward. It is critical not only for the hon. Gentleman's constituency, but for the west midlands and Shropshire, where many small and medium-sized businesses rely heavily on Airbus and other manufacturing industries supplying the airline industry.

Lembit Öpik: I lend my support to the hon. Gentleman's observation about the importance of tourism for Wales. Montgomeryshire is highly dependent on caravanning and on visitors to tourist attractions such as Lake Vyrnwy and walking in the mountains. If the hon. Gentleman is implying that we should be a bit more forceful in advertising Wales as a destination within the UK for holidays, I certainly agree with that sentiment.

Mark Pritchard: I am grateful for the hon. Gentleman's support. If someone has a fortnight's holiday, they should first stop in Shropshire, whose tourism campaign I support, and then spend the second week in Wales. That is a perfectly reasonable compromise. I have been to Lake Vyrnwy. It is a great bird-watching location that is funded by the Royal Society for the Protection of Birds, and it has a hotel that is undergoing major refurbishment as we speak.

Anne Main: I concur with the comments of the hon. Member for Montgomeryshire (Lembit Öpik). As I have said, I was born and brought up in Wales and lived around the Bristol area for quite some time. I used to be somewhat depressed when I heard people talk about going to see Roman remains to find that they were heading up the M4 to Bath instead of going over the bridge to Caerleon, which has one of the most fantastic sets of Roman remains and the most perfect amphitheatre in Europe, I believe. It is absolutely right that we have so many jewels in Wales to champion.

Mark Pritchard: My hon. Friend is absolutely right. Some say that the Romans did not get past the western borders of Shropshire, but they did venture further, and there are some excellent Roman remains in parts of Wales. However, to return to my earlier point, I suggest that visitors stop in Wroxeter in Shropshire in the constituency of my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) and then move on to the wonderful Roman sites in Wales. That is a perfectly reasonable proposition. My hon. Friend the Member for Clwyd, West (Mr. Jones) rightly said that the Government should be doing more to promote Wales as not only a sporting venue but a tourism venue as well.

We have even seen an example of Welsh culture subsiding in the Chamber today, and I am very sad about that. In my day in Wales, the men used to wear leeks, not daffodils, but I see no one in the Chamber who is wearing a leek today—apart from my hon. Friend the Member for Clwyd, West, who some may have spotted is wearing a wonderful leek tie. Of course,

[Mark Pritchard]

leeks and politicians do not usually gel well; they are not something that politicians like. But on the serious point, it would be nice to see some leeks next time round, and I will participate in that, along with the Chairman of the Welsh Affairs Committee. *[Interruption.]* I have just said that I am willing to do so; I did not wear my own leek today because I did not want to embarrass Members.

There is no doubt a correlation between the standard of public services in health in Wales and those in Shropshire, Herefordshire and Cheshire. That is why I welcome the cross-border inquiry of the Welsh Affairs Committee. The people of Wales, who are paying more taxes than they have ever done before, are entitled to a full NHS, not only in acute services but in primary care services as well. The people of Shropshire should not have their health strategy designed because of Wales's deficits and shortfalls, but should have a health service designed for the special needs of that large county. That is why I have concerns that unless the people of Shropshire and north Wales have been consulted on the agreement between the west midlands and the Welsh Assembly, there will be great concern on both sides of the border about any movement of services. The Robert Jones and Agnes Hunt Orthopaedic and District Hospital NHS Trust and the Shrewsbury and Telford Hospital NHS Trust need primarily to serve the populations around them. Yes, of course we want to share health services with Wales where possible. However, in Shropshire and the west midlands we cannot have a system designed for Wales when the majority of the services are meant to be delivered in England.

I touched on the issue of education earlier, during an intervention. It disturbs me that 16 schools in Wales are potentially subject to special measures and special interest from the chief inspector of schools for Wales; the number is double that of last year. I do not see that as progress. That is not a criticism of the hard-working, dedicated teaching staff of Wales, who do a wonderful job, but a recognition that teachers are being asked to do more with less. They are more often subject to bullying and harassment in the classroom and the Government need to take action. It is high time that the Government recognised the need to do what the Conservative party wants to do: provide a facility under which teachers accused, perhaps falsely, of bullying pupils are given protection until the case has been proven. It is important that in such circumstances teachers remain anonymous, so that their reputations are not ruined before their very eyes.

It is also concerning that the gap between the best and worst schools in Wales has increased—by 10 per cent. in the past year. That cannot be progress. Both Wales Office Ministers are decent men and I am not criticising them, but it is important to recognise the challenges, grapple with them and work closely with the Education Minister in Wales.

Defence, of course, is a key issue; I see the hon. Member for Vale of Glamorgan (John Smith) in his place. I am glad that the nation of Wales has for many hundreds of years contributed in a wonderful and heroic way to the work, activities and commitments of Her Majesty's armed forces. It continues to do so today. Last year I was in Iraq, and I was in Afghanistan only a few weeks ago. Wherever I go to meet the armed forces, I find the fine tradition of Welsh men and women playing their full part, and long may that continue. I pay tribute to them all.

The Governments in London and Wales have a real responsibility to ensure that veterans who leave Her Majesty's armed forces are cared for appropriately. I am privileged that the armed forces mental health charity Combat Stress has a treatment centre in Newport, Shropshire—not Newport, Wales. I have met former Welsh Guards who still suffer post-traumatic stress disorder from the conflict in the Falkland Islands. It is important that the Government do far more to provide mental health services, not only for those serving today but for those who will leave the armed forces in future.

We have heard today about policing and law and order. We can argue about whether crime is up or down in Wales, but we know from the Police Federation and their own articulation privately—and sometimes, bravely, publicly—that the police are burdened with paperwork and red tape as never before. We have heard from my hon. Friend the Member for Monmouth (David T.C. Davies), who has not only political but personal and professional experience, serving gallantly as a special constable. It is in the interests of Wales, of the Government and of every individual victim of crime that the paperwork be reduced so that police officers get back on the beat.

When the Labour Government were first elected, we heard about zero-tolerance policing. We do not hear that phrase any more; it has gone out of fashion. However, when we get down to the grass roots and basics of violent crime, we see that it starts at a very low level. If people think they can get away with low-level antisocial behaviour—so-called petty crime, noise nuisance, or whatever it may be—they graduate up to other crimes, and then graduate up again. The reason why we have a crisis in our prisons is that more and more people are committing crime—it is a bit of a no-brainer.

Given that the Government have decided, very belatedly, to build new prisons—I welcome that, although it is partly because they are trying to catch up, and it is unfortunately driven by criticism rather than by a prison strategy—I hope that we will see an end to early prisoner release. One could say that, in principle, there is a role within a reasonable criminal justice system for early prisoner release, with a normal probation board and Parole Board, and I would not argue with that. Unfortunately, however, many of the early release schemes that the Government have signed up to have been the result of the crisis in the prisons. Because there is no room in the prisons they are forced to release people early, and many of them, according to the Home Office's own statistics, go on to commit crime again. That cannot be a sensible criminal justice policy and it cannot be good for the people of Wales. I know that the Minister, being a reasonable man, will admit that that is the case, so let us have those prison places opened up as soon as possible.

As I said earlier, prison overcrowding has led to a large increase in assaults on prison staff. They are hard-working, dedicated public servants, and it is completely intolerable and unacceptable that they should have to suffer in this way just because of the Government's short-sightedness on these issues. Then

there is the knock-on effect on police cells in Wales. The hon. Member for Wrexham (Ian Lucas) will know that over the past year or so there has been a real problem with police cells being full in Wrexham, as well as in other parts of Wales, because there has been nowhere to take prisoners. I hope that the Minister will deal with those points.

While I am on the subject of Wrexham, which is a wonderful place, the cross-party effort to get the Wrexham-Shropshire-Marylebone direct rail link to London has been successful. That was a real victory, and I am grateful to the Secretary of State and the Minister; I also pay tribute to Transport Ministers. Shropshire now has a direct rail link to London, which is great—it is good for the people of Wales and good for the people of Shropshire. However, within the past few weeks Virgin Trains has announced that it is going to set up another London to Wrexham service via Chester. It is perplexing why Virgin Trains has suddenly shown an interest in having a direct rail link to Wrexham, and I hope that it will not, by design or by default, push out the new service that is coming through Shropshire. I understand competition—I do not have an issue with that—but there must be an holistic view of what is good for Wales.

As I am on transport, may I encourage the Secretary of State to have a meeting with Arriva Trains Wales, whose trains pass through Shropshire? There is no doubt that there is greater demand on the Welsh and the English sides of the border. It is a triumph for the Government that more people want to use public transport, but we are now seeing overcrowding on trains like nothing before, and there is sometimes a real health and safety risk. I have been on those trains—they are absolutely jam-packed, and if there was some sort of incident it would be very serious. I hope that the Minister will give a commitment to the House on that issue.

Wales has a bright future, but only if the Government invest in the health and education of the fine and upstanding people of Wales and allow them to go about their law-abiding duties without being intervened on by people who want to undermine their way of life.

3.19 pm

Mr. Don Touhig (Islwyn) (Lab/Co-op): Aneurin Bevan stood up in this Chamber on 17 October 1944, in the first ever Welsh day debate, and being a great socialist and internationalist, he declared that there are no Welsh problems, there are only problems. He was right. Speaking of the coal industry, which then employed tens of thousands of people throughout Wales, he said that there was

"no special Welsh solution for the Welsh coal industry which is not the solution for the whole mining industry of Great Britain"—[*Official Report*, 17 October 1944; Vol. 403, c. 2312.]

and again, he was right. Of course there are differences between Wales and the rest of Great Britain, especially on the rugby field. We showed that at Twickenham and Murrayfield. The fact is that we are simply the best. However, those minor differences pale into insignificance when we look at what we share in common with the rest of the Union.

In Wales, we face many challenges to improve our economy, educational opportunities, health care and transport, but those are not peculiarly Welsh issues requiring a Welsh-only solution. Only last Friday in this House, we took the historic step of giving Second Reading to a Bill that would secure equal treatment for agency workers. If that Bill gains Royal Assent and becomes law, it will address a scandal that exists throughout Britain. It will benefit the whole of Britain, and Wales as part of Britain.

It is false and pernicious to try to portray the interests of the Welsh people as different from the interests of English people, the Scots or the Irish. Many of the issues that we face are the same. Let us be proud of our Welsh culture, identity and language—proud, as I was today when the children from Ysgol Gymraeg Cwm Gwyddon in my constituency sang at the St David's day service here in Parliament.

However, in this second month of the new year, let us beware of the danger confronting us: the danger of entering a political cul-de-sac. The temptation is there to spend endless wasted hours on constitutional debate. The chattering classes, the crachach, who believe that they know best for Wales, swoon at the prospect of more powers for the National Assembly. Many in the media think that more powers for Cardiff is the story of the decade—tosh, rubbish. The real people of Wales, the werin, have no time for all of this, and I stand with them.

Disappointing as it may seem to some, more powers for politicians in Cardiff will not be the main topic of conversation in the Top club in Abercarn tomorrow night, or in any pub, club, church or chapel around Wales where Welshmen and women gather. They will talk about the economy, education, health and training, and it is to training that I want to devote most of my remarks. Before I do, however, I pay tribute to my right hon. Friend the Member for Neath (Mr. Hain), who is no longer in his place, for his excellent contribution to the debate today. I also warmly welcome my right hon. Friend the Secretary of State for Wales back to the Wales Office. It was a pleasure and an honour to serve with him when he was last there. I am pleased that his sound judgment, common sense and plain speaking will once again be heard at the Cabinet table.

The Secretary of State will face many difficult issues in the coming months, but I urge him not to be tempted, when he brings proposals for legislation to this House, to make it different simply for the sake of being different. We should make things better when we pass legislation to benefit Wales, but we should not make it different simply for the sake of it. Every step of the way, we must continue to ask ourselves, "Will this measure make life better for the Welsh people?" If the answer is a sincere yes, we should forge ahead. If it is no, we should drop it and pursue other avenues that will yield real change for the betterment of the people of Wales.

I passionately want our Government to succeed for the people of Britain, but I have to say that making things different in Wales in the past has been a barrier and has denied this left-of-centre Government an opportunity to benefit the people of Wales as they have benefited England.

Hywel Williams (Caernarfon) (PC): Would the right hon. Gentleman describe free prescriptions as a barrier to radical policies in Wales? They were introduced by the Welsh Assembly Government.

Mr. Touhig: They were introduced by the Labour party in Wales, as the hon. Gentleman knows.

We in Wales will face a danger in the coming year from an unhealthy dynamic in Welsh politics. It is a dynamic that is already leading us into a blind alley, which goes by the grand title of the constitutional convention. I am told that the Welsh Assembly is to set aside £500,000 for this self-indulgent, wasteful exercise in navel gazing. That pointless convention is supposed to test the waters to determine whether we should hold a referendum on more powers for Cardiff and when it can be won. I wonder whether the Assembly will make the same amount of public money available to those who want a referendum at a time when the Welsh people will say no to more powers in Cardiff. Perhaps my hon. Friend the Under-Secretary will enlighten us in his winding-up speech.

I can save the Assembly that £500,000; I can help them test the waters. I have a cunning plan. I will take the authors of the idea on a walk down Blackwood high street—or any high street in Wales—and ask people whether they believe that it is worth spending £500,000 on the convention. People will be amazed that we can find that money when there are far more pressing needs.

Wales spends less per head on educating our children than England spends. People will think that we should close that gap. We spend far less than England on further education, and people will think that we should close that gap. Waiting lists for hospital admissions in Wales are longer than those in England. People will think that we should close that gap, too. On top of that, incomes in Wales are lower than elsewhere in Britain and much of Europe. People will certainly think that we should close that gap.

West Wales and the valleys, thanks to the Labour Government, obtained European objective 1 moneys because our income levels were lower than those in the rest of Britain and Europe. However, after six years of that funding, we must ask whether our income levels are any better now. The answer is that they have changed little, and continue to lag behind the rest of the United Kingdom.

So far, to a great extent, objective 1 has been a lost opportunity. The Irish used objective 1 money to upskill their work force and have gone on to become the tiger economy of Europe. We should follow their lead, but we do not. A look through the Welsh European Funding Office list of the largest objective 1 projects shows that the money has been used for agricultural food processing, tourism promotion, and a Royal Society for the Protection of Birds scheme called, "Aren't Welsh Birds Brilliant!" I have no doubt that those are worthy causes, and I do not want to denigrate them, but are we seriously saying that they are priorities for investing the European money that we have won for Wales?

Furthermore, the administration of objective 1 has been a bureaucratic nightmare, bound up in red tape. Only yesterday, the Welsh Local Government Association expressed frustration that, after 15 months of the new European structural fund programme, so little progress has been made.

Mr. Llwyd: Who has been in charge of the programme for the past six years?

Mr. Touhig: The hon. Gentleman is aware of my views on those matters. Those responsible in the Assembly have taken their eye off the ball. Objective 1, and the convergence fund that has now replaced it, should be about increasing income levels and raising the standard of living. To do that, it should be used for upskilling and training above all else.

Cicero said:

"The good of the people is the chief law."

I believe in that. For me, politics should be about the common good, not responding to greed, selfishness and narrow personal interests. This great Labour party stands for social justice, fairness and equality of opportunity. In the past 10 years, the Government have brought great achievements to fruition. There are more people in work, a record amount of new jobs has been created, and full employment is a near reality. Our economy is strong, our people are more prosperous, and investment in health and education is at record levels. We have a solid base on which to build.

However, our economic future will be secure only if we invest in training and upskilling our people. We need to give the people of Wales the skills that they do not yet have in order to create the jobs that we do not yet have. Wales in the 21st century can become the dragon economy of Europe. When Labour came to power, at the start of the journey to reform Britain more than a decade ago, Tony Blair declared that his priority was education, education, education. He was right, but now we must take the next step. Now our priority should be training, training, training. Everyone will have to go back to school to improve their skills.

When my father went underground at the age of 14, it was the muscles in his arms that he needed to develop. My twin granddaughters, now aged 14, must develop the muscles between their ears if they want to get the right knowledge and skills to have a future.

The great challenges that we face in the coming years are not Welsh but global. We are part of a world in which powerful new economies such as China and India will challenge and overtake Europe and the United States. China enrolled 15 million students in tertiary education in 2004, but there the average industrial wage is but 60p an hour. Wales—and, for that matter, Britain—cannot compete if we remain a low-skill, low-wage economy. The only way we will compete is by retraining and upskilling. We have to keep ahead with new and innovative ideas, which we can fully exploit only if we have the skills to do so.

The challenge to Wales will be all the greater because we are on the edge of Europe geographically, but we can be at the heart of Europe economically. There are some in other parties in the House who will happily mislead the people by saying that Labour is interested only in middle England. When I first heard that I wondered how the hopes and aspirations of people in middle England were different from those of people in Islwyn, for example, so I did some research. I did not find much difference. In fact, I discovered that people in middle England want a job and a decent education for their children. The people of Islwyn want that as well. People in middle England want a first-class health

service free at the point of need. People in Islwyn want that, too. In middle England, people want good public services to take care of them and a decent pension to live on in old age. Funnily enough, I found that people in Islwyn want exactly the same thing.

Hywel Williams: Will the right hon. Gentleman give way?

Mr. Touhig: I will not, because I am short of time, as I am sure the hon. Gentleman will understand.

Those who claim that we in Wales are so different from those in England that our future must be as an independent country in Europe often point to Ireland, Belgium, and Holland, but they are misguided. They fail to remind us that those independent countries are now part of a greater Europe, sharing decision making and law making, and common goals and objectives. Countries such as Ireland, Belgium and Holland want to be part of an ever-growing Union; they do not want to secede from one. There is no logic in having Wales leave the United Kingdom, one of the big players on the European stage, to stand alone as a minor player with very little voice and even less bargaining power. That would be tantamount to the emasculation of Wales.

The separatists would have Wales end its long marriage with England only to enter a polygamous marriage with half of Europe in a Union that would include England. Are they really serious? If this were an Alan Bennett play or a Brian Rix farce, the men in white coats would be coming on stage now. I am proud to be Welsh, but separatism is nonsense. I want a Wales that is at the heart of Britain and a Britain that is at the heart of Europe.

Wales can and should have the ambition to be an economic powerhouse within the Union of Great Britain. However, to achieve that ambition we must face up to the challenge of creating a work force who are trained and equipped with all the skills necessary to compete on the global stage. No one who leaves education today, in Wales or anywhere else in Britain, can expect to have a job for life. Everyone will have to retrain and reskill throughout their working lives. No one should be left at home, existing on benefits, if they can work, retrain and upskill to get a job.

The bread and butter issues facing us in Wales and throughout Britain do not involve constitutional tinkering. The bread and butter issues are the economy, jobs, education, training, health, pensions and transport. Those are the issues that concern the people who send us to Westminster. Skills are the key to those issues. If we want the money to invest in education, training and so on, we must first get the jobs. To get the jobs, we have to invest in upskilling our people. Then they will get the jobs to pay the taxes and we will be able to invest in all the good public services that we want in our country. A highly skilled, highly paid work force will close the income gap and objective 1 will then be a resounding success.

The challenge facing the Government, as they work in partnership with our friends and colleagues in the National Assembly for Wales, is to ensure that every penny of objective 1 money and transitional funding currently left unspent is dedicated entirely to upskilling our people and providing them with new skills and new training. That is the challenge that we face. My plea to those on the Treasury Bench is simply this: do not let us down.

3.34 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I should like to add my voice to those of hon. Members who have welcomed the re-appointment of the Secretary of State. I congratulate him, and I am sure that he will do very well in the post. May I also unreservedly apologise to him for the slur cast by the hon. Member for Brecon and Radnorshire (Mr. Williams), who implied that the Secretary of State and I were converging politically? That will undoubtedly be damaging to him, but I hope that it causes him less anxiety than it might just cause me. Apart from the skilling bit, I disagreed with everything the right hon. Member for Islwyn (Mr. Touhig) said. He was meticulous, however, in the way he put his speech over. I noted much of what was said by the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger), and I thought that he made an interesting contribution.

I am not going to talk Wales down. That has already been done by the right hon. Member for Islwyn. There are problems in Wales, but I am not saying that all is bad. There is less unemployment than there was, by a long chalk. The trouble is, however, that wages are low. We need to upgrade and upskill, as the right hon. Gentleman rightly said, in order to succeed. Emphasis will no doubt be placed on that in the coming months and years. I do not share the right hon. Gentleman's view that the objective 1 money has been a complete waste, but it has not been put to good use. It could have been used better.

Mr. Touhig: I was not suggesting for one moment that it was a complete waste. I said I was concerned that it had not been used, as it could have been, to give people the skills they need in order to close the income gap that concerns us all.

Mr. Llwyd: In that case, I agree fully with the right hon. Gentleman and I apologise for misinterpreting what he said.

We also have the rather bizarre problem of the Department for Work and Pensions job cuts on the horizon. There are now 32 towns in Wales that no longer have a DWP office. A large number of jobs have already gone, and 28 of the 33 proposed closures are in the objective 1 area. This is part of the debate that we have just had on upskilling and our gross domestic product. These are big problems. The right hon. Gentleman asked what was different about Wales. This is different: no matter how many times we shout about the problems caused by job cuts in objective 1 areas, nobody takes a blind bit of notice and the cuts go ahead. That is one difference.

The job cuts at HMRC are expected to result in the closure of a further 14 offices, with 750 job losses in Wales, 550 of which will be in the objective 1 area. How can we possibly say that we want to raise the GDP or the gross value added in the objective 1 area if this is happening? Those are good, steady jobs—even if they are not hugely well paid—yet they are disappearing.

[Mr. Llwyd]

Hundreds of them are going, including 35 in Porthmadog and 50 in Bangor. Some of them will undoubtedly involve voluntary redundancy, but a great deal of damage will none the less be done to the economy in various parts of the objective 1 area of Wales. If we look at the map, we see that the job cuts come within the arc of the objective 1 area. I am extremely disappointed that that is so.

Jeff Evans of the Public and Commercial Services Union in Wales has said:

"Wages in Wales are, on average, 13 per cent. lower than the British average. Any reliance on market forces to determine regional public sector pay rates would disadvantage Welsh workers."

Albert Owen: The hon. Gentleman knows that there is much cross-party opposition to the closure of DWP offices in western Wales. Another possible threat to jobs is likely to be caused by the merger of national health service trusts in north Wales. I am afraid that that proposal is backed by the leader of Plaid Cymru in Wales, who believes that they positively should merge. The merger would result in a drift of jobs eastwards from north-west Wales from the trust that covers the hon. Gentleman's constituency and mine. Does he agree that we need to be consistent on this issue, and that we need to fight at all levels to keep highly paid, highly skilled jobs in north-west Wales and in the objective 1 area?

Mr. Llwyd: Of course I agree with the hon. Gentleman and make no bones about that, but I am addressing another subject. I hope he agrees with what I am saying about that, as I agree with him on this. Our priority for that part of Wales is to ensure that the economy is as buoyant as it possibly can be and the main ingredient clearly must be well-paid jobs.

I met the Secretary of State to discuss these matters on 6 February; in fairness, he pledged that he would take them up with ministerial colleagues. I have no doubt that he will do so, but when the Under-Secretary winds up the debate, perhaps he will tell us whether there is any good news yet. I certainly know the right hon. Gentleman well enough to know that if he says he will discuss the matter, he will.

Today, however, we hear that Driver and Vehicle Licensing Agency staff in Swansea have discovered that they are grossly underpaid in comparison with their colleagues in England. That, I am afraid, is another reason why Wales is different. DVLA workers in Swansea are paid £15,725 in comparison with £18,050 with workers over the border—not in London, but just over the border. The total saving to the Exchequer from that is £17 million—money saved by underpaying hard workers down in Swansea. As Sian Wiblin of the Public and Commercial Services Union said:

"The situation of the DVLA staff highlights the madness of civil service pay arrangements which fail to provide adequate rewards to thousands of hard-working public servants."

I strongly believe that that must be reversed. We must not allow regional pay to dominate; if it does, we shall never get anything real out of objective 1. If we are not very careful, we will unfortunately become a sweat shop economy. I am sure that no one in the House or outside it would like that.

Let me cite the editorial comment in today's edition of the *Western Mail*:

"Paying less in Objective One areas would also defy the logic of that EU designation."

It goes on to say that the objective 1 money is meant

"to kick start economic growth. But GDP levels will never go up if regional pay becomes the norm. On a related matter, the plans to cut public sector jobs—at HMRC and the Department for Work and Pensions —in Objective One areas suggest one arm of the Government isn't aware what another is doing. What is the point of trying to bring jobs to West Wales and the Valleys through one government scheme and taking them away with another?"

Clearly, that is nonsense, so I hope that at some point Ministers will make strong representations to their colleagues because, as the *Western Mail* says, this is a step backwards at a time when Wales is striving to become a dynamic modern economy. As the paper concludes:

"It's an idea that should be stopped in its tracks."

There are many dynamic aspects of Wales today. We have already talked about the university sector. I am playing a small part in bringing industry into proper negotiation and partnership with Bangor university, and I am proud that other universities in Wales are doing the same. We have referred to the great honour bestowed on Cardiff for its two Nobel prize winners. There is no doubt that we are doing well and I am not talking the country down, but there are problems. They are man-made and they can be dealt with. If we can use objective 1 money to create a better economy, we can ensure that that happens without doing anything to damage the economy. Otherwise, we are all wasting our time.

I want to mention the issue of compensation for foot and mouth disease. Reference was made earlier to the somewhat cynical way in which mention of compensation for Wales was included in the first draft of a speech, but disappeared the following week when it became clear that no election was going to be called. Last week, the Minister Elin Jones announced an £8.8 million compensation package for sheep farmers in respect of the outbreak of foot and mouth in England last year. That is welcome, although Brynle Williams, representing the Conservatives in the Assembly, said that it somehow underpaid the farmers, selling them short. If he paused for thought, even he might realise that £12.5 million paid in England and £8.8 million paid in Wales is not too bad a comparative figure, especially when it comes from a budget rather than from the Treasury. Of course, we all know that the Government were directly responsible for the outbreak in the first place. Common sense dictates that the Government should have bailed Wales out, but in any event the money was found, and although I do not suggest it is a silver bullet that will immediately deal with all the problems, it will go some way towards dealing with them.

Mr. Roger Williams: As I said in my speech, the outbreak can be attributed directly to the Government because they were the licensing authority of the establishment that caused it. Has the Assembly made representations to the Treasury, and should not representations be made from here as well?

Mr. Llwyd: I have spoken to the Secretary of State about the matter, and I know that the Minister has been to see him about it. It has been raised on a cross-party basis. This is another instance of Wales being slightly different: we were not bailed out when we should have been, although the Treasury bailed out our counterparts in England.

Finally, let me deal with the thorny issue of post office closures in Wales. A huge number of post offices have disappeared over the past couple of years, and it would be awful if we lost any more. As we know, post offices are a focal point for communities. I live in a village that contains one post office, which is also the village shop. The village is 5 miles from the nearest town, and although I have a car and can drive, other people are unable to make the journey. I believe passionately that we should halt the closure process.

According to the New Economics Foundation, on average a post office contributes £310,000 to the local economy each year—although obviously that does not apply to the one in my village—and £120,000 is spent directly on local goods and services. Each post office saves small businesses in its vicinity about £270,000. In deprived urban areas, 61 per cent. of customers use their post offices to gain access to free community services, while 69 per cent. do so in rural areas. About 75 per cent. of post offices have a shop or other business attached to them, and are the only places where local people can withdraw cash.

In March 2001 there were 1,399 post offices operating in Wales. By March 2007 there were only 1,146, 18 per cent. having disappeared. Of those closures, 127 were part of the urban reinvention programme: urban sub-postmasters were paid compensation for closing their businesses in a so-called rationalisation of the post office structure in urban areas.

Albert Owen: Will the hon. Gentleman give way?

Mr. Llwyd: I have little time, but I will give way briefly.

Albert Owen: As the hon. Gentleman will know, I am a co-sponsor—with my right hon. Friend the Member for Islwyn (Mr. Touhig)—of early-day motion 1054, which calls for a halt to the closure programme and also for the generation of new business. Could we not jointly lobby local authorities about payment of council tax through the post office network?

Mr. Llwyd: I entirely agree. I also think that, as some council offices are having to close, a small amount could be paid to a post office to function as a one-stop shop providing information. I assure the hon. Gentleman that we will work as vigorously as we can on a cross-party basis.

We should ask whether the Government can reverse the policy on television and road fund licences, benefit payments and so forth. As we know, the Post Office card account may or may not still be with us in years to come. There are problems ahead, and although they are avoidable, they are likely to hit Wales far harder than other parts of the United Kingdom because of the nature of the country. It contains some deprived urban areas but also semi-rural valleys, and large parts of it are rural. I hope that the Government will think again. I know that all Members, including Ministers, will be concerned about what is happening in their localities. On 28 January last month, the Secretary of State himself said in *The Daily Telegraph:*

> "Where there are large numbers of people who rely on the Post Office, or where transport to other offices is difficult, the Post Office need to think carefully about the impact of their plans…they are important to communities and to those who use them, especially older people and those who don't own a car."

Finally, the right hon. Member for Cardiff, South and Penarth (Alun Michael), who apparently succeeded in rescuing one of his post offices, said:

> "We presented a dossier…this is a victory for common sense."

That implies that there is not much sense in the Government policy. There was not much sense in voting for it in the first place and then complaining, either. These issues will be with us for months to come and there is a cross-party consensus on some of them.

I am not whingeing here today; there are a lot of good things about Wales. There is a great deal of inward investment, we have fantastic universities, we have innovative young people, and we are set for clean energy. We have several things on the horizon but they could be better. I am afraid that some of the problems are man-made, and made by this place. They must be reversed.

3.51 pm

Ian Lucas (Wrexham) (Lab): May I take the opportunity, like many others today, to pay tribute to the work of the former Secretary of State, my right hon. Friend the Member for Neath (Mr. Hain), who worked assiduously for Wales? We have had the odd policy disagreement from time to time, but he has always worked with patience and good humour and he is one of the best political campaigners I have ever come across. Wales is fortunate indeed in having my right hon. Friend the Member for Torfaen (Mr. Murphy) as his successor. His political skills are respected in all parts of the House. He also agrees with me that what matters most to the people we are sent here to represent are the services that Government help to provide to those constituents. For that reason, I intend to concentrate on the delivery of public services in one form or another today.

If there is a big political issue in Wrexham, my constituents get in touch with me. I hear about it from them pretty quickly and their strength of feeling is apparent. I recall that one such issue was the Government's ill-fated proposal for a single police force for Wales, a policy that was strongly opposed by Labour MPs in north Wales who, I believe, had a major effect upon the eventual decision.

Another such issue is the delivery of specialist services in our NHS. Before I came to this place, I worked as a non-executive director at the Robert Jones and Agnes Hunt orthopaedic and district hospital at Gobowen in Shropshire, which has been referred to today. Within that hospital is the Midlands and North Wales centre for spinal injuries, headed by my very good friend Mr. Wagih El Masry, a consultant who, with his colleagues, achieves miraculous recoveries for many people who suffer catastrophic injuries in accidents. His skills have been developed over decades and are shared in only eight other centres in the UK.

[Ian Lucas]

There is no comparable centre in north Wales. I have constituents who are walking today only because of the skill of the staff there.

We all value medical services that are close to our homes but we understand that specialist skills can be developed only in specialist centres. Increasingly, the requirements of Royal Colleges dictate that those skills be delivered only in specialist centres. My constituents understand this and no constituent has contacted me to ask that those services should be delivered only in Wrexham. On the other hand, I have been contacted by constituents who are concerned that specialist services may be withdrawn from them because those services are based in England. I have heard from Wrexham residents who were treated at Broadgreen in Liverpool for heart surgery—

Hywel Williams: Will the hon. Gentleman identify anybody, anywhere who has said that services in Shropshire should be moved to Wrexham?

Ian Lucas: I understand why a separatist party would require services that are currently delivered from England to Wales to be delivered only in Wales. The fallacy of the Plaid Cymru position is that it pretends that services currently delivered by specialist centres in England would continue to be delivered in an independent Wales. I have heard from Wrexham residents who have been treated at Broadgreen in Liverpool for heart surgery, at Christie hospital in Manchester for cancer, at Alder Hey in Liverpool for children's services or at Walton for neurosurgery. They are concerned that patients may be denied access to those centres of excellence simply because those centres are in England. I have been comforted by assurances given by the Minister for Health and Social Services in the Welsh Assembly Government, but we must assert the value of a national health service delivered across the UK.

Mr. David Jones (Clwyd, West) (C[illegible]): The hon. Gentleman has mentioned the Minister for Health and Social Services in the Welsh Assembly Government. Did that Minister not preside over the proposal to require neurosurgery patients in north Wales to travel to Cardiff or Swansea for treatment and elective surgery, rather than to the Walton centre, which is currently the case? Is it not a Labour Minister who introduced that policy?

Ian Lucas: The Minister denies that she ever said that. Intervention by Labour Assembly Members and Members of Parliament in north Wales has clarified the position. Later, I will discuss the Conservative position, which will be interesting for my constituents to learn.

I have also heard concerns about the role of Health Commission Wales, which is responsible for determining specialist services and access to specialist services. Those concerns have also been recognised by the Welsh Assembly Government, who are conducting an inquiry into that body. As the hon. Member for Clwyd, West (Mr. Jones) said yesterday at Welsh questions, the Muscular Dystrophy Campaign has expressed its concerns about difficulties in securing access to treatment for individuals for services based in England. We must recognise that our system of health care is not separate from that in England and that we have a devolved system. We must develop working protocols to facilitate access to health care on the basis of need, when such care is best delivered across the border. Sometimes such protocols will be complex, but it will not be impossible.

We must also address the issue of a postcode lottery within the NHS. That involves more than Wales having different policies from England, because different primary care trusts in England have different policies. We need a policy across our national health service that the prescription of drugs for serious conditions and the treatment of serious conditions should be determined on a UK-wide basis, and such a policy should be agreed by the Labour party in all parts of the United Kingdom.

Another policy area also requires a UK-wide approach. The issue was apparent in the previous Parliament, and it will be much discussed in the years to come. At present, however, this is the calm before the storm. In 2009, the UK Government are committed to reviewing the impact of the Higher Education Act 2004, which introduced variable tuition fees for England and devolved higher education funding to Wales. I opposed the measure at the time, because I am against variable tuition fees and because the higher education system in Wales is too small to operate without regard to the system in England. That is the matter on which I fundamentally disagreed with my right hon. Friend the Member for Neath.

The system of student finance in the United Kingdom is hugely complex. In fact, it is more accurate to say that we have three separate systems for Wales, for England and for Scotland. For a student from Wales, the Welsh Assembly Government will pay the difference between the basic tuition fee and the increased fee permitted under the Higher Education Act 2004. It is therefore cheaper for a student from Wales to attend a university in Wales than one in England. I object to this policy in principle. It limits student choice, and it discourages students from choosing a course on the basis of which university and course is best for them. *[Interruption.]* Is the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) indicating from a sedentary position that he is in favour of limiting the access of students from Wales to universities in England and Scotland? If so, that is interesting. I believe, on the contrary, that education is about broadening the mind, not narrowing it.

Devolution of higher education funding to Wales was based on a false premise. Interestingly, it was repeated by the right hon. and learned Member for Rushcliffe (Mr. Clarke) in evidence he recently gave to the Justice Committee—he was discussing tuition fees, although he was referring to Scotland at the time. The false premise is that it is possible to have separate higher education systems in the different nations of the United Kingdom. The right hon. and learned Gentleman offered the following example. He said that Scottish Members voted in the tuition fees debate and the Bill was carried only because of their votes, and he maintained that they were not affected by the introduction of that legislation relating to England. That is simply not correct, as what happens to the university sector in England is of profound consequence to the university sector in Scotland—that is currently a matter of great debate in Scotland. Equally, there is great concern within the higher education sector

in Wales that it will receive less finance in future because of the funding system in Wales and the fact that its funding might not be the same as that provided in England.

In 2009, the review to be instituted under the assurances given when the Higher Education Act 2004 was debated will begin. At that time, consideration will be given as to whether to raise the current cap of £3,000. If it is raised—let us say, for argument's sake, to £5,000—there will be a further shortfall in the funding for Welsh higher education institutions, which the Welsh Assembly Government will need to fill if they are to maintain their policy. That is the train that is coming down the tracks but which everyone is ignoring at present. It is an issue of profound consequence not only to the higher education sector, but to Wales as a country and to the future of Wales. As we have heard, it is important that education and training is at the heart of what Wales will be about over the next few years, because if it is not we will be unable to compete with the developing economies in the rest of the world.

Mark Pritchard: Does the hon. Gentleman agree that this might provide as many opportunities as challenges? He will know that Harper Adams university college in my constituency—an agricultural university—draws in students from Wales and England. Is there not an opportunity for institutions such as Aberystwyth and Harper Adams to collaborate?

Ian Lucas: I cannot comment on the working arrangements of institutions that are some distance apart. I will leave it up to the hon. Gentleman to make his representations on that in due course.

We need to begin to look at the issue of higher education funding in Wales. I believe we should have a British system of higher education funding, and that the correct system for Wales, Scotland, England and Northern Ireland is the graduate tax. I have always favoured that, as I believe that students should make a contribution to their later wealth, that that should be paid at a time when they can afford it, and that it should be linked to their income when they are earning and not to the course they pursue. The graduate tax is a solution that would enhance access to education and links within the United Kingdom, and it would be a British policy of which we could be proud. When we approach the review in 2009, we should put the proposal on the table because higher education institutions in Wales need to know and feel secure about their future funding. They have big investment decisions to make. If they are to base their future position on planned investment, the issue will need to be addressed soon.

I should like to say a word about the Conservative position on cross-border services. I know that the hon. Member for Clwyd, West has been vocal about the delivery of such services. I intervened on the Leader of the Opposition during the Queen's Speech debate to ask whether he supported the principle of disallowing Members from Wales and Scotland from voting on what he described as "English laws". He replied:

> "We support having English votes for English laws, so that when purely English matters are discussed in the House it is Members of Parliament sitting for English seats who have the decisive say".—[*Official Report*, 6 November 2007; Vol. 467, c. 18.]

There has been a roaring silence from the Conservative party in Wales on this matter. Conservatives will be even more silent in representing their constituents if they disallow themselves from asking questions in this place about constituents who are treated in hospitals in England such as the Broadgreen, the Christie, and the Robert Jones and Agnes Hunt.

The fallacious nature of the Conservatives' argument is that there is such a thing as an English-only law. There are no English-only laws in relation to the national health service or higher education. In the United Kingdom, we have an integrated relationship with our neighbouring countries, and it is vital that that relationship is governed well by studied, intelligent links between England, Wales, Scotland and Northern Ireland. Such a structure will deliver good public services for our constituents, and only the Labour party will deliver those services.

4.8 pm

Mr. Dai Davies (Blaenau Gwent) (Ind): I am pleased to be able to make a contribution to this debate on behalf of my constituents. I thank the Secretary of State for the work that he has done for Wales in general and for higher and further education in my constituency, and for the time that he has spent in our local college of knowledge.

We have heard about the importance of education and training. I hope everyone agrees that although previously our area relied primarily on two industries—coal and steel—the training provided through the steel industry was and is second to none. There is much to be learned and gained from examining the apprenticeship and production training structure in the plants at Port Talbot and Llanwern in particular, and Trostre, and the training methods used.

The first issue I want to raise is local government funding. We have heard that there are strains on local government, given reductions in some of the finances available. I thank the Secretary of State for writing to me recently on the Barnett formula. Although I accept that significant sums have been poured into Wales, I ask hon. Members to examine a report issued by The Alliance in December. The Alliance is a group of local government representatives backed by the Labour Back-Bench group on regeneration. The report shows that although there has been an improvement in some areas, the gap between those who have the most and those who have the least is the same as it was eight or 10 years ago.

The two areas that feature highly in the report are Blaenau Gwent and Merthyr Tydfil, so it is important to review the Barnett formula. We should not throw the baby out with the bathwater, but I urge the Government to take part in that review, alongside the Welsh Assembly Government. I have copies of the report, if anyone wishes to obtain one.

The second issue is incapacity benefit. We would all agree that we want those who can work to be in work. However, the approach that is being taken to drive the numbers down is wrong. I recently met a constituent, aged 64 and a half—people come off incapacity benefit at 65—who has been on the benefit for 10 years. He is supported by his GP, but he has been told by a board that he is fit for work. How can I explain that to him when he says, "I have not improved in 10 years. My

[Mr. Dai Davies]

health is not much better, the arthritis is worse and my back is still bad."? We cannot tell such people that they are now fit, especially if their GP supports their claim.

I hope that we can take a slightly different approach. We do need to examine those on incapacity benefit, but we also need to examine how they get on the benefit in the first place. For years, in areas such as mine, people would come out of a traditional heavy industry and go on to incapacity benefit. That mentality has continued, so it is a case not just of getting people off the benefit, but of examining who is put on it and seeing how we can help them. Often, there are jobs that they could do.

Mr. Crabb: The hon. Gentleman makes an important point about the reasons why people go on to incapacity benefit. Does he share my concern about the role of some GPs in the process, who open the gate too easily for people to migrate from employment or other benefits on to long-term incapacity benefit?

Mr. Davies: There is great concern about such misunderstanding by general practitioners. They do not know the benefits system and sometimes think that incapacity benefit is an easy option. We need an education process for GPs, so that they can understand what they are doing when they sign people on for benefits.

The next issue follows on from a point made by the right hon. Member for Islwyn (Mr. Touhig). There is huge concern about objective 1 funding. It has provided masses of money and opportunity for Wales, and there have been improvements, but we have missed the boat. In Blaenau Gwent, we still have areas with boarded-up shops. The small and medium enterprises do not exist there at the moment and need to be encouraged. Our biggest concern is that convergence funding has now replaced objective 1 funding, and it has a time limit on it. What happens next? Blaenau Gwent still does not have sufficient sustainability and too many projects rely on objective 1 and convergence funding. When those funds are removed, those projects will be under threat. Significant numbers of people are employed through objective 1 funding. What will happen to them if and when we lose convergence funding? The sector of the economy that relies on project work and the development trusts is fragile, and it will be under threat very soon.

I spoke in this debate last year on the issue of tourism and I mentioned a part of the Secretary of State's constituency, Big Pit, which is a huge draw. In Blaenau Gwent we want to be part of that. As I said to someone last week, the area is full of relics and I would be happy to welcome people who came to see them. Our industrial heritage and history is second to none. Who built America? Who sent coal, steel and iron all over the world? It was the south Wales valleys. Nor should we forget Nye Bevan and the creation of the national health service. However, 12 months after that debate, we have not generated anywhere near the capacity for tourism of areas such as Blaenau Gwent.

Another issue affecting the community is energy. We heard earlier that Wales can lead the way—the Severn barrage is probably one of the biggest examples—but there is a problem with wind farms. Like open-cast mining, they give rise to nimbyism: "Not in my back yard." But when we look around us, especially on the mountain tops and at the tops of the valleys in our area, we see opportunities for positioning wind farms. However, I reiterate the point that has been made: it needs to be done with the people rather than against them. It is important that we bring the people along and that they support wind farms rather than trying to stop them.

The issue of the Olympics has been raised. If hill walking is an Olympic event by 2012, could Blaenau Gwent please be considered? We have plenty of facilities for that, although maybe not for much else.

In the past couple of months, many hon. Members, including the Secretary of State, have been approached by their police authorities, which have expressed concern about ongoing funding for police in our areas. My major concern is that we will lose the fluffy bits that people see as an add-on, such as the partnership and communities together meetings and the community part of policing. I hope that that is not the case. I have written to the Secretary of State about the police issues, and we have had assurances that those services will not be undercut. They are important.

Beyond supporting community support officers and their project within policing, one area in which we have a significant lack is help for young people. I recently visited a rehabilitation centre in Bristol for those addicted to alcohol and drugs. People as young as 18 and 19 were in that establishment, and one of the things that came out of my visit was that those people had had no contact with anyone for much of their young lives due to family breakdowns, for instance. Alongside police work and education, we need to invest in youth workers. There is a significant lack of people who can deal face to face and one to one with young people to understand their problems and anxieties. With the loss of the steel and coal industries, young people have experienced a loss of identity. To bring back that identity and a sense of belonging, we need to look after them; as my grandmother used to say, they need to be given a cwtsh. They need to be taken close and looked after, because their families are failing in some respects to look after those children. Although the funds are there for policing, we need a lot more face-to-face work to be done in the community.

Mark Pritchard: Does the hon. Gentleman agree that the Government could do far more to support existing youth services, such as the Air Training Corps, the Army Cadet Force, the Sea Cadet Corps and indeed the Scouts and Girl Guides?

Mr. Davies: The important thing about that is how we promote those types of activity through schools. We do not see young children being told at primary school level what activities are available in the community. I agree wholeheartedly: to draw young people into such activities is wonderful. Having been part of the Scout movement, and having a young son in the Scouts now, I know that it is a fantastic organisation. The hon. Gentleman is right. Young people have so many opportunities that they perhaps do not recognise.

A recent change in law with which I have a problem is the alcohol confiscation law. It is easy to put a law in place, but how it can be policed I honestly do not know. There is a growing problem of young people on street corners with cans and bottles of alcohol. It is going to be a difficult one to police.

Mr. Deputy Speaker, I thank you for giving me the time to speak. We have heard a significant amount about post office closures this afternoon, and I support everything that right hon. and hon. Members have said. The Government have embarked recently on a nationalisation programme that I support 110 per cent. It is only one bank at the moment, but who knows? In terms of the post offices, one of my constituents, Peter Chambers, has come up with a possible solution. If we nationalise the lottery, run it through the Government and place the terminals in every post office in the country rather than in supermarkets, maybe that would help support the post offices by bringing businesses into them, in the way that we heard about earlier on. It would sustain their future in all our communities.

4.19 pm

Paul Flynn (Newport, West) (Lab): It is a pleasure for me to follow, for the first time, the hon. Member for Blaenau Gwent (Mr. Davies). Our backgrounds have a great deal in common, and I should like to take up some of the themes that he raised. It is also a pleasure to congratulate my right hon. Friend the Secretary of State on his return to office, for two reasons. The first has already been mentioned by the hon. Member for North Southwark and Bermondsey (Simon Hughes): now that my right hon. Friend is in office, he can indulge fully in what the hon. Member for North Southwark and Bermondsey decided was his passion for Welsh devolution, and his deep enthusiasm for the Welsh language. The second reason why I welcome my right hon. Friend back to office is that it means that his time will be fully occupied. It will be busy in the office, so he will have less energy and time for some of the activities to do with devolution in which he was involved, together with his comrade, the right hon. Member for Islwyn (Mr. Touhig). That will be extremely beneficial.

Sir Martin Evans has been mentioned. We are all very proud that the professor of mammalian genetics at Cardiff university has won a Nobel prize, together with others, and we are proud of the other winner of a prize in Cardiff. Sir Martin is a proud Welshman and he delights in his roots in the capital city. The best thing about the win is that his work, which involves embryos, is in an area in which there are boundless opportunities for development. There are possible future Nobel prize winners in a little-known firm in Newport called Lifeforce. It was founded by Professor Bradley Stringer and a man with an exotic Welsh name—although he is Welsh—Mr. Del DelaRonde.

The firm is in the business of parking immune systems. It is an exotic business; a sample of blood, in pristine condition, is taken from a healthy patient, and the white cells are extracted and kept in three different locations. When the immune system is attacked by disease, or is weakened by chemotherapy or radiotherapy, it is possible to expose the white cells to a natural growth factor that multiplies them into an army of healthy white cells, which are re-infused into the patient. That is an exciting possibility. Lifeforce in Newport owns world patents. It already has a link with the Fraunhofer Institute in Munich and a firm in America. It is one of only three companies that are in partnership with the Bill and Melinda Gates Foundation.

The possibilities are immense, if one thinks of how the technology could be used. It could be used for AIDS patients. If someone who has HIV gets full-blown AIDS, and has a re-infusion of their healthy immune system, they could go back to where they were, with HIV, and with full-blown AIDS in remission. That is causing a great deal of excitement in the scientific world. The company is wholly Welsh. Its founder, the professor, is a former patent examiner in Newport. One of the crucial factors is that the firm has a link that has been approved, and unique patents. Approval has come from the Food and Drug Administration in America, and the Medicines and Healthcare products Regulatory Agency in the UK. There is the possibility of huge expansion in that field. We are talking about the medicine of the future, and I think that it will certainly rank with surgery, radiotherapy and various drugs as a cancer treatment in future.

That is one example of the great things that are happening in Wales. It is part of our pride in Newport, a city that is in a very healthy state. We are looking forward to the year of the general election, 2010, but there will be another major event in Newport in that year: the Ryder cup. There is so much activity going on in the town. Newport is being reborn; it will be Newport nouveau. There is a big new boulevard running through the town. The other day, my hon. Friend the Member for Newport, East (Jessica Morden) saw the plans for its new rugby stadium. The railway station is undergoing a major makeover. There are great things happening in our city and it is a chance to be very optimistic about it.

Yesterday a new 10-year drugs strategy was announced. It is unfortunate that we have not had a debate on it or even a statement. We had a statement in the House 10 years ago, when the previous drugs strategy was supported by all major parties. There was only one Back Bencher who objected. Before we embark on a second drugs strategy, we should look at the result of the past 10 years, acknowledging that the treatment target is the only target that has been met. We have not come anywhere near reaching the targets that were set for the reduction of drugs use, the reduction of drugs-related crime and the reduction in drugs-related deaths.

We should look at the experience of other countries. Portugal had a five-year drugs strategy in 2001, the result of which is that the number of drug deaths was halved in that country. In other countries, too, spectacular results have been achieved. Let me speak about my experience, as one constituency MP. Two people living in my constituency would be recorded in the statistics of the past 10 years, and both had similar experiences in the past 18 months. They went to jail because they were stealing to feed their addiction. They will be marked up as great successes because they went in as drug users and came out clean. That is the end of the happy story. The woman lived for a week after she came out of prison. The man lived for a day after he came out of prison. They both went back to taking heroin, at the normal dose that they had tolerated before, and they died.

When we look at the continuing scourge of drugs throughout Wales, we largely ignore the remedies that are available. There has been a slight decrease recently in the number of deaths, and there have been improvements, which I would argue have come from treatment—from the health outcomes. There is also optimism in Europe that we are moving away from the policy that we are all

[Paul Flynn]

signed up to as members of the United Nations—a 10-year strategy that was designed to eliminate or reduce substantially all drug cultivation and drug use. That policy was adopted in 1998 and comes up to be examined this year.

There has been no progress whatever anywhere on the planet in achieving that end, yet we are still in denial. When the tough policies fail, we go on to other policies that continue to fail. A Bill that is to come before the House proposes that we should go for more policies based on the criminal justice system. There is one lesson that stares us in the face when we look at the experience of the past 40 years, since we started to get tough on drugs in 1971, when there were fewer than 1,000 addicts in Britain. We have had tough policies, we have imprisoned many people, we have done everything to eliminate drugs use, but there are now 280,000 drug addicts and that number is rising.

Other countries have achieved great success in reducing drug addiction. One reason to be optimistic is our realisation that we can no longer rely on the criminal justice system. That is counter-productive and wasteful. There is not a prison in the country where all illegal drugs are not used. However, schemes for needle exchanges, injection rooms and substitution are cheaper and they work. They produce good results and reduce drug crime and the number of users.

A new convention will come before Ministers in a month or two, based on changing from the criminal justice system to health outcomes. There is another splendid document produced by the same group of people, called the Rome Consensus, which has been approved by the Red Cross and Red Crescent in 130 countries and there is a chance of that going through the United Nations. There is hope that we can change our view, but it will be by changing our attitudes.

When the barriers came down in the Soviet Union and the drugs flowed in, the authorities had no way of dealing with them, so they turned to us in the west. What they got was not a strategy that worked but a babble of voices giving them different advice, with the result that there are now 5 million addicts in the CIS. A hospital outside Moscow, which I do not recommend anyone visits, is filled with children all born with AIDS, all the children of sex workers and drug users. We have seen that scourge spread across the planet.

We can change our policy. In 2005, shortly before the election, the House decided to reclassify magic mushrooms in the same category as heroin. No main party opposed that because they did not want to be pilloried as being soft on drugs. Because of that lack of courage and failure to recognise the problem, we are acting as agents in continuing the scourge.

Mark Pritchard: The hon. Gentleman is right to identify a growing drugs problem in Wales, but I must disagree with him on abandoning the criminal justice system, which I agree needs to work hand in hand with health outcomes. Does he share my concern that we also need to deal with the sources of supply of these drugs, and that it is absolutely wrong that drug liaison officers have been withdrawn since the Serious Organised Crime Agency took over that role in foreign countries from Her Majesty's Revenue and Customs?

Paul Flynn: Trying to deal with the source of supply is utterly futile. The Colombian authorities have been trying for 30 years, and we are seeing the Colombianisation of Afghanistan. The British taxpayer has spent £250 million in Afghanistan and the lives of many of our soldiers have been lost in trying to stop the drugs supply at source. The result is that the production of drugs in Afghanistan last year went up by 60 per cent. and the price of heroin on the streets of Britain is the lowest that it has ever been. It is a complete myth that the supply of drugs can be stopped at source.

This is an international problem, but we have our problems in Wales as well. However, I am optimistic about our situation. When I walked as a 17-year-old from Grangetown across the docks in Cardiff to Guest, Keen and Nettleford's nail factory, where I worked at that time, the landscape was bleak, with cranes and railway lines, and now the place is transformed. We have a wonderful site—the new bayscape with the Senedd, a jewel of a building.

A group of people from New York came to see me recently and their teacher told me to ask them their favourite television programme, and it was "Torchwood", which has images of Cardiff bay. That is part of what has been going on for the first time for centuries. We have heard some bleak and jaundiced views about devolution, but for the first time for centuries young people, creative, talented and entrepreneurial people, from Wales do not have to come to London to earn their fortune. In fact, the flow is coming the other way, just as the flow of power is coming the other way. That is inevitable, and it will continue. If they say English votes for English Members, so it will happen. The process of devolution will continue, and it cannot be resisted. People may stand in the stream and say no, but the flow will go on from now.

We will see the results of that in the nation's growing self-confidence and the growing popularity of devolution. John Shortridge recently gave some figures showing that it was accepted in Wales by a hair's breadth, but now the opposition has declined. There are people who have been anti-devolution, who I can recall in 1979 being against the campaign and who will never have anything good to say about devolution, but we can look with optimism at what is happening in our country.

There are two places that I would like to be tomorrow to see what Dewi Sant would have recognised when he said, "Bydd llawen, cadw'r ffydd"—be happy, keep the faith—although he might have been surprised just how many faiths there are in Wales now. The first of those two places, where Welsh life will be in its purest and best form, is the village school in Arfon in Gwynedd. The young children there speak Welsh with great fluency and understanding; language has come down the centuries continuously. It is a miracle that the ancient Welsh language still survives and is still there in such schools. The second place is another school, in Pillgwenlly, Newport. The children there are of every possible hue and from every part of the world. They will be saying their prayers and conducting their St. David's day ceremonies. During prayers, half the class will join their hands together in the Christian way, and the other half according to the Muslim tradition, but they will be saying the same prayers and singing the same songs in both beautiful languages of Wales.

4.35 pm

Anne Main (St. Albans) (Con): It is a delight to follow the hon. Member for Newport, West (Paul Flynn), whom I congratulate on having the Ryder cup in Newport; I pass the city's wonderful golf course on the way to my mother in Cardiff. He may not be aware that St. Albans is the home of the Ryder cup—indeed, the beautiful golf course there is known as the Ryder Cup golf course. We have transported something over the border, and I am pleased about that.

One might ask why the MP for St. Albans is talking in the Welsh affairs debate. It is a delight to be here; not only was I born and brought up in Wales and educated at Swansea university, but there is a vibrant and thriving Welsh society in St. Albans. It was delightful to address the St. Albans St. David's day dinner last year—briefly but not very well in Welsh, I might add.

My hon. Friend the Member for The Wrekin (Mark Pritchard) drew attention to the fact that there are not many leeks in the Chamber. I am sure that many of us have fond memories of eisteddfods, during which there used to be macho leek-chewing events—frequently resulting in dragon's breath. We all chewed our leeks and wore our daffodils with pride. Like other hon. Members, I am wearing a fake daffodil today; I thank Marie Curie Cancer Care, which issued us with these little silk daffodils. The organisation does wonderful work in my constituency, where it founded a hospice, and in other constituencies. I pay tribute to it.

Unfortunately, I am old enough to have grown up in Wales during a huge transition period. Meibion Glyndwr came into being as a result of concerns in Wales, expressed at the time, about how much Englishness there was in the Principality. The civil disobedience that I watched as a child in the 1960s—the daubing of the road signs in 1967, for example—was of major concern to my parents. Many people in England wondered what people in Wales were playing at.

There was a serious issue at the time about Welsh speaking. Although my school was good at encouraging the Welsh language, and taught Welsh, that was not the case at many schools. The 1961 census showed that Welsh was on a huge decline. That has been reversed in a very short time and that is wonderful. Not many other languages could have achieved the renaissance that Welsh has enjoyed so quickly. Unfortunately, however, some of the questionable practices of Meibion Glyndwr and others resulted in cottage burning and the daubing of road signs in a wonderful shade of green. The old joke doing the rounds at the time was, "Come home to a real fire—buy a cottage in Wales!" None of that did Wales's image any good at all and it made us a lot of enemies as well as friends.

The Cardiff and Swansea of my youth have been wonderfully transformed. The hon. Member for Newport, West referred to Grangetown; many of us were aware of the more industrialised parts of Cardiff. Crumbling, deprived areas such as Splott and even infamous Tiger Bay are now part of a vibrant reconstruction that draws many visitors into Cardiff and makes a visit to the Principality a wonderful experience. There has been a huge injection of money, energy and even glamour into the city.

"Torchwood" has been mentioned; my son was delighted to hear his grandmother point out houses in "Doctor Who" that she had been standing near when the film cameras came along. We all appreciate the assets of Wales, although we may not realise that we are seeing them in programmes such as "Doctor Who". The rippling out of prosperity and the enticement of money and business investment have been to the good of Cardiff and Wales as a whole.

My hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) mentioned the hope and optimism now expressed in Wales, and she was right to do so. Any deprived area—I have them in St. Albans—that is made to think well of itself and encouraged to think big and look to the future can profit from that hope and optimism.

There has been some debate, which I would not engage in, about whether more power or less power should be given to Wales. However, I am concerned—speaking as a Welsh-born MP but representing an English constituency—that we do not hear enough in the Chamber about the good bits of Wales. The appointment of regional Ministers, which some would say has been a great asset to Wales and the other regions, has also left us with a gaping hole. I was expecting—I stand to be corrected if I am wrong—that there was going to be a Select Committee for the regions that would give hon. Members the chance to question regional Ministers about what was going on in those regions, and indeed in Wales. That is a broken promise and a breach of trust on the part of the Government. This House should be able to hold the regional Ministers to account. The large amounts of funding that have profited Wales, and other areas, so well are fantastic, but we need to be able to talk to the regional Ministers and ask them exactly what is going on. My constituents' taxes are going towards that funding process, and they would like to be able to find out what the regional Ministers have been up to and assess their roles and value.

Mark Pritchard: I know that my hon. Friend will want to give credit to the Government where it is due, so does she join me in giving them credit for eventually listening to Conservative Members and appointing a full-time Secretary of State for Wales instead of a part-time one? Perhaps they might also listen in relation to Scotland and the Ministry of Defence.

Anne Main: My hon. Friend is right. As a Conservative Member, I hope to see the shadow Secretary of State for Wales slip into those shoes as a full-time role. As someone who was born in Wales, I cannot imagine having a part-time Secretary of State, but there it is.

I wish Wales well in its upward trajectory of prosperity and self-determination. We have a lot to learn from Wales. My father grew up on one of the largest mono-tenure estates built after the war—Ely—which has had significant problems. We have heard about some of the policing issues that are of concern not only to my constituents but to Welsh constituents. We need more police on the streets and for people to feel safe. Sadly, there was a very tragic case on the Ely estate when a father who went out to challenge a group of yobs was kicked to death. That is not the estate that my father would have recognised as a boy. Yes, it was social housing, yes, there were problems, but there was not that fear of challenging a group of young people—a message that comes across to my constituents and others. I should like there to be a

[Anne Main]

stronger policing role in Wales, as well as in my constituency, and I should like to bring back the situation whereby if adults challenge a group of children they do not feel that they are being confrontational but more as they did in my youth. I remember that when the heddlu turned up, they thought nothing of giving us a ticking off if we were doing something wrong.

I wish Wales well, but I am somewhat disappointed that the Government have not delivered the promised level of scrutiny of the regional Ministers, including those representing Wales.

4.43 pm

John Smith (Vale of Glamorgan) (Lab): It is an honour and a privilege to follow an Ely girl and to take part in our traditional Welsh affairs debate. It is close to St. David's day, the day of our patron saint, and a day when we should celebrate all that is Welsh and refer to our successes.

We have heard some excellent speeches from hon. Members on both sides of the House. They tended to be general in their subject matter, but I would rather focus my comments on a great success for Wales that was alluded to by the hon. Member for Chesham and Amersham (Mrs. Gillan)—the military training academy that is coming to St. Athan. That is something that we can all celebrate: not only the people of south Wales but the people of the whole of Wales. If we get our act together and get this right, not only through the investment coming to us, but through taking advantage of this investment and marketing it to ensure that we maximise the benefits for the people of Wales, it will be a once-in-a-generation opportunity for us all.

I want to set out briefly exactly where we are on the question of the academy. The Government made a welcome and excellent announcement on 31 January, in which they said that they were releasing contracts to allow the lion's share of package 1 of the defence training review to proceed on course and on time. At moments, I thought that the world had caved in because all the reports we had through the media suggested that something had gone wrong and that Wales had lost something. In fact, this country made a huge gain.

Within the last 24 hours, I have heard comments in this Chamber suggesting that package 1, which represents two thirds of the entire transformation of defence training in this country—all the phase 2 and phase 3 technical training for the tri-service —would not come to St. Athan. Yesterday, in this Chamber, it was suggested that it would not. Let me tell the House that it definitely is. In the words of my right hon. Friend the Secretary of State, whom I am delighted to see back in the place where he belongs—although he is not there at the moment—package 1 is absolutely safe.

The Metrix consortium won that bid in open competition, and it won it by a long way. For the record, it did not win the bid for that other section of this major transformation of British defence training, which is long overdue and welcome. It did not win package 2. It had been announced as the provisional bidder to be considered if it could put everything together and save huge amounts of money for the Government. However, it did not, so the announcement on 31 January was that the competition for the private finance initiative for package 2 had been withdrawn and closed. That does not mean that it is not coming to south Wales or that it is not coming to St. Athan. The transformation of the skills sets in that package is still going to take place; they will still be modernised, rationalised and relocated. If we get our act together on the investment to begin with, Wales is in a very strong position—pole position—to attract all, or a huge chunk, of the defence training programme.

Mrs. Gillan: As the hon. Gentleman well knows, cross-party support for winning the training contract and bringing it to St. Athan was very strong. He obviously knows something that I do not, however. Is there still a possibility of the second package coming to St. Athan? If there is, he is giving the impression that he knows the time frame involved. My understanding was that the process had been pushed out into the long grass and was probably not going to happen at this stage, or for many years to come.

John Smith: Absolutely not. That is why I wanted to make this point today. It is important that we in Wales know exactly where we stand. There is no package 2 because there is no group of skills—personnel management, logistics, languages, photography, policing, intelligence—in a package going out to tender for a PFI. But—and it is a big but—all those skills are going to be rationalised. That was made absolutely clear in a written statement made on 31 January. My point is a simple one. The process will take longer, and the hon. Lady is right in that respect, but there is no reason why that work, or the lion's share of it, should not be located at St. Athan. In fact, there are not many other places that the work could go to.

Mrs. Gillan: I hope that what the hon. Gentleman is saying is absolutely correct. I understand, not least because the language college is near to my constituency, that one of the problems was that the skills sets could not be found. I would not want him to mislead the House or anyone else by saying that there would be any immediate transfer of any of package 2 to St. Athan. My understanding is that such changes lie many, many years in the future.

John Smith: That is not so. The timetable for the transformation under the defence training review, which was arguably the most important part of the Government's strategic defence review, is the next five years. That applies to package 1, too. My understanding is that the problem was not the skills sets, to which the hon. Lady referred, but affordability and whether savings could be made from economies of scale from the project to base a whole-programme solution on one site. It is important to remain positive and ensure that we maximise our opportunities to get all the investment to Wales.

We have won two thirds of the total investment under the defence training review. However, more than two thirds of the money and jobs will come to St. Athan. A higher proportion of package 1 is going to relocate to St. Athan. Under package 2, a much smaller proportion would have relocated. We therefore have more than two thirds of the investment.

Mark Pritchard: In the light of package 2 having been kicked into the long grass, will the hon. Gentleman revise the employment figures that he and other members of the Labour party have been publishing in Wales? The Welsh people have a right to know the number of jobs that are coming to Wales.

John Smith: I would love to do that and I shall do so immediately. I qualify my remarks by saying that the final negotiations are not complete and will not be for some time. I hope that Main Gate 2 will be ready in spring, and we will have a clearer picture then. However, I shall give the revised figures. There will be roughly just over 1,000 trainers' jobs—in training design and general training provision—just over 1,000 support jobs for training on the site; and 1,000 full-time military jobs on the site. That is approximately—we must be careful—3,000 jobs.

Metrix has used the most conservative calculations to show that it will create at least 1,500 jobs in the wider community of my constituency of Vale of Glamorgan and south Wales generally. Metrix uses a multiplier of 0.5. That means that every new military job—uniform or civilian—that comes to St. Athan will create half a job in the community. The company therefore estimates 1,500 jobs and a total of 4,500. That is down from the original total of 5,500 but I stress that the estimate is conservative. The usual multiplier for military bases that move into an area and provide work is between one and a half and three times the number of military jobs.

The number of jobs that we get in Wales depends on us, not Metrix or anybody else. It depends on our preparedness to take up the jobs and the opportunities that come our way as a result of the process. If one read the BBC website on the day of the announcement, one would have believed that we had lost out. The calculation that I explained does not include the training of at least 6,500 military engineers every year at St. Athan. The jobs that that will create are not even factored in. It is a huge opportunity.

Mark Pritchard: The hon. Gentleman mentioned 1,000 trainers. Is he aware of a recent PCS survey, which revealed that 98 per cent. of trainers in other parts of the country who have been asked to relocate to Wales are either unwilling or unable to do so? In the national interest, it is important that the Government provide clarity on the issue. It is no good having trainees in Wales if there are no trainers.

John Smith: I am fully aware of that. We must consider the age profile of existing trainers, excellent though they are. Although the existing training is excellent, it is not what we want for the future. That is the problem. Training must change in its approach and in the technologies that we use. The methodology, too, must change. The old skills training is no good and the reason is the age profile. Nearly all the trainers are ex-military personnel who have transferred to civilian work, so they are getting on a bit. We are talking about a five-year programme, so how old will they be in five years' time? However, a five-year recruitment period and having to train people was always factored in from day one.

We hear about 5,000 or 6,000 on the jobs front, but that is a very modest estimate indeed from package 1, and we may still get the rest of the investment. We are currently talking about £11 billion coming to Wales in a private finance initiative. If we get everything, the figure could be as much as £16 billion or £17 billion, which is a huge amount. Some £60 million a year is going into the local economy in direct spend. But let me make what might be quite a startling announcement: that is not the real attraction of the investment and ensuring that we, the Welsh, get most of it is not the real challenge.

Today's debate has been excellent. A number of colleagues in all parts of the House, including the hon. Member for Blaenau Gwent (Mr. Davies) and my right hon. Friend the Member for Neath (Mr. Hain), stressed the importance of upskilling the labour force, especially in technical skills, to allow us to compete with the rest of the world. The real attraction of the investment is that St. Athan in south Wales will be the largest centre of excellence for providing training in technical skills that are directly transferable to civilian work. As part of the military covenant, the qualifications that our servicemen and women will acquire and which they justly deserve, will be exactly the same as those in engineering—let us remember that that means aeronautical, mechanical and electronic engineering—and ICT. Those are all the things that have been mentioned this afternoon and in which Wales will become the largest centre of excellence in Europe. It will become the second largest centre of excellence for such training in the world.

It is an honour to listen to my old friend the hon. Member for Blaenau Gwent, because in a previous incarnation I had the privilege of trying to attract footloose investment into his beautiful constituency and into the whole of the beautiful county of Gwent. I therefore have an intimate knowledge of the barriers to attracting footloose investment into our country. We need high value-added footloose investment. Traditionally, we did well in mineral extraction and metal manufacture, but the high skills involved in those industries did not translate very well into the manufacture of white goods or the modern factory. Those jobs were reasonably well paid for Wales and solved our unemployment problem, but were not very good, in terms of under-employment and not upskilling people.

That is the real challenge that our country faces. We have a unique opportunity to present ourselves as one of the largest centres of excellence in the world for some of the most sought-after technical skills in the world. That is a once-in-a-lifetime opportunity that we should grasp with both hands and ensure that we get as much as we can.

We talk about jobs and investment, and there is not one company in the world that will not be interested in what is going on in south Wales, because it will achieve a critical mass of skills training. It does not matter that the training is in uniforms. The tutors will not be in uniforms for ever, just as the old RAF St. Athan and the excellent skills provided there in deep repair and aircraft maintenance attracted companies such as British Airways. It is no accident that British Airways is at Rhoose airport. It is there because of the centre of excellence that was just up the road—frankly, it used to poach people from just up the road. It is no accident that General Electric went to Nantgarw. It went there because of the skills training at RAF St. Athan.

[John Smith]

That is a microcosm of what we can expect if package 1 alone comes to Wales. I call on colleagues in all parts of the House to say, "This is the challenge that we face in Wales. This could transform our country's reputation in the world as a clever little country in those vital areas." We have everything to play for, and we need to move forward on this. It is an exciting opportunity for our country, and I am sure that we will live up to the challenge. I think it was Richard Burton who said that the Welsh could face anything except success or failure. He was right about many things, but I believe that we have a great opportunity to prove him absolutely wrong on that one, because we are going to win.

Finally, I would like to pay tribute to the role played by Mr. Mike Hayle, the chief executive of the Metrix consortium. He led his team from day one and delivered this gigantic investment for our country. Mike will be moving on in a few months' time, having delivered the investment. He is a project leader, and it is now for someone else to deal with the technical implementation. He is going on to other challenges, but I would like to place on record my thanks for the work that he has done, and to wish him all the best in the future, whatever he decides to do.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I see that three hon. Members are trying to catch my eye. The wind-ups are due to start at 5.30, so perhaps hon. Members will try to bear that in mind.

5.1 pm

Hywel Williams (Caernarfon) (PC): I am grateful to be called to speak in the debate. I was unable to be here at the start as I was seeing some of the people who contributed to our very successful St. David's day service this morning. I would like to take this opportunity to thank those people, including the venerable Meurig Llwyd Williams, the archdeacon of Bangor, who preached, the noted actor, Mr. John Griffith, and those from Ysgol Gymraeg Llundain and Ysgol Gymraeg Cwm Gwyddon who sang.

I would also like to mention the right hon. Member for Islwyn (Mr. Touhig), who is unfortunately not in his place. He sometimes has a fierce reputation among nationalists, but he did his very best to ensure that the Welsh school from Islwyn, Ysgol Gymraeg Cwm Gwyddon, contributed this morning.

Mr. Llwyd: And very well, too.

Hywel Williams: Indeed. I think that everyone enjoyed the service.

My subject this afternoon is the need for new Welsh language legislation. The Welsh Assembly Government's vision is to create a truly bilingual Wales, as set out in the iaith pawb—the national action plan for a bilingual Wales—from February 2003. What they mean by a truly bilingual country is a country in which people can choose to live their lives through the medium of either Welsh or English, or both, and in which the presence of the two languages is a source of pride and strength to us all. That was illustrated this morning in the service.

That vision presents a significant challenge to the Assembly and to us here in Westminster. It might seem strange to those hon. Members who sometimes have a peculiar view of the policies of my party, but I attach great importance to this place passing legislation for Wales, in the medium term, for practical reasons. If, for example, we wanted to change the status of the Welsh Language Board—a necessary step, in my view—we should have to change the Welsh Language Act 1993, and that can only be done here. Clearly, there is a role for this place.

It will be a significant challenge to enable everyone who wishes to do so to live their life through the medium of Welsh or English as fully as possible. The intentions outlined in the iaith pawb represent a step in the right direction, but I believe that much more will have to be done in order for the Welsh Assembly Government to succeed in their aim. I need only to refer to my experiences in my constituency surgeries to illustrate that point. I am sure that my hon. Friend the Member for Meirionnydd Nant Conwy (Mr. Llwyd) has had similar experiences. I regularly see constituents who have in some way or another not been allowed to use Welsh or even, unfortunately, faced abuse for using it. It might have been mild abuse, but it was abuse none the less. They have had those experiences in their dealings with private businesses and—significantly, given that the long-established provisions of the 1993 Act apply to the public sector—they have also had problems with the public sector.

People are also having problems using Welsh with third parties. Some hon. Members will know that the provisions of 1993 Act apply to third parties and private companies acting on behalf of public bodies. It remains problematic, as the third parties are not carrying out the language schemes approved by the Welsh Language Board for public bodies. In that respect, the 1993 Act is not working properly.

All that is quite apart from the denial of workers' rights to use Welsh in the workplace, as we saw unfortunately in the Thomas Cook affair last year. There is a long history to this problem and my hon. Friend the Member for Meirionnydd Nant Conwy will remember the Brewer Spinks case in the 1960s. Those misunderstandings in the private sector can be resolved, as in the Thomas Cook case, very amicably, when the nature of the problem is appreciated and senior managers get involved.

There remains a fair way to go. When public bodies are launching new documents or a new service, I frequently write to them, asking simply "Where is the Welsh version?". All too often, I am met by embarrassment and excuses, although that is a good deal better than it used to be. When I first started to take an interest in language issues, I would have been met by hostility rather than embarrassment and excuses. I do not want to whinge too much, as there is often no need to write to ask for the Welsh version nowadays, as in many cases it turns up automatically. That is progress. I am not saying that we need to change everything today or tomorrow; we are talking about a process that will probably last many, many years.

Mrs. Gillan: I think that the hon. Gentleman may be pleased to hear about another piece of progress. Tomorrow, in Llandudno, the very exciting Welsh Conservative

conference will be opening—and for the first time we will be using a Welsh simultaneous translation service. It is at great cost, but we are looking forward to it. I hope that he will join me in welcoming that piece of progress from the party that gave this country the Welsh Language Act 1993.

Hywel Williams: I certainly welcome that. It is an innovation that other parties could follow. It should not be left to individuals such as my hon. Friend the Member for Meirionnydd Nant Conwy and me to press public bodies to follow language schemes. We need more progress in that respect and we need more effective policy implementation, a change in attitudes and a change in education, encouragement and support. We also need further legislation. All that will be necessary to achieve the Assembly's vision.

Some hon. Members may recall my private Member's Bill last year—the Bilingual Juries (Wales) Bill, which was one small step in the right direction. I hope that we will hear a positive announcement in due course.

Mr. Crabb: Will the hon. Gentleman give way?

Hywel Williams: In view of the time constraints, no.

I would like to draw hon. Members' attention to a report that I commissioned about two years ago, which has just been published. It is called, "Creu Cymru Gwbl Ddwyieithog", "Creating an Entirely Bilingual Wales". It was written by Dr. Kathryn Jones of Cwmni Iaith—a group of entirely independent academics, so there is no party political content in the report. As hon. Members who have looked at it will know, it is a hefty piece of work, comprising some 38 recommendations as to ways forward. I have distributed the report widely and I hope that its welcome by the Welsh Language Board and the Welsh Assembly Government will be replicated elsewhere. I hope that we will have a proper debate about it.

Finally, let me add another detail. It is all very well commissioning large reports from experts. I was crossing the maes—the square—in Caernarfon late one night, returning from the office. As I saw all those people out there enjoying themselves, I wondered how one could reach them. It is all very well for experts and politicians to discuss this, but what about ordinary people? I struck on the idea of what I have called "Wikideddfu"—wiki law-making, which is a user-generated site where people can add their thoughts on any matter of legislation, although it is about language at the moment. It is an edited site. If, for example, the Secretary of State were to put down his thoughts I could edit them, and he could re-edit them into their original form. After three months or so, we will see what the people have said. If I may make a modest claim, I believe it is the first site of its kind in the world.

As those who are familiar with Wikipedia will know, entries are generated by users and we trust people to correct any inaccuracies. If someone writes that two and two are five, someone else will change "five" to "four", and if "five" is reinserted, it will be changed to "four" again. That is the principle, at any rate.

I hope that we shall have a continual conversation on Wikideddfu over the next three months. I commend it to Members, and to anyone else in Wales who wants to contribute to this interesting debate.

Mr. Llwyd: The Secretary of State looks enthused.

Hywel Williams: He does indeed.

5.10 pm

Nia Griffith (Llanelli) (Lab): Thank you for giving me the opportunity to contribute, Mr. Deputy Speaker. I apologise for not being present earlier. I was serving on the Committee considering the Education and Skills Bill, and I reminded the Committee that there are a number of ways in which the National Assembly can exercise its powers. For instance, it can use framework powers to introduce measures similar to Bills such as the Education and Skills Bill in Wales. It is entirely appropriate for the Assembly to have that option, and I know that many people in Wales will look to it eagerly to determine how the issues that the Committee has debated at such length will be dealt with there. The Assembly can apply its framework powers to a number of Bills, and I hope it will exercise its right to determine the appropriate form in which they can exist in Wales.

We are very concerned about climate change at the moment, and we look forward to the Climate Change Bill, which will be introduced shortly. It contains a section on adaptation and mitigation, a subject with which some people may not be familiar. There are many different projections about the effect of climate change, but it is generally agreed that weather patterns are likely to become much more unpredictable, making events such as flooding ever more likely. There was a salutary warning to all of us last summer, when we saw pictures of those devastating floods on our television screens. I for one began to think more seriously about how we could cope with such events in our own areas.

I know that the Environment Agency in Wales has used the most up-to-date techniques to produce new maps pinpointing with great accuracy the areas that are likely to be affected by flooding, be it river or coastal flooding. A fortnight ago I visited the agency in Cross Hands to see what it was doing to identify areas at risk and to improve flood defences. Its staff explained the flood alert system, which can send messages to the telephones of people living in high-risk areas to warn them of possible flooding. I shall meet agency representatives again next week at the Llanelli flooding forum, a body that I have set up, to discuss how we can do more to increase awareness of flooding, and of the Environment Agency's system for dealing with it.

Last summer we also saw frightening pictures of water encroaching on power substations and flooding ambulance stations. That brought home vividly the need to consider the relocation of such installations to areas that will remain free of flooding. Some of them are reserved matters—for instance, a police headquarters is the responsibility of the United Kingdom Government—while others, such as ambulance stations, are the responsibility of the Assembly Government, and organisations such as the utilities are in the private sector. This is a clear example of the need for joined-up thinking, and I call on the Secretary of State to raise awareness of flood risk and ensure that there are plans to allow the safeguarding or even the relocation of strategic structures.

We also need to make sure that we plan future development with our eyes clearly opened to the flooding risks. Now that the Environment Agency is a statutory consultee in planning matters, it gives detailed advice

[Nia Griffith]

on planning issues to local councils and to the Assembly Government. Currently, however, water companies are not statutory consultees, which is why, when I spoke on Second Reading of the Planning Bill, I emphasised to the Minister the crucial role of companies such as Dwr Cymru, Welsh Water, in assessing whether our existing infrastructure could cope with increased load from new developments. Clearly, where the infrastructure cannot cope, that can greatly increase the risk of flooding from river water and sea water, as well as foul water flooding.

I was delighted that the Minister replied that it was the intention that water companies should become statutory consultees. I very much hope that when the Assembly uses its powers to deal with the measures for Wales arising from the Planning Bill, Dwr Cymru will become a statutory consultee for planning matters in Wales.

I wish to refer to some important constituency matters that are relevant to the whole of Wales. We have a long tradition of heavy industry in my area, as do many areas of south Wales and some parts of the north. It is extremely important that we make absolutely certain that we provide the right sort of environment for these companies, which are facing fierce global competition. I call on the Secretary of State to do everything in his power to ensure that we create a level playing field and a welcoming environment that gives companies the confidence to invest further. We have seen a dramatic fall in unemployment in Llanelli over the past 10 years, but we cannot be complacent. We know that every company must plan and think ahead and we want investment to come to us, and not go elsewhere.

I would like to emphasise the importance of creating the right environment to encourage investment. Corus in my constituency has up-to-date equipment and, at the home of the first canned beer on this side of the Atlantic, we now have a sophisticated plant producing all manner of packaging. We also have the company Schaefler, which makes car components. It has taken the skills agenda on board and done a tremendous amount of upskilling of its work force. By doing that, it has been able to diversify and compete against its sister factories in other countries to win contracts for Wales. I would like to emphasise the need for us to develop the skills agenda in Wales because it is quite clearly the way forward for such companies.

I would also like to mention a small company called Picton Sports, which has been able to make wonderful logos on t-shirts and jumpers for sports organisations locally. But, most excitingly, it is now exporting to Taiwan, a real achievement. This is an example of a new industry and we need to be absolutely certain that we do not help such firms only in the initial phases, when they are struggling to establish themselves. We must help them to expand and cope with some of the complications that they may encounter when they try to export across the world. These must be our priorities for ensuring the strength of the Welsh economy in the future.

5.19 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I am very pleased to provide the final Back-Bench contribution to this afternoon's St. David's day debate, which has been interesting. I was particularly impressed with the speech made by the hon. Member for Blaenau Gwent (Mr. Davies). It is fantastic that we have people like him in this House—slightly different MPs who are free from the complexities of carrying a party label and can be a pure and authentic voice for their communities. That was demonstrated in his strong contribution.

I was also impressed by the speech made by my neighbour in west Wales, the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger), who is no longer in his place. He brought his expertise to bear, particularly in his analysis of the impact of the increase in fuel prices on our community in west Wales in terms of the increase in fuel poverty and the impact on the private sector.

For me, the man of the match is the right hon. Member for Islwyn (Mr. Touhig), who made a powerful speech warning of the dangers of separatism. No matter where one stands in the devolution debate, we must take that message on board. There is no question in my mind but that separatism forms the beating heart of much of the current rhetoric from Cardiff bay, but it will provide the glide path to poverty and decline for Wales. We are stronger as part of a strong United Kingdom. That does not mean that I am against devolution—I am not a Conservative party member who calls for the abolition of the Welsh Assembly—but I sign up to the warning expressed by the right hon. Member for Islwyn this afternoon about the dangers of separatism for Wales in the long term.

I want to discuss two challenges for the Welsh economy. One of them has already been discussed in some detail— namely, the skills of the work force in Wales. I want to discuss what needs to happen to upskill the work force to prepare us for the challenges of globalisation so that Wales can benefit from the opportunities offered by globalisation and the new kinds of jobs that will be available in post-industrial countries, such as Wales.

The fall in unemployment in Wales in recent years is a good thing. Conservative Members do not deny the long-term fall in structural unemployment in Wales in the past 10 to 15 years, which is welcome. However, we must recognise the stubbornly high level of people claiming incapacity benefit and the problem of worklessness. Office for National Statistics figures suggest that in the past 12 months the proportion of people who are economically inactive in Wales has edged up to almost 25 per cent.—almost 25 per cent. of the work force in Wales is economically inactive, when we near as damn it have full employment in this country.

As for young people who are not in education, employment or training, I cannot understand how, at a time when more and more jobs are being created in both the private and public sectors, a growing pool of young people in this country, and particularly in Wales, are effectively doing nothing useful with their lives. I do not understand that situation, which is one of the challenges of our age that we must tackle. Now that he has returned to the Front Bench at the Wales Office, I encourage the new Secretary of State to discuss the issue in detail with his colleagues at Cardiff bay and here at Westminster to focus efforts on tackling that hard-core of young people who indulge in antisocial

behaviour and criminality, which have been mentioned this afternoon. We need to direct resources to tackle that problem.

The other challenge for the economy concerns infrastructure. I disagree with the hon. Member for Carmarthen, West and South Pembrokeshire, who said that investment has been going into infrastructure in Wales. Yes, investment has gone into certain places, but we have not seen high quality, new infrastructure, which is needed throughout the Principality. Every year, the Institute of Civil Engineers produces a state of the nation report that analyses progress on improving infrastructure up and down the country. Every year, it identifies critical weaknesses in infrastructure in Wales. If I can be parochial for a moment, I shall point out that one critical weakness in Welsh infrastructure is the A40, which runs through my constituency and connects the east-west corridor through Wales to Ireland via the ferry service from Fishguard to Rosslare. The A40 is part of the strategic trans-European road network. People from Ireland have told me that the worst section of the strategic trans-European route is the section of the A40 that runs through Pembrokeshire.

There has for many years been a campaign drawing attention to the need to dual the A40—to upgrade that bit of road infrastructure. Unfortunately, despite pleas from the private sector and all the principal employers in Pembrokeshire for that piece of road to be dualled, the Welsh Assembly still closes its ears. It is not interested in discussing that. I ask the new Secretary of State to raise the issue with his colleagues in the Welsh Assembly. It forms an important part of the infrastructure of Wales, linking not only to the ferry port in Fishguard but to Milford Haven, which is now one of the UK's most important oil and gas ports with the two new liquefied natural gas terminals being built there, and to one of the most exciting new tourism projects in the UK: the Bluestone project in the constituency of the hon. Member for Carmarthen, West and South Pembrokeshire. That will create 600 jobs, and it will bring new people to Wales, which will place further burdens on the road infrastructure, so there is a need to improve it.

Let me turn from physical infrastructure to the need for virtual infrastructure, and specifically broadband. I know we have been around the houses on this matter over the years, but there is still a problem in rural Wales with lack of access to broadband. The Government said at the start of the week that they needed to look at their role in the roll-out of super high-speed broadband throughout the UK, but parts of Wales are still stuck trying to get access even to simple, slow broadband. British Telecom has received significant sums of public money over the past 10 years—tens of millions of pounds from the taxpayer—to enable it to upgrade exchanges and to help in rolling out broadband in rural areas. In Wales, it has received more than £5 million.

Back in 2002, BT was claiming that thanks to the upgrading of exchanges by 2005 there would be 100 per cent. potential access to broadband in Wales. That has not happened because achieving that is about not only upgrading the exchanges, but improving the lines from exchanges to houses. Far too many houses in rural Wales are forced to have shared lines—a digital access carrier system that prevents them from accessing broadband. There is an important question that needs to be addressed: if true economic revitalisation is to come to hard-to-reach, peripheral areas such as mine, broadband will be part of the solution, and there is serious work to do to make sure that those parts of Wales can access such technology.

Finally, let me say a few words about fuel prices. Last week, I spoke to two major hauliers in my constituency. It has become unfashionable in this place to speak up in defence of the haulage industry when there is so much emphasis on climate change, but we need to speak up for it. Road haulage is not going to go away, but British haulage companies could go away, to be replaced by foreign competitors who are able to buy fuel with significantly lower rates of duty attached. The last time I was at Cardiff West service station, it looked like a lorry park for Willi Betz as there were so many lorries from Germany there. There is an increasing number of foreign lorries and haulage operators on Welsh roads.

Welsh haulage companies are finding it increasingly hard to compete in what is a very difficult marketplace. One of the reasons why it is difficult is the huge increase in fuel costs. Let me make another plea to the Secretary of State: when he discusses potential changes in the Budget with his Cabinet colleagues, will he caution against the extra 2p increase in fuel duty in April? Welsh hauliers need that like they need a hole in the head at this time. There is a good case for holding off from that increase in duty.

5.29 pm

Mr. David Jones (Clwyd, West) (Con): This has been a typically stimulating, diverse and wide-ranging St. David's day debate. We have heard about matters as diverse as the Llanelli flooding forum and the fascinating-sounding Wikideddfu website, which I assure the House I shall log on to the instant this debate is over.

The debate was predictably dominated by devolution and the delivery of public services. Those issues were encapsulated in the Secretary of State's remark that the system for conferring devolution upon the Welsh Assembly is complicated, but the importance is not in the process but in the services delivered by it. Everyone in the House would echo that—some, perhaps, more loudly than others.

It was a pleasure to see the right hon. Member for Neath (Mr. Hain) in the Chamber again, and I add my welcome to him. He will perhaps be surprised to hear that I cannot adopt my usual abrasive style when responding to his remarks, because I agreed with a great many of them. He rightly said that it is necessary that Wales should grow the private sector, mentioning that he wished it to account for 55 per cent. of Welsh GDP. The Welsh economy's reliance on the public sector over the years has been marked. It is therefore strange that the Welsh Assembly Government, in fulfilling their obligations on the Welsh economy, decided to abolish the Welsh Development Agency, which was a paragon in attracting inward investment to Wales, and absorb it into the mechanics of the Welsh Assembly Government.

The right hon. Gentleman was also right to say that Wales cannot expect to be a low-wage economy, because we simply cannot compete with the far east on labour

[Mr. David Jones]

costs—the right hon. Member for Islwyn (Mr. Touhig) echoed the fact that Wales needs high-tech, high quality jobs. To that extent, the right hon. Member for Neath was right to stress the importance of universities. Those of us on the Select Committee on Welsh Affairs who visited China last autumn saw how its universities sector is an integral part of the Chinese economy's development. We could learn much from that. He will be surprised to hear it, but he and I are ad idem on a great many matters this afternoon.

The hon. Member for Brecon and Radnorshire (Mr. Williams) made an interesting speech in which he referred to the need for "watertight" devolution in order to withstand an imminent Conservative Government. The suggestion appeared to be that the Liberal Democrats wish powers to be stockpiled in Cardiff bay to prepare for the day when the evil Tories take over once again. He also uttered the memorable remark, which will be entered in the big boy's book of Liberal Democrat quotations, "I am all for making the present system work, but I am also all for changing it." Only a Liberal Democrat could utter that remark with a straight face.

The hon. Member for Brecon and Radnorshire also referred to the need to review the Barnett formula. At that stage, an interesting internal debate took place between him and his colleagues, the hon. Members for North Southwark and Bermondsey (Simon Hughes) and for Montgomeryshire (Lembit Öpik), about how that could best be achieved. We did not intrude too much on their private grief.

Typically, the hon. Member for Aberavon (Dr. Francis) made an interesting contribution. As we have heard, he is Chair of the Welsh Affairs Committee. As a member of that Committee, I value his chairmanship and I pay tribute to his hard work over the past months, particularly given the extra work imposed on the Committee by the process of scrutinising legislative competence orders. That is an important function, but we are going through a learning curve. He said as much when he remarked that, like the French revolution, it was too early to tell how it was progressing—I think that is what he said. The learning curve is a steep one and we have not yet negotiated it fully. The first legislative competence order was a difficult process, and parliamentarians were heavily criticised by certain members of the Welsh Assembly Government for not nodding it through. I do not believe that it is any part of the function of parliamentarians to rubber stamp legislative competence orders, and I suspect that the Secretary of State and I are at one on that. It is necessary that LCOs receive proper scrutiny from this place, but they are only one of 13 methods so far identified of conferring competence on the Welsh Assembly.

The other major weapon that is used to confer competence is the framework power contained in UK-wide bills. In that respect, I wish to draw the Secretary of State's attention to the troubling experience of the Planning Bill. It now contains Welsh framework powers, but they were not in the Bill when it was first introduced or on Second Reading. In fact, they did not appear until amendments were tabled towards the end of the Committee stage, which ran to 18 sittings. Those powers, therefore, had less than half an hour's scrutiny in Committee and I am sure that everyone would agree that that is not acceptable. I entreat the Secretary of State to consider that and see whether the process can be improved in the future.

We then heard from my hon. Friend the Member for Monmouth (David T.C. Davies) who made a wide-ranging speech, covering such matters as the local authority funding formula, the health service in his constituency and policing. He spoke with some authority as not only a member of the Home Affairs Committee, but a special constable—and an assiduous special constable at that.

The hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) referred to the concerns of his constituency and fuel poverty. He said that fuel poverty was likely to increase and suggested that there should be no surcharge on prepayment meters. He called, possibly controversially, for a top-sliced levy on the excess profits of energy companies. No doubt the Secretary of State will consider that and refer the matter to his Cabinet colleagues.

My hon. Friend the Member for The Wrekin (Mark Pritchard) also made a wide-ranging speech and was assiduous in making contributions to the debate throughout the afternoon. He referred to his childhood in Wales and to his experience as a Marches MP. He also mentioned the importance of tourism as an integral part of the Welsh economy. Indeed, only this week, the Wales Tourism Alliance held a reception in the House. British tourism week is also fast approaching. It is perhaps unfortunate that the Welsh Assembly Government decided in their wisdom to absorb the Wales tourist board into the apparatus of government, so that we now have VisitWales. We also have VisitBritain, which is operated by the same people who operate EnjoyEngland. The Wales Tourism Alliance suggested that there was a conflict of interest between VisitWales and VisitBritain, and perhaps that matter could be revisited. *[Laughter.]*

John Smith: Will the hon. Gentleman give way?

Mr. Jones: I do not have the time, but I am sure that it was going to be a good joke.

The right hon. Member for Islwyn gave the impression of not being a wholehearted supporter of devolution, but perhaps I do him an injustice. I agreed with him entirely when he stressed the Britishness of the people of Wales. I am sure that almost every hon. Member would agree that we are entirely comfortable with the concept of being both British and Welsh or, if one prefers, Welsh and British. It does not really matter in which order one puts them; it is very much the same thing. Possibly there are a couple of exceptions in the Chamber, but that is their private grief. He also said that we should not be doing too much navel-gazing about constitutional matters in Wales, and that we need to invest in upskilling. He is, of course, entirely right. He ended with dire warnings about the threats posed by separatism to the integrity of the United Kingdom.

Then—talking of separatism—we heard from the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), who accused the right hon. Member for Islwyn of possibly talking Wales down, but who then made a bleak and gloomy speech about the woes facing Wales. However, he did make a perfectly valid point about post office closures. He is right that particularly in rural areas, the post office is the focal point of the community. It is perhaps surprising that we heard only

today that Cabinet members are presiding over the closure process while pleading at a domestic level for the survival of post offices in their own constituencies.

The hon. Member for Wrexham (Ian Lucas) made a speech in which he referred to the delivery of cross-border services. He is entirely right that in north Wales we depend heavily on cross-border services, particularly medical services. I echo what he says—we rely on the services of such important institutions as the Robert Jones and Agnes Hunt hospital in Oswestry, Alder Hey children's hospital, the Walton centre in Fazakerley, the Clatterbridge centre, the Christie hospital and so on—but I remind him gently, as I did in my intervention, that the concerns about Walton were generated by remarks made by the Labour Health Minister in the Welsh Assembly. Perhaps, as he has such influence, he could have a gentle word with her and point out that the concerns have not gone away entirely.

The hon. Member for Blaenau Gwent (Mr. Davies) made a speech in which he referred to the concerns of his constituency, and he mentioned incapacity benefit and expressed anxiety about the Government's approach to it. He also banged the drum for the south Wales valleys and said that they had great tourism potential. The hon. Member for Newport, West (Paul Flynn) made a speech in which he referred to his constituency and the exciting pioneering work done by Welsh researchers in biotechnology. He also mentioned his concerns about drugs and drug policy. My hon. Friend the Member for St. Albans (Anne Main) spoke about her childhood in Wales and the regeneration of Cardiff, which we all welcome. However, she sounded a cautionary note when she referred to social problems that she had observed and the need for stronger policing. The hon. Member for Vale of Glamorgan (John Smith) discussed the important development of the military training academy at St. Athan and the opportunities that it would afford for the local economy. He has campaigned for that development for some years.

The hon. Member for Caernarfon (Hywel Williams) referred to his interesting website, Wikideddfu, and spoke of the need for a new Welsh Language Act. We in the Conservative party yield to no one in our support for the Welsh language—it was that distinguished Welsh Conservative, Lord Roberts of Conway, who steered the Welsh Language Act 1993 through Parliament—but I must say despite that fact that we must be careful that any further developments in Welsh language legislation do not have an impact on business or amount to non-tariff barriers to private enterprise.

The hon. Member for Llanelli (Nia Griffith) made an interesting and erudite speech about climate change and flooding problems, referring to the important work of the Llanelli flooding forum. Finally, my hon. Friend the hon. Member for Preseli Pembrokeshire (Mr. Crabb) echoed the words of the right hon. Member for Islwyn on the dangers of separatism and spoke of the challenges to the Welsh economy, the blight of economic inactivity and the need to improve infrastructure, particularly in his constituency.

We have had an interesting, wide-ranging debate, illustrating not only the important issues facing the people of Wales, but the diversity of the interests of those who represent them. It is an occasion on which all of us, of whatever party, can celebrate our Welshness. For Saturday, I wish everybody dydd gwyl Ddewi da.

5.45 pm

The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies): It gives me great pleasure to speak as a Front Bencher in the Wales day debate for the first time. It is a great privilege to be a Welsh Member of Parliament, and an enormous privilege to address the hon. Members present today.

There has been much talk of the St. David's day event held earlier today in the chapel of St. Mary Undercroft. The preface of the notes for the event mentions St. David. He followed the Egyptian desert monks' rule, which had a strong emphasis on hard work, abstinence from alcohol and refraining from unnecessary speech. There has certainly been no unnecessary speech today, there has been no alcohol in the Chamber, and there has been a lot of hard work. This has been a temperate, well-considered and well-informed debate. As our discussions have demonstrated, there is an enormous amount going on in Wales to celebrate. These are challenging but interesting times, and Wales is in an excellent position to weather the times ahead.

Partnerships are the key. The Government, working alongside the Welsh Assembly Government—and local government, as my right hon. Friend the Secretary of State said—have put in place 1,700 more teachers and 5,700 more school support staff than there were in 1998. There are 500 more consultants and over 8,000 more qualified nurses than in 1997, and 129,000 more people in employment in Wales than there were in 1997. I am not complacent, but it was refreshing that Members from all parts of the Chamber recognised today that many good things are going on in Wales.

I shall try to do justice, in a very short time, to all hon. Members who spoke, so I ask hon. Members to bear with me, and I apologise if I miss out any points. My right hon. Friend the Secretary of State was the first to speak, and he did so eloquently. He paid tribute, as did others, to my right hon. Friend the Member for Neath (Mr. Hain) and the many kinds of work that he has done in government. My right hon. Friend the Secretary of State also touched on the St. David's day event. At one point, it looked as though the debate was turning into "A Question of Sport", as we talked about the Olympics and the Ryder cup among other things, but it was very enjoyable.

The hon. Member for Chesham and Amersham (Mrs. Gillan) talked about the important role of servicemen and woman, and there is wholehearted agreement on that point across the House. She also talked about support for the defence training academy. I assure her that the Wales Office and the Welsh Assembly Government fully support moving ahead with that proposal. She also talked about a new chapter in the devolution process—something that we find exciting and challenging—and challenges for the Wales Office. To echo sentiments expressed today, our Department, like Wales, is "small but clever".

The hon. Member for Clwyd, West (Mr. Jones) and others touched on the theme of the full scrutiny of legislation. We will never be in the business of rubber-stamping any legislation that comes along. We are always open to improving and reviewing how we carry out that scrutiny, and I know that my right hon. Friend the Secretary of State is keen to do so. We have to recognise where we are in the devolution settlement,

[Huw Irranca-Davies]

and the good measures that we have brought forward, including pre-briefings with Welsh Assembly Government and Wales Office Ministers, Public Bill Committee pre-scrutiny and evidence sessions, and the provision of ample time in Committee to discuss, through the usual channels, Welsh MPs sitting on Committees for Bills in which there are framework powers.

The hon. Member for Chesham and Amersham raised the issue of Welsh identity. As many others have said, I am content to say that I am Welsh, British and European; that is sufficient. I do not agonise over it at all, and I do not think that Members need do so. The hon. Lady mentioned the Welsh-language paper, *Y Byd*. The Welsh Assembly Government announced on 5 February that it will provide £600,000 in the next three years to fulfil the commitment in the "One Wales" document. That is in addition to the £173,000 currently being spent by the Welsh Assembly Government, through the Welsh Books Council, to support all Welsh-language newspapers and magazines. We will see what comes forward as a result of that.

In his excellent contribution, my right hon. Friend the Member for Neath rightly recognised the importance of Labour's investment in the public sector in Wales, and challenged the private sector to grow through ambition and with support from Government for competitiveness and innovation. He spoke about new "Merthyrs" for this century, competing not on cost, but on high skills, innovation, investment in research and development, the buy-in from the university sector, the environmental industries, and internationalism. His speech reflected the determination of my right hon. Friend and of the Government to tackle the legacy of economic inactivity, a theme taken up by many other speakers.

My right hon. Friend spoke about how much we have done to raise employment levels, and what we still have to do to help people who can work back into work to release the dynamism in the Welsh economy. It was an excellent foray from the Labour Benches and a demonstration of his continuing political and intellectual intent and ability to drive Wales forward. He rightly praised, as did my hon. Friend the Member for Aberavon (Dr. Francis), the excellent work of Neath Port Talbot council, and called for a can-do Wales. That came from a can-do Member of the House.

The hon. Member for Brecon and Radnorshire (Mr. Williams) referred to my right hon. Friend the Secretary of State not being passionate about devolution, being a devo-realist, and his credentials. What my right hon. Friend is passionate about is delivering for the people of Wales. I agree with the hon. Member for Brecon and Radnorshire about building up the partnership. Part of that is respecting the devolution settlement, and deepening, not broadening it. That is crucial.

The hon. Gentleman mentioned the convention. We wait to see how that develops. On Barnett, the Welsh Assembly Government are conducting a review to assess the impact and explore possibilities, but the extra spending per person in Wales is significant. The nearly 130 per cent. increase in the block grant since 1997 cannot be discounted, and it did not happen by accident. It happened because we voted it through in this place. On cross-border issues, I welcome the interest, particularly of late. The Welsh Affairs Committee, under the excellent stewardship of my hon. Friend the Member for Aberavon, will examine a range of cross-border issues of vital concern, as the devolution settlement matures.

The hon. Member for Brecon and Radnorshire spoke about pensioners in Wales. Although there is always more that can be done, it is important to remember what we have delivered, including winter fuel payments of £200, and £300 for those over 80, the free TV licence and the pension credit guarantee, which has increased. We are determined to deliver for pensioners in Wales and we will continue to do so.

My hon. Friend the Member for Aberavon, in his excellent contribution, highlighted the importance of the role of the Secretary of State in Cabinet and in British-Irish relations. He spoke about Wales as being not a fortress Wales, but an outward-looking and internationalist Wales, a global Wales, and he is absolutely right.

The new Order in Council process has been the subject of some discussion. As my hon. Friend said, we were at an early stage of this new democratic process. I know that the Select Committee and the Wales Office are keen to monitor the process and the volume and see how we can make improvements along the way. We are all agreed on the necessity of making the process work. There is no better example of the importance of Welsh MPs to this place and of the role of this place in scrutiny than the work that is being carried out by all members of the Welsh Affairs Committee.

The hon. Member for Monmouth (David T.C. Davies) made a passionate case for English votes for English laws. We will have to agree to disagree on that. Some of the arguments for that were demolished, I understand, by the right hon. and learned Member for Rushcliffe (Mr. Clarke). The armed forces and historic regiments, particularly in Monmouth, were also covered by the hon. Member for Monmouth in his contribution. He is right to say that we should not only treasure, but properly safeguard the servicemen and women in those regiments.

The hon. Gentleman's background in the policing scheme and his role as a special constable came to the fore. He welcomed the Flanagan report, in which there is much to be welcomed, and he offered a couple of interesting suggestions for improvements on it, which I am sure will have been heard during the debate and by Home Office Ministers. He also spoke about vocational skills in prisons. We are concerned to ensure that those who go through our prison system come out with the skills that they need to go back into wider society.

Like a number of other hon. Members, the hon. Member for Monmouth spoke about the local government revenue settlement. There are always difficulties with such settlements and the distribution formula, but we must accept that the changes were the subject of significant consultation and were agreed with local authorities through the Welsh Local Government Association.

My hon. Friend the Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) made an excellent contribution. He talked about the way in which his constituency in west Wales and wider west Wales had been transformed in the last decade, something that we

see in all constituencies, on the bread and butter issues of hospitals, schools and infrastructure and the falls in unemployment, and he was absolutely right. He majored on renewable energy and what we can make of it, which is a critical issue for Wales. The Wales Office, like the Welsh Assembly Government, is committed to driving that forward.

The hon. Member for The Wrekin (Mark Pritchard) talked about bullying in schools. All schools in Wales must by law have a written anti-bullying policy and the Assembly issues a document entitled "Respecting Others: Anti-Bullying Guidance" to all schools and LEAs. It is a major issue and the Assembly Government are keen to continue improving the way in which they tackle it. He also talked about cross-border issues and promoting tourism in Wales, which is close to my heart. I am sure that as he travels around Wales, not least in his role as a member of the Welsh Affairs Committee and with his knowledge of Wales, he will recognise in the dramatic changes in the architecture of Wales and the focus on the big country of Wales what great potential we have for driving forward tourism. He also welcomed the significant investment in rail in Wales. We have issues with rail in Wales, but we have invested in the valleys lines and in north and south Wales. For the first time in years we are putting money into rail.

My right hon. Friend the Member for Islwyn (Mr. Touhig) talked about not having policy difference for the sake of it, and he is absolutely right. What is important is the value added; the difference that is made on the streets of Blackwood in Gwent and of Maesteg. He elaborated on his theme of a constitutional cul-de-sac, and he emphasised the need to focus on bread and butter issues on Blackwood high street. He talked tellingly about the importance of using objective 1 money to drive forward earnings, employment and the economy. I thoroughly agree with him. We have to make good use of it. My right hon. Friend alluded to Cicero, which we do not often hear in the Chamber. A senator remarked that when Cicero spoke they would say how well he had spoken, but when Demosthenes spoke they said, "Let's march." My right hon. Friend combines both attributes, getting people to the barricades to make a difference on the streets of Blackwood.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) spoke of HMRC and the DWP, and issues around job restructuring. Up to June 2007, the Gershon review has delivered over 2,700 posts relocated to Wales, but he has genuine concerns about HMRC, as do other Members, and we await tomorrow's announcement. One of the focuses of DWP reform was to deliver more front-end staff. As part of the Lyons review, 1,261 DWP posts are being relocated from London to the south-east and Wales.

My hon. Friend the Member for Wrexham (Ian Lucas) spoke passionately on behalf of his constituents, drawing on his background. He referred to the Health Commission Wales, which is currently under review by the Welsh Assembly Government, and he spoke eloquently on the subject of higher education funding, failing only to mention his singular support for the North East Wales institute of higher education and its application for university status, which we all wish well. He advanced many ideas on higher education reform, which I know will be drawn to the attention of UK Ministers and the Labour party.

The hon. Member for Blaenau Gwent (Mr. Davies) speaks regularly and forcefully on issues that directly affect his constituents, not least on training and industry. He talked about the Barnett formula, which I have mentioned, and he will recognise the increased allocation to Wales that we have delivered. He also addressed the important issue of incapacity benefit, which has exercised a number of hon. Members today. We have more to do on that, and we will do it with the people that we represent. He referred to the importance in that regard of working with GPs and employers and with the one-to-one approach that we piloted through the pathways project.

My hon. Friend the Member for Newport, West (Paul Flynn) gave his own inimitable welcome to my right hon. Friend the Secretary of State and talked about how Newport is leading the way in biosciences and cell technology, which was excellent to hear. I share his optimism that much of what is happening in Wales is very good.

The hon. Member for St. Albans (Anne Main) talked about her links with Wales, for which she had an optimistic vision. She talked about the Select Committee for the regions. The Modernisation Committee is conducting a review of regional accountability and is taking evidence on that at the moment. It hopes to report in the next two months.

My hon. Friend the Member for Vale of Glamorgan (John Smith) once again advocated the role for St. Athan; it does a brilliant job.

In the coming months, I am sure that there will be long discussions about furthering the devolution settlement, but we must not let them overshadow the real issues for the people of Wales. Employment, health care and education are the things that really matter to the people of Wales. Those are the things that they look to us to deliver. And by Westminster and Wales working together—

Mr. Deputy Speaker: Order. I apologise that I can say that only in English.

It being Six o'clock, the motion lapsed, without Question put.

Concentrated Solar Power

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Michael Foster.]*

6 pm

Dr. Howard Stoate (Dartford) (Lab): I feel privileged to be given the opportunity to raise this extremely important issue tonight. Concentrated solar power is a concept of literally dazzling simplicity. It is an idea so simple, and with such extraordinary promise as a means of power generation, that it seems astonishing that in Europe we are only just waking up to its potential, more than 20 years after its first use in California.

The technology is very straightforward. A CSP plant uses mirrors to concentrate sunlight and create heat. The resultant heat is then used to drive turbines and generators, just like in a conventional power station. Heat can also be stored in melted salts so that electricity generation may continue at night or on cloudy days. For once, no amount of hyperbole is excessive. CSP represents, as *The Guardian* stated recently,

"A vast source of energy that holds the promise of a carbon-free, nuclear-free electrical future for the whole of Europe, if not the world."

I could not put it better myself. In terms of its scale, therefore, CSP is a world away from the concept of solar photovoltaic technology such as the domestic roof-top solar panels with which we are more familiar in this country. The only issue with CSP is that it needs direct sunshine, and lots of it, to maximise its potential. Needless to say, it is not a technology that we will be seeing too much of in Dartford—or even, dare I say it, in Croydon, North.

Europe's first commercially operating CSP plant has just opened in Spain, just outside Seville. It currently generates about 11 MW of electricity—enough to power up to 6,000 homes—but its operators hope that it will eventually produce sufficient power to meet the needs of Seville's 600,000 residents. The deserts of north Africa, however, offer us the greatest potential as far as CSP is concerned. Each year, each square kilometre of hot desert receives solar energy equivalent to 1.5 million barrels of oil. Indeed, it has been calculated that we could produce the world's entire electricity needs by covering less than 1 per cent. of the world's deserts with CSP plants.

Desert-based CSP plants have the added advantage of allowing fresh water for crop cultivation and land irrigation to be created through the desalination of sea water using simply the waste heat from the CSP plants. The partially shaded areas under the solar mirrors also have many potential uses, including crop cultivation. It is even possible to imagine some energy-intensive industries choosing to locate in deserts to take advantage of CSP technology.

The key to realising CSP's potential, however, is finding a reliable and above all cost-effective means of getting the power from the deserts to major population centres in Europe and elsewhere. The technology does now exist. Using high-voltage direct current, or HVDC, transmission lines, it is feasible and cost-effective to transmit electricity for more than 3,000 km. With modern high-voltage DC transmission, only about 3 per cent. of power is lost for each 1,000 km. That means, for instance, that solar electricity could be imported from north Africa to London with a loss of power of only about 10 per cent. That compares extremely favourably with the 50 to 70 per cent. losses that have been accepted for many years in conventional alternating-current grids. Moreover, it has been calculated that 90 per cent. of the world's population live within 2,700 km of a hot desert and could be supplied with solar energy from there.

The Trans-Mediterranean Renewable Energy Co-operation, or TREC—a group of scientists and engineers in Europe, the middle east and north Africa—is trying to identify ways of exploiting the energy-generating potential of hot deserts. TREC is calling for the creation of an HVDC supergrid to enable the transmission across the region of energy derived from north African CSP plants.

Like a significant number of hon. Members, I strongly support the case for an HVDC grid. Such a supergrid could allow energy from other renewable sources to be transmitted across Europe. Britain could put in wind power, Norway hydropower and central Europe biomass and geothermal power. An HVDC supergrid could also be integrated relatively easily with existing HVAC—high-voltage alternating current—transmission grids. The potential is so large that one may consider the possibility of extending the use of clean solar electricity into areas where gas, oil and coal are currently the dominant sources of energy. It would, for example, be perfectly feasible to expand the use of electric vehicles and plug-in hybrid electric vehicles, extend the electrification of railways, make greater use of electricity-powered heat pumps, and so on.

Apart from the importing of solar electricity from desert regions, the proposed HVDC supergrid has several other advantages. The chief one is the security of energy supply: a shortfall in any one area could be met by spare capacity in another area or another country. It would also reduce wastage: surplus power in any one area could simply be transferred to where it is needed. Conversely, the impact of the variability of certain renewable technologies such as wind power could be reduced by being able to integrate supply across a wide area. The supergrid could also allow the UK to become a net exporter of clean electricity from our wide array of renewable sources, such as wind, waves and tidal power, which we possess in abundance. The economic opportunities that that would create for the UK are considerable.

Of course, set-up costs are considerable. The estimated cost of a Europe, middle east and north Africa-wide HVDC supergrid comprising 20 transmission lines of about 5 GW each is about €45 billion, while the approximate cost of two 5 GW transmission lines between north Africa and the UK is about €5 billion. However, given that those costs would be shared among several countries and spread over many years, the cost to the UK Government would be reasonable. It is an investment that will begin to look more and more attractive over time as the cost of generating power from renewable sources falls—assuming, of course, that the right package of incentives is put in place—while world oil prices look certain to rise still further as oil becomes scarcer and more difficult to extract, quite apart from the obvious imperative to reduce carbon dioxide emissions.

There is a pressing need for concerted governmental action to promote CSP and pave the way for an HVDC grid. Although CSP plants are being built and HVDC transmission lines are being installed, actions and changes in policies are needed to remove unnecessary obstacles and smooth the path for such developments. Those changes are needed mainly at the level of the European Union or beyond, but there are things that can be done in the UK. The UK Government can also help to influence the nature of decisions taken in the EU and elsewhere.

The first issue that needs to be tackled is the use of overt or hidden subsidies for non-renewable sources of energy. In a report published in 2004, the New Economics Foundation made a conservative estimate that worldwide subsidies for fossil fuels amounted to about $235 billion a year, and not much seems to have changed since then. Those kinds of support for old-style sources of power have the effect of tilting the playing field against the renewable sources of energy, including solar power, that we now so urgently need. All such subsidies should be removed.

The second challenge is to ensure that a proper price is paid for CO_2 emissions. To a large extent, users of fossil fuels are still being allowed to use the atmosphere as a free dumping ground for carbon dioxide—that must stop. The European emissions trading scheme has to work better than it has done up until now. In addition, there is a good case for introducing a system of tradable personal carbon allowances throughout the EU and beyond.

Thirdly, we have to ensure that the right framework of incentives is in place to encourage the growth of the renewable sector. Although CSP has quite a long history, its development has been held back because historically fossil fuels have been cheap. That means that it has not yet achieved the economies of scale and refinements in technology that will bring prices down, as is beginning to happen with wind power. If overt and hidden subsidies are removed from non-renewable sources of power, and if a proper price is charged for CO_2 emissions, that will make a big difference to the economics. However, there may still be a need for some short to medium-term support for renewable sources of power, including CSP, in the form of feed-in tariffs. That system has proved to be very successful in Germany and Spain. By contrast, the UK's system of renewables obligation certificates has so far failed to produce the expansion of renewables that we so desperately need. Moreover, if countries in Europe, north Africa and the middle east are to benefit from the CSP technologies, an international framework of feed-in tariffs will probably be needed.

Fourthly, we have to create a single market for electricity throughout Europe and beyond. It should be possible for any customer in the UK to buy solar power from any supplier in north Africa and the middle east in the same way that anyone in the UK can buy electricity from any UK supplier. Both the British Government and the European Commission are in favour of such development within the EU, but that does mean unbundling power generation from power transmission. They need encouragement to make that reform in the face of powerful economic interests that currently enjoy monopolistic benefits from the vertical integration of power generation with power transmission. Although the single market for electricity that exists within the EU would be a great help, it would be even better if it were extended beyond Europe to the middle east and north Africa.

Finally, we have to put in place the necessary policies to allow for the creation of a single, integrated high-voltage DC grid across the whole of Europe, the middle east and north Africa, or at the every least across the EU. At present, HVDC lines are commissioned on a case-by-case basis without reference to any overarching plan. It would be better if the EU, in collaboration with countries in north Africa and the middle east, decided to take the lead in terms of building the HVDC supergrid across the region. A good second-best would be a Europe-wide supergrid.

It would probably be best if such a project were funded by several national Governments, which is feasible. We could not integrate the road networks throughout Europe without each country paying its own share, and the same thing could easily be envisaged for a HVDC supergrid. There is no reason why such a grid could not be up and running within 10 to 15 years if it got the right type of governmental backing. It could be done much sooner than that if we simply integrated the existing AC grid and upgraded it to the necessary standard. I am told that that could be achieved in five years.

It is also possible to plan, design and build CSP plants fairly quickly, certainly compared with the process for conventional power plants. The lead-in time for building a CSP plant is about one year and the building time is about three years. Achieving that goal in the UK will require our Government, together with our partners in Europe, to make a strong commitment to CSP and the creation of an HVDC grid. Given the strong economic case made in the Stern report for strong, early action to combat climate change, I suggest that the Government have to act immediately.

I know from the comments made in the media by my hon. Friend the Minister that he shares much of my enthusiasm for CSP and that he appreciates the strong case for an HVDC grid. He has, however, expressed concerns about the long-term security of CSP energy derived from desert plants. While I understand those concerns, I do not necessarily share them. The first point to bear in mind is that CSP, even if we manage to exploit just a tiny fraction of its potential as an energy source, will help to increase substantially available energy supplies and thus diminish the risk of a global grab for energy.

Large-scale CSP production would also add to the global diversity of energy sources and reduce our reliance on conventional fuels. Oil is concentrated in a few small regions, but hot deserts and other areas with high levels of direct sunlight are widely distributed in the world, meaning that no country need be overly dependent on a few sources. The whole of the Mediterranean basin, for instance, has potential as a source of CSP production. It would be very difficult therefore to end up with an OPEC-style solar cartel.

If Europe were to rely on transmission lines for the import of electricity from the middle east and north Africa, those could feasibly be targets for terrorists. But the transmission grid can be designed to accommodate damage in much the same way that the internet was designed to be resilient in the face of military attack. Rather than rely on a few large transmission lines,

[Dr. Howard Stoate]

electricity may be transmitted over an interconnected grid of smaller lines. That means that electricity can always bypass difficult or damaged parts of the network. If necessary, transmission lines may be buried underground or laid under water where they would be much less vulnerable to attack. Airtricity, for example, has proposed a supergrid of this type across the whole of Europe, composed entirely of buried cables.

In short, while we need to think through the energy security implications of expanding CSP production, we should not exaggerate them, or allow them to detract from the very strong argument before us in favour of CSP and the creation an HVDC grid.

I hope that the Minister will use today's debate to underline his support for the technology and the creation of a grid, and I hope that he will set out a raft of measures aimed at facilitating the use of CSP in the UK as early as possible. I would like to end my contribution by paying tribute to the work of TREC and its supporters, particularly Dr. Gerry Wolff, TREC's UK co-ordinator, in promoting CSP and the HVDC grid and in putting forward a powerful scientific and environmental case in support of them. Its efforts have done an enormous amount to advance the cause of renewable energy in the UK and throughout Europe.

6.14 pm

The Minister for Energy (Malcolm Wicks): I am grateful for the opportunity to respond to the debate. My hon. Friend the Member for Dartford (Dr. Stoate) made interesting—perhaps for many people listening, unusual—and important points about concentrated solar power and the case for creating a high-voltage direct current grid.

I came into the Chamber during the earlier debate on Wales—I felt that I, as a mere Englishman, was trespassing—and I heard a reference to Cicero. To raise the cultural tone of this debate—not that it needs raising, following my hon. Friend's eloquent and evidence-based speech—I remember that I once bumped into my hon. Friend, who is a friend in many respects, at a concert by Mr. Bob Dylan. I was searching for a suitable text for today and came up with:

"Early one morning the sun was shining".

I know that my hon. Friend will listen carefully to my speech but if, by the end of it, he can identify the song, I will be impressed.

Of course, climate change presents a considerable challenge, which affects us socially, economically and politically, and it requires a paradigm shift in our method of sourcing competitive and reliable energy supplies in future. As my hon. Friend knows, we have a target to reduce carbon dioxide emissions by 60 per cent. from 1990 levels by 2050. That requires several radical and bold steps.

I want to reflect on some of the issues that my hon. Friend raised about the specific technology he discussed and to re-emphasise our commitment to developing renewable technologies generally.

The Government are firmly committed to developing sustainable supplies of renewable energy for the UK and throughout Europe and we want to play our part in encouraging others on an international scale to do the same. The Government are committed to the expansion of renewables, and that sits alongside various other measures that we need to take, including on energy efficiency, civil nuclear power, cleaner use of fossil fuels through carbon capture and storage technology and so on.

As my hon. Friend said, the world has huge solar resources, on which concentrated solar power technology can clearly draw. I do not want to overstate the case because our role is currently modest, but the UK has participated in several European and international projects that examine the development and marketing of concentrated solar power systems. Work was carried out in the 1990s, when at least two small studies were commissioned on behalf of the then Department of Trade and Industry, and CSP plants now operate in California, Spain and other parts of the world. An organisation called SolarPaces has been set up by the International Energy Agency and is engaged in technology development, pilot projects and promotion in the relevant "sunbelt" parts of the world. Sadly, my hon. Friend was right to say that they do not include his constituency or mine. However, we in the UK have played our part in the work.

The debate focuses on the key issue of how the UK could benefit from concentrated solar power. Unfortunately, we do not have sufficient sun resources for that technology in the UK. Therefore, for concentrated solar power to be of value here, it would be necessary to establish the HVDC transmission network that my hon. Friend proposed. I accept the argument that an HVDC network has the potential to deliver energy across long distances with minimal losses. However, building and maintaining an infrastructure of HVDC transmission lines and managing a network that feeds into national grids across Europe is an enormous and expensive task, as my hon. Friend acknowledged.

My officials have discussed CSP with international counterparts, and there is a general consensus that building the infrastructure would be costly. However, some of our European colleagues are engaged in developing that technology. For example, we believe that support for CSP in Germany is primarily for developing a manufacturing capability, rather than for applying the technology within national borders.

We believe that fair, open and well regulated markets are the best way for us to achieve the massive investment in the clean energy needed, and to create opportunities for the most efficient and cost-effective technologies and solutions to develop and succeed. Concentrated solar power could have a part to play along with other technologies.

Here in Britain, the renewables obligation—our market mechanism for supporting renewable electricity generation—has, alongside other measures, such as the low-carbon building programme, been successful in nearly doubling renewable generation since it was introduced in 2002. Current Government policy is already set to deliver £1 billion of investment in renewables by 2010. The amount of renewable electricity eligible under the renewables obligation has almost trebled since its introduction, although I recognise that we started from a low base in Britain and that a lot more remains to be done.

We have also recently given consent to many major renewables projects, including the world's biggest offshore

wind farm, the London Array, and more than 20 other wind farms, including three consents issued today, at Keadby in South Yorkshire, Tween bridge in north Lincolnshire, and Gunfleet sands off the coast of Essex. We also recently granted permission for what will be one of the world's largest biomass plants, which will be built in Port Talbot. As my hon. Friend knows, we are taking a hard look at the feasibility of a tidal power project across the Severn estuary and are currently in the stakeholder engagement process. If such a project is feasible, it could generate some 5 per cent. of Great Britain's electricity needs, and from a clean, indigenous resource. A full formal public consultation will take place in early 2010.

I mention those things because we need a focus on our climate change objectives and a focus on renewable technologies. I have outlined some of the things that have perhaps a more immediate short to medium-term application in Britain. On solar power, we see—rather more modestly than my hon. Friend—an increasing number of solar panels on the roofs of people's houses, which use a relatively cost-effective renewable technology. We also see the development of something that is as yet more expensive, but still important, namely photovoltaics, which produce not just hot water but electricity. We have a range of technologies that offer hope as we move forward.

I assure my hon. Friend that the Government will continue to follow developments in concentrated solar power and long-distance electricity transmission. He referred to a number of experts with whom he is in touch. If he has time, I should be happy to meet him and some of his colleagues so that I can become better informed. I again thank my hon. Friend for introducing this relatively novel but certainly very interesting debate about solar power. I congratulate him on his enthusiasm and his strong information base.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes past Six o'clock.

House of Commons

Friday 29 February 2008

The House met at half-past Nine o'clock

PRAYERS

The Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

9.33 am

Mr. Peter Bone (Wellingborough) (Con): I beg to move, That the House do sit in private.

Question put forthwith, pursuant to Standing Order No. 163 (motions to sit in private):—

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Alan Haselhurst): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 0, Noes 36.

Division No. 106] **[9.33 am**

AYES

Tellers for the Ayes:
Mr. Peter Bone and
Mr. Philip Hollobone

NOES

Benyon, Mr. Richard
Blackman, Liz
Bottomley, Peter
Bradshaw, Mr. Ben
Brazier, Mr. Julian
Brown, rh Mr. Nicholas
Chope, Mr. Christopher
Dismore, Mr. Andrew
Ellwood, Mr. Tobias
Field, Mr. Mark
Fitzpatrick, Jim
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Francois, Mr. Mark
Gale, Mr. Roger
Greenway, Mr. John
Hands, Mr. Greg
Hodge, rh Margaret
Hurd, Mr. Nick
Khan, Mr. Sadiq
Lammy, Mr. David
MacShane, rh Mr. Denis
McCabe, Steve
Merron, Gillian
Purnell, rh James
Randall, Mr. John
Rosindell, Andrew
Skinner, Mr. Dennis
Stanley, rh Sir John
Twigg, Derek
Vaizey, Mr. Edward
Watts, Mr. Dave
Whittingdale, Mr. John
Wicks, Malcolm
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Peter Luff and
Keith Vaz

Question accordingly negatived.

Orders of the Day

British Board of Film Classification (Accountability to Parliament and Appeals) Bill

Order for Second Reading read.

9.48 am

Mr. Julian Brazier (Canterbury) (Con): I beg to move, That the Bill be now read a Second time.

I am most grateful for this opportunity to call for the Second Reading of my Bill. I am also grateful to the large number of colleagues in all parts of the House who have given up their precious constituency day to be here.

There is growing concern in this House and in the country about the rising tide of violence. Whatever the complications around counting, reporting and recording, the statistics suggest a rise of about tenfold over the past 25 years in violent crime in general and, more specifically, in rape; and the trend remains upwards.

The Bill seeks to address what I believe is one of the fundamental drivers of our increasingly violent society. It has received the endorsement of leaders of several of our religious communities, including the Cardinal Archbishop of Westminster, the Anglican Bishop of Bristol, the Board of Deputies of British Jews and the League of British Muslims.

I am very grateful that the Prime Minister has agreed to see the right hon. Member for Leicester, East (Keith Vaz), the Chairman of the Select Committee on Home Affairs, and me to discuss the issues raised by the Bill.

This morning, I shall offer compelling evidence that the growth in violent offences is linked to the growing availability in the media of extremely violent and explicitly sexual material. Part of that material falls within the orbit of the British Board of Film Classification, which is responsible for classifying films on an advisory basis for local authorities, and has statutory powers with regard to videos, DVDs and certain classes of video games. My Bill would reform that organisation.

It is manifestly obvious that some very important media lie outside the remit of the BBFC, particularly television and the internet. In a private Member's Bill one can only do so much; my aim is to suggest ways of setting boundaries that we could then extend to other areas. I hope that the House will bear with me if I spend the bulk of my speech focusing on the need for reform, and then briefly outline the provisions.

I shall start with a group of videos banned by the Director of Public Prosecutions a generation ago. They were re-examined by the BBFC three years ago, and one of those that it decided to release videos to ordinary high-street outlets such as HMV was "SS Experiment Camp". Let me quote from the sleeve of this video:

> "Female political prisoners are brought to Von Kleiben's secret camp to have sex with Wehrmacht troops as part of a breeding study—at least the compliant, beautiful ones, that is. The plain Janes and the uncooperative experience a course of cruel experiments by Von Kleiben's lesbian assistant."

The film shows in voyeuristic detail women being tortured to death by SS camp guards. A BBFC spokesman commented on the film:

[Mr. Julian Brazier]

"It is tasteless—but then I find most Mel Gibson films tasteless...It is not going to create an attitude towards Jewish women that is harmful."

It is certainly true that far more brutal films have since been released, but I urge those in the House who feel—and I know there are some—that although material may be tasteless, adults should be allowed to watch whatever they like in a free country, to read the report published by the Ministry of Justice last September. Its title is interesting in itself: "The evidence of harm to adults"—it focused exclusively on adults—"relating to exposure to extreme pornographic material: a rapid evidence assessment." The survey was based on 124 independent studies from around the world. I shall quote some of the findings. It says that

"the research reviewed in this report provides evidence of the negative psychological, attitudinal and behavioural effects on adults who access this material."

The material, incidentally, was hardcore, but not necessarily violent pornography. The report continues:

"These include (for men): physiological arousal...leading to beliefs that women enjoy or desire rape...; attitudinal effects; rape myth acceptance; pro-rape attitudes; self-reported likelihood to use force or to rape; behavioural effects such as: aggression in the laboratory after exposure; using pornographic materials to prepare for sexual offences...; actual real life rape and sexual aggression".

There will always be those who claim that there can be a correlation without a cause—that this whole phenomenon can be explained away by saying that those who are prone to rape have a greater predisposition to view pornographic material. As someone who worked for a number of years as a statistician, I can tell the House that it is possible to pursue that sort of chicken and egg argument until the cows come home. We do not accept it, and never have accepted it, in areas such as simulated child pornography, where child porn is made with actresses who are actually adults but appear to be children. We do not accept it in the case of racist literature. Interestingly, the Ministry of Justice report addresses this point head on, and comments:

"Research testing theoretical models has identified a mutually–reinforcing relationship between extreme pornography as a causal factor in instigating sexual aggression, and a predisposition to sexual aggression creating an interest in extreme pornographic material."

There we have the chicken and the egg.

I shall give one or two further examples. In Leicester in 2004, Warren Leblanc admitted murdering his 14-year-old friend Stefan Pakeerah in a murderous assault with a claw hammer and knife. I know that the right hon. Member for Leicester, East will be dwelling on that case, so I will not do so, but the testimony of the father is well worth listening to. An even more horrific case was that of the two 10-year-old schoolboys who were convicted of murdering toddler Jamie Bulger. When the noble Lord Alton was an MP, he commented on the remarks of the trial judge, Justice Morland. Lord Alton said:

"The context of my amendment two years ago was the killing of a young boy, James Bulger, in the city of Liverpool...In the aftermath of the verdicts, the trial judge remarked on, 'the striking similarities' between scenes in the video "Child's Play 3" and the attack on James Bulger."

He went on to point out:

"440 other videos had been hired during the previous few years by the father of one of the boys. The videos included soft pornography, violent horror and necrophilia."—[*Official Report*, 3 April 1996; Vol. 275, c. 309.]

Last year the BBFC at least sought to ban the successor to the game "Manhunt 2". Its director, David Cook, said:

"Manhunt 2 is distinguishable from recent high-end video games by its unremitting bleakness and callousness of tone in an overall game context which constantly encourages visceral killing. There is sustained and cumulative casual sadism in the way in which these killings are committed, and encouraged, in the game."

Indeed, I understand that under the points system in the game, the more sadistic the killing, the higher the number of points a player gets. The BBFC's video appeals committee overturned this ban, but found its own ruling overturned in the High Court. Although this process has finally yielded the right result in that case, the House will not be surprised to hear that one of the provisions of my Bill is to reform the video appeals committee.

Mr. Philip Hollobone (Kettering) (Con): I am following my hon. Friend's argument with great interest. Can he tell us why the High Court overturned that decision?

Mr. Brazier: Yes, certainly. The gist of the decision was that the standard of proof set by the video appeals committee in determining whether the game was damaging was so high that it could almost never be attained, in any case. The High Court said that that process was legally flawed. The basis that the committee used to justify allowing it would effectively allow anything. In an earlier ruling, nine years ago, the video appeals committee had effectively opened the doorway to almost all forms of non-violent pornography.

Another example that is far more recent than the film I mentioned earlier is the film "Irreversible". This film includes a scene of the rape of a very attractive actress, which runs for nine consecutive minutes. If one types "irreversible rape" into Google, five of the top 10 links are to clips of that rape scene, which has been passed by the BBFC. If that is not glamorising rape, it is difficult to imagine what would be.

Mr. Peter Bone (Wellingborough) (Con): Years ago, I was on the local council, which used to review films and could overrule classification. I would like to know whether that can still be done. Whenever we did overrule classification, the danger was that we would give a lot of publicity to the film, and then everyone would go and watch it in a neighbouring authority area. Is my hon. Friend touching on that issue in his Bill?

Mr. Brazier: My hon. Friend makes an excellent point. Of course, local authorities do sometimes make a stand. In the field of rap music, which is unregulated, Brighton has just said that it will close licensed premises that use such music that features incitement to violence. As my hon. Friend points out, a local authority standing alone is of limited value, for exactly the reasons he sets out. We have to go back to the sources, and the BBFC is what we have at the moment.

I turn to one more example, from a quarter that might surprise some Members of the House. *Boyz* magazine has given me the following quote and asked me to use it:

"As the leading and longest-standing gay weekly magazine, Boyz has taken a stance against bareback videos"—

that is, sex scenes showing males operating without condoms. It goes on to say that

"we reported last October that three young models, aged 18, 21 and 26, contracted HIV on a British bareback video shoot"—

three young men now facing effectively a sentence of death. The quote continues:

"It is disturbing that the film was released despite the fact that...at least one of the models was very strongly opposed to the film being released...Boyz magazine is in favour of gay adult material being available to our readers, of course, but we do not support the promotion of films featuring unsafe sex. The BBFC is effectively certifying films which eroticise and promote unsafe sex amongst gay men."

I shall not conceal from the House the fact that I have some disagreements with *Boyz* magazine in some areas, but I am extremely grateful that it has come out strongly behind my Bill.

It is remarkable that a number of the BBFC's former leading lights have condemned the institution's current attitude. Speaking to the *Daily Mail*, former BBFC chairman Andreas Whittam Smith said that he believed that it had been taking a more relaxed approach to violence. He was, of course, overturned by the wretched video appeals committee when he tried to take a stance on violence as chairman. Referring to a recently released film, "Eastern Promises", Mr. Whittam Smith said:

"If I thought this was the type of film that was likely to make people leave the cinema, or even make them have to look away for quite a while, then I would question why the scene should be left in."

Michael Bor, the former principal examiner of the BBFC, came to see me. He said:

"Nobody familiar with the media business could deny that there has been a liberalisation of attitudes to violence...We have to be much more sophisticated in recognising that young people are being desensitised by growing exposure to violence in the media; violence is becoming normalised in their perceptions."

It is not just the Ministry of Justice report that accepts the argument that violence and sexual material encourage violence against women. The Advertising Standards Authority launched a seminar last year under its chairman Lord Smith, the former Secretary of State for Culture, Media and Sport, on violent imagery in advertising. The ASA has an excellent record in that area, unlike the BBFC. For example, in 2005 it banned a Reebok advertisement on the grounds that it glamorised gun violence. A few years ago, Professor Andrew Sims, past president of the Royal College of Psychiatrists, commented that

"there is now vast anecdotal evidence associating the portrayal of violence with violent behaviour and more than one thousand papers linking violence in the media to actual behaviour".

Earlier I quoted Government research and referred to the Prime Minister's open door. Now let me refer to my right hon. Friend the Leader of the Opposition, who said last November that

"studies have shown that as many as one in two young men believe there are some circumstances when it's OK to force a woman to have sex. In my mind, this is an example of moral collapse.

We need widespread cultural change, and addressing this moral failure represents a real challenge to British society: to families, schools, local communities and businesses."

He went on to say that

"the past decade or so has seen the growing sexualisation of our society, where sex is aimed at an ever younger audience and it's cool to treat women like sex objects...we need those that work in the media and music industry to exercise their responsibility in how they present female role models."

The previous August he had remarked that

"the companies which make music videos, films and computer games have a social responsibility not to promote casual violence, the gang culture and the degradation of women".

My Bill aims to make the British Board of Film Classification accountable to Parliament and the public in a way that should encourage a return to more responsible decisions. Clause 1 gives a power of scrutiny over the appointment of the four principal officers of the BBFC to the Select Committee on Home Affairs, which is the Committee responsible for studying crime and violence. In each case, the BBFC would be required to submit a shortlist of three names to the Committee, allowing it to interview each person. The BBFC would then make the appointment, but the Committee, as well as the Secretary of State, would have a veto.

Currently, the BBFC makes all its appointments internally. Under the Video Recordings Act 1984, the Home Secretary was given the power—it now lies with the Secretary of State for Culture, Media and Sport—designate the body with control over videos, so that the Government in effect have a veto over that key position.

Mr. Don Foster (Bath) (LD): The hon. Gentleman's Bill does not delete sections 5(1) and 5(2) of the 1984 Act, so even under his proposals there would also be the opportunity for a veto by either of the Houses of Parliament.

Mr. Brazier: That is true, but that veto has never been exercised in practice, and as there are no hearings, it is very unlikely that it would be. The Bill would get it out into the open, and the hon. Gentleman will hear some more reasons in a moment why we need to do that. In his statement to the House on constitutional reform last July, the Prime Minister announced:

"The House of Commons should also have a bigger role in the selection of key public officials. I propose, as a first step, pre-appointment hearings for public officials whose role it is to protect the public's rights and interests".—[*Official Report*, 7 July 2007; Vol. 462, c. 816.]

For convenience, I shall deal next with clause 3, which gives a similar power of veto to the Home Affairs Committee over the BBFC's guidelines. They are the guidelines that the BBFC's examiners work to and they are available on its website. Let us be in no doubt at all that the guidelines have been progressively liberalised. If we compare the guidelines for 2005 with those of five years earlier, we see that the differences are striking. For example, the guidelines in 2000 for videos rated at 15 said:

"There may be no emphasis on the use of easily accessible lethal weapons (in particular, knives)."

In 2005, that was watered down to:

"Easily accessible weapons should not be glamorised."

[Mr. Brazier]

Crucially, all reference to knives was removed from the guidelines in 2005. There have been a string of films portraying knife attacks since then, and we have also seen a large growth in knife crime. I am not suggesting cause and effect, but I believe that such films are a factor. Similarly, to give one more example, the BBFC's 2000 guidelines for 12-rated videos said:

"Dangerous techniques...should contain no imitable detail."

In 2005, however, the guidelines said:

"Dangerous techniques...should not dwell on imitable detail".

In videos, people can dwell as much as they like, whatever their age, and there is lots of evidence that children play again and again even quite short clips that they find intriguing.

Amazingly, the BBFC's own polling conducted in 2004, shortly before the 2005 guidelines were issued—it was conducted by TNS Media, a reputable body—showed that a clear two-to-one majority among those in the public who had an opinion believed that too much violence was allowed into films for those two age bands. That poll was properly conducted by a reputable polling organisation. The BBFC did not like the outcome, so it went off and conducted an online poll—in fact, we can follow the paper trial through its own documents. In its consultation document, the BBFC admitted to directing people, including

"people active in the film industry",

to the website survey. The results were, of course, unsurprising. In the new online survey, which was not properly conducted, only 13 per cent. of respondents thought that the standards of violence in the guidelines were not strict enough. Sadly, the BBFC chose to follow its own cooked web poll and watered down standards on, for example, knife crime, instead of following the poll that it had commissioned from a reputable organisation.

More recent surveys record even more startling results. Media Watch, the campaigning organisation, whose work I strongly commend, commissioned an independent survey by CommunicateResearch, another top independent polling organisation. If any hon. Member goes to CommunicateResearch's website when they leave the Chamber—they will not do so, I hope, before I finish—they will see the top item: the research it published yesterday showing that 76 per cent. of people support the tighter regulation of violence in films and games, and on TV; that 68 per cent. believe such violence to be linked to actual violent crimes; and that 80 per cent. believe that the BBFC process for approving films should be transparent and accountable to Parliament. That—to return to the query that the hon. Member for Bath (Mr. Foster) raised—is why we need greater accountability to Parliament.

Currently, only the industry can appeal against a ruling by the BBFC, either to restore cut material or to lower a classification. No appeal from anybody else is allowed. Appeals are currently handled in the BBFC by the supposedly independent appeals committee. The last violent video game to be rejected before "Manhunt 2"—"Carmageddon", which was rejected in 1997—was released after its makers employed an expensive Queen's counsel on the appeal.

It may be argued that there have to be limits on appeals because otherwise there might be a vast number of them. In Australia, any single member of the public can appeal to a genuinely independent appeal body, but all my Bill asks is that if 50 MPs sign an early-day motion as a result of public concern, it should trigger an appeal. No one is suggesting that MPs should be directly involved. I do not want direct political interference; we just want accountability, so that an independent body will look at the matter if there is a lot of public concern.

Clause 2 proposes that the BBFC be required to keep a list of volunteers from whom a jury of 12 should be randomly selected to hear each appeal. It also proposes to limit the service of the panel from which juries are selected; it is time-limited to prevent panellists from becoming case-hardened. Incidentally, it is a crucial feature of Australian law that everyone involved in the process is time-limited.

Mr. Andrew Dismore (Hendon) (Lab): I was somewhat intrigued by the hon. Gentleman's proposal on the jury, and I am pleased that he has moved on to the detail of the Bill, as my main concerns lie there, rather than with the broad thrust of what he is trying to achieve. What happens if the jury is hung?

Mr. Brazier: I look forward to the hon. Gentleman joining me in Committee so that we can sort that out. In fact, there is an answer: the Bill provides for the appointment of a chairman to the jury, who will presumably have the casting vote. I hope that that answers the hon. Gentleman's question, but we can debate it further in Committee—and I hope that he will serve on it. Let me remind the House that at this stage, we are debating whether the Bill should be given a Second Reading.

Mr. Brooks Newmark (Braintree) (Con): I have been listening with interest to my hon. Friend. I come at the issue with the perspective of someone who has multiple children, who seem to have access to all sorts of information. I am curious to know whether the Bill deals with access to material on multiple platforms. Violence is not disseminated solely through videos and DVDs, as there are now hand-held devices through which various messages are delivered. Will the Bill deal with those platforms as well?

Mr. Brazier: The short answer to my hon. Friend's question is that it deals with some, but not others. As I said at the outset, a private Member's Bill can do only so much. Whole areas of the media, such as the internet, are completely unregulated except with regard to child pornography. I am trying to set boundaries for the BBFC, which is what we already have, but I have already made it clear that that can be only a beginning. As we shift progressively away from straightforward videos and DVDs towards the wider world that he mentioned, any measures will have to be broadened.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): One of the key aspects of the BBFC's work is that it reaches decisions prior to the release of films, often in discussion with film makers. I assume that, under the Bill, the appeal process can take place only after a film has been released, because people will need to have seen it in order to object. Is there not a danger

of creating a real double jeopardy for the film industry? I have to tell my hon. Friend that that is why most in the industry are very concerned about his proposals.

Mr. Brazier: I am sorry to disappoint my hon. Friend, but the film industry's concerns are not my primary worry. The fact is that the system works perfectly well in Australia and it can be put into effect at any stage. Sometimes people hear about the release of a particularly violent video in America, for example. It is interesting to compare the three common law jurisdictions of America, Britain and Australia. We are positioned somewhere in the middle. In America, the system is completely liberalised, except with regard to child pornography, for which there are very tough federal offences, including those for when adult actors pose as children. Australia represents the direction that I would like to move in. I am not suggesting that this issue is the only factor, but it is a fact that there is a great deal less violent youth crime in Australia than there is here, and I believe that this problem is one of the causes.

Peter Luff (Mid-Worcestershire) (Con): I do not want to delay my hon. Friend in advancing his important case, but I am puzzled by the intervention of the Chairman of the Select Committee on Culture, Media and Sport, my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale). Surely all the Bill does is provide an additional safeguard in extreme circumstances, not for routine films, which does not exist at present. When a film has been released and people find it distasteful and think that it should not have been released, there would be an additional protection. That is all the Bill does; it seems very sensible, prudent and pragmatic.

Mr. Brazier: I am most grateful to my hon. Friend and I hope that my next example will make that point almost as well as he has just made it.

Let me return to the testimony from *Boyz* magazine, our largest circulation gay magazine, as this particular provision is the one that it most strongly supports:

"If there was an independent body in place with the power to hear appeals against the BBFC's decisions, then this young man"—

the 19-year-old whom I mentioned earlier, who has a sentence of death hanging over him—

"could have appealed to that body for the DVD—in which he became HIV positive—not to be given certification."

That was highlighted in our exchange of e-mails as the single reason for the magazine's support for the Bill.

Currently, there is no way of reviewing a decision retrospectively, except at the behest of the BBFC. After the outcry over the original "Manhunt" case, for instance, a review by the BBFC would have been welcome. Thus, clause 2 allows for that sort of retrospective ruling. If people have heard about a film, they can initiate the process earlier, but retrospective rulings will be allowed. Again, however, that sets a much higher standard than in Australia, where just one person can trigger an appeal. My Bill says that an appeal will be possible if 50 MPs sign an early-day motion.

Finally, clause 4 will introduce increases in penalties for offences. Ian Muspratt, chairman of the Video Standards Council—a body wholly independent of the BBFC—commented that

"a study three years ago suggested that it is more profitable to sell pirated videos and DVDs than cocaine and it is often the same people doing it".

The current abysmal lack of enforcement, with weak penalties anyway, means that, while there is still some classification, the system for enforcement has effectively broken down. Mr. Muspratt described to me the vast numbers of illegal videos and DVDs moving around the country—that is the case even before we start thinking about the internet.

I am grateful to the Prime Minister for agreeing to see the right hon. Member for Leicester, East and me. I am very much aware that the Government have commissioned Dr. Tanya Byron to research the children's end of this issue. I must say, however, that although I was very impressed with the work that she is doing when I met her, this is not just an issue about children. Britain today has a rising tide of violence, particularly sexual violence against women and young girls, much of it which, especially when the women are trafficked, never reaches official statistics, but the official statistics are bad enough. The perpetrators are not typically under 18. The tide of violence available through the media, including films, DVDs, videos and video games is fuelling the problem. The evidence shows overwhelmingly that that is the case, so I urge the House to give the Bill its Second Reading.

10.18 pm

Keith Vaz (Leicester, East) (Lab): I am delighted to follow the hon. Member for Canterbury (Mr. Brazier) and I congratulate him on his good fortune in the ballot, which has given him the opportunity—one that few hon. Members have—to bring a Bill on such an important issue before the House. The hon. Gentleman presented his case with skill and eloquence—there was no hysteria in what he said—and he brought to Parliament's and the public's attention an issue of crucial concern. It is a 21st century issue that, as a result of technological changes over the past 20 years, will impact on every single household and every single child in this country and beyond.

I am pleased to see my right hon. Friend the Minister of State, Department for Culture, Media and Sport in her place on the Front Bench. She will recall our pleasant meeting a few years ago, when I and other Members brought the issue to her attention. At that time, I also met my right hon. Friend the Member for St. Helens, South (Mr. Woodward)—then a Minister in the Department for Culture, Media and Sport, but now the Secretary of State for Northern Ireland. We explored ways in which the Government could help to ensure that the classification of video games gave adults access to them while protecting our children from them.

The way in which the hon. Member for Canterbury made his case is important, because this is a question not of censorship but of protecting our children in particular from having access to these terrible games, which show scenes of horrific violence, as he described. His Bill, which I am pleased to support, proposes a procedure that would ensure that the most violent of

[Keith Vaz]

those games did not circulate in this country. I welcome the procedure and the vast amount of time that he has put into the subject.

The hon. Gentleman said in response to the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) that we do not come here to speak on behalf of the industry; it can make its case very eloquently. The industry is one of the strongest and most powerful in the media today, and London is the centre of that industry. Whenever those of us who raise the issue of video games have done so positively in relation to concerns about violence, we have been pilloried in the press that is sponsored by the video games industry for trying in some way to destroy it.

Mr. Greg Hands (Hammersmith and Fulham) (Con) *rose—*

Mr. Newmark *rose—*

Keith Vaz: I give way first to the hon. Member for Hammersmith and Fulham (Mr. Hands).

Mr. Hands: I thank the right hon. Gentleman for giving way. He is right to say that the industry is based in London; in fact, most of it is based in my constituency in Hammersmith. Does he share my concern at the irony that most of those companies are quite concerned about their image and are doing things to promote corporate social responsibility—for example, in relation to payroll giving—while at the same time showing limited corporate social responsibility in the titles that they put out?

Keith Vaz: The hon. Gentleman is absolutely right. We welcome the fact that such companies are in London—they provide jobs and taxes for the Government—but it is important that there should be no duplicity over how they operate. I do not know the specifics of what they are doing on corporate responsibility, but I hope that they continue. Also, I hope they will show corporate responsibility in how they prosecute their policies.

Mr. Newmark: I thank the right hon. Gentleman for giving way, as this is a big issue. I appreciate the motives of my hon. Friend the Member for Canterbury (Mr. Brazier) in introducing the Bill, but he has himself accepted that the largest platform out there is the internet. The people generating that business are not based in Hammersmith or anywhere else in London; it is an underground business. Surely the House would far better spend its time trying to legislate to control the internet and the messages it sends.

I have another question for the right hon. Gentleman. If we are to teach our children about these issues, would not that message best come from the family? Families should be trying to deal with morality of that sort. It is hard to deal with a tiny fraction of the market by controlling DVDs and videos, as the Bill proposes.

Keith Vaz: The hon. Gentleman is right on both points. We in the House cannot control the internet, but that is no excuse for not taking the first step in controlling video games. I will come on to his multiple children later, when I discuss the effect of these issues on our children and the fact that parents need to be responsible. I shall cite a number of cases as examples. Let us be clear: we are not against the industry and we are not against having it based in London, contributing to our economy, but it has to show responsibility. We come to the table to help it.

The hon. Member for Canterbury is right to praise the Prime Minister for readily agreeing to see us in March and for setting up the Byron review. Indeed, successive Prime Ministers have been running ahead of their Governments, because in the meetings that we have had with them—we have also raised the issue at Prime Minister's questions—they have been very concerned. However, I have to tell the House that Ministers, although courteous in their dealings with MPs, have not, I fear, understood the genuine concern among members of the public about how the issue has operated.

I say to the Department for Culture, Media and Sport and to the successor to the Department of Trade and Industry, which the Minister represented at my last meeting with her, that they have to understand that there is real concern about the level of violence in video games. Therefore, the issue is not just about defending the industry and London's position; it goes far beyond that.

The hon. Member for Canterbury mentioned the Pakeerah case. As the House knows, my concerns about these issues arise from the brutal killing of Stefan Pakeerah, a 14-year-old Leicester schoolboy who was murdered in a savage attack in which he received 50 blows with a claw hammer—an attack that mirrored exactly a scene in the video game "Manhunt". I was not the first to say that; Giselle Pakeerah, his parent, has from the very beginning maintained and strongly believed that the fact that Warren Leblanc had a copy of "Manhunt" and that other children were looking at those scenes of violence led to the attack on Stefan.

The hon. Member for Braintree (Mr. Newmark) talked about parents. Giselle Pakeerah led a parents' campaign, because she wanted to ensure that such a thing never happened again. She was firm in pushing me and other Members representing Leicester to ensure that the issue was raised. That led to our first meeting with the then Prime Minister, Tony Blair, which was most productive. He understood, perhaps because he is the parent of a young child, that something had to be done.

At the meeting, we showed Mr. Blair a video game and, in particular, the casing around the video. We noted the fact that the 18 certificate on that casing—I am looking for a penny, but unfortunately I do not have one on me—was about the size of a 5p coin. The then Prime Minister was concerned that video game packaging was such that the need to ensure that under-18s did not have access to such games was not brought to the attention of parents, retailers and others.

Since then, the 18 certificate has been increased in size to about that of a 50p coin, but it is nothing like what is on a cigarette packet. Therefore, even if children do not buy such games from retailers—I will refer to those briefly in a moment—they can visit the homes of adults, pick up a game, take it home and go upstairs to play it on the computer without their parents being aware of the fact that it contains a lot of violence. That is why I produced my Bill to amend the Video Recordings

Act 1984. Although it did not succeed, it drew our concerns to the House's attention.

The university of Missouri, Columbia, has already produced what I regard as a definitive report—I would be interested to hear what the Minister has to say about it—suggesting that there is a link between the violence in computer games and the violence of individuals. We have no equivalent research here. One thing that I hope the Minister will initiate, which I have urged on her many times, is the production of good research on the subject.

As the hon. Member for Canterbury mentioned, when we raise the need for proper rather than voluntary regulation, the industry always says, "Well, video games are quite similar to films. How is a video game different from a film?" That is quite simple: video games are different because they are interactive.

People who are watching a film at the cinema cannot participate in what is happening on the screen, or if they do they are removed from the cinema. However, someone sitting at a computer playing a video game, or someone with one of those small devices that young people have these days, the name of which I forget—*[Interruption.]* PlayStations or PSPs, something of that kind. *[Interruption.]* Well, whatever they are called, when people play these things, they can interact. They can shoot people; they can kill people. As the hon. Gentleman said, they can rape women. That is what is so wrong about the present situation. Dr. Tanya Byron's report will come out soon. The hon. Member for Canterbury and I are due to meet the Prime Minister around that time, on 18 or 19 March, and the Bill will give the House an opportunity to discuss matters further.

I have two final points to make. The first concerns the role of retailers. People under 18 can buy the video games that we are debating from some of our biggest retailers, such as Tesco and Asda. Such retailers are not doing what they have to do to prevent the sale of those video games to people under 18. No less a figure than the iconic Trevor McDonald, on his programme, sent mystery shoppers under 18 to seek to buy such video games from retailers. They were successful. I have asked Ministers many times how many retailers have been prosecuted for selling video games unlawfully to those under 18. We never seem to get the figures, but I hope that we will get them today to aid the hon. Member for Canterbury in what he is doing.

Mr. Don Foster: I am grateful to the right hon. Gentleman for raising an important point about upholding the law. We may debate changing it, but we should be upholding it. Is he as surprised as I was to discover that the figure he is struggling to obtain—the average number of prosecutions a year for the past few years—is just 14?

Keith Vaz: I am very surprised. Perhaps in future I should write to the hon. Gentleman for my figures, rather than to Ministers and the Attorney-General. The industry is huge and the number of video games sold every single day in this country is enormous, so it is astonishing how many unlawful sales are not detected.

Mr. Dismore: I get the impression that my right hon. Friend is drawing his remarks to a close, but he has not addressed a key part of the Bill: the significantly increased role of the Home Affairs Committee, which he chairs. I am concerned about the extent to which the Committee might have discussed one particular issue. As he knows, the Liaison Committee has just undergone an exercise to determine what appointments should be scrutinised by Select Committees. All Select Committees, including my own, were asked to feed into it. Was the Home Affairs Committee asked to consider whether there should be scrutiny of the British Board of Film Classification, and did it make that recommendation to the Liaison Committee, which finalised its list yesterday?

Keith Vaz: No, we did not, because we have not had an opportunity to discuss the issue. We are waiting for the House's views on the Bill. When we have considered them, we will certainly put forward our recommendations. I shall come in a minute to the hon. Gentleman and his role in debates on private Members' Bills.

The hon. Member for Braintree spoke of his multiple children. I do not know whether that means more than two, but I have two.

Mr. Newmark: I have five.

Keith Vaz: My goodness me. The hon. Gentleman will have to look at a lot of computers to check what his children are doing. My son Luke will be 13 on Sunday, and my daughter Anjali will be 11 in April. They disappear to their rooms with video games, and I check on them to see what they are watching and what they are doing on the internet. Of course parents have a role, but it is a partnership. They cannot do everything on their own. They have to check what their children are watching and playing, but retailers also have a responsibility, as do the Government and manufacturers. It is a partnership. One group cannot do it alone, and the hon. Member for Canterbury is trying to ensure that Parliament has a role as well. We cannot just say, "This isn't a matter for us. Because the internet is big, we won't interfere. It's all too much in this modern age." We must take the first step, which is what the Bill seeks to do.

The Bill deserves a Second Reading. The hon. Member for Hendon (Mr. Dismore) is here this Friday morning. I know his record on speaking on private Members' Bills, and I hope very much that he will not do today what he normally does, which is to speak for a long time in order to talk the Bill out. That would deny the public the opportunity for the Bill to have a Second Reading.

Mr. Dismore *rose—*

Keith Vaz: My hon. Friend will have his chance to speak later.

Mr. Dismore: As you have attacked me, I think I am entitled to intervene.

Keith Vaz: Well, you may.

Mr. Dismore: When I speak on private Members' Bills, it is because I have something to say. Last week I decided not to speak at all on the Temporary and

[Mr. Dismore]

Agency Workers (Equal Treatment) Bill, because I wanted to ensure that it made progress. I hope that my right hon. Friend will stay to hear what I have to say about the Bill. I have a lot of sympathy with its aims but some concerns about the details of the mechanism that it sets out.

Keith Vaz: I did not realise that my hon. Friend did not speak last week, for which I think we are all grateful. I will not be able to stay and listen to his speech, because I have to go back to my constituency. It is a Friday morning, and I am rarely here on a Friday *morning.*

Mr. Dismore: You should be, on a sitting day.

Keith Vaz: No; I am sorry. I am here because I have a great deal of respect for the hon. Member for Canterbury, I am a sponsor of the Bill and I believe that the issue is important. Those who try to talk it out, whoever they may be—perhaps my hon. Friend will not; perhaps he will speak briefly today—will do this country a disservice. They will do our children a disservice and, more than that—

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): No.

Keith Vaz: The Minister says, "No", but those people will go against what the Prime Minister wants to do about the issue. Whatever the Minister may say, the Prime Minister is very concerned. The Minister may not be concerned about it, but the Prime Minister is, as was the previous Prime Minister, as she knows. The issue concerns our children and protecting them from the violence that video games sometimes portray. The vast majority of video games sail through the classification; I think the figure was 99 per cent. We are talking about the tiny minority of games that are full of dreadful violence: glorification of the Nazis, violence against women and, in the case of the game "Bully", violence against children. That is what the Bill addresses, not freedom of speech or censorship. I hope that it gets a fair wind from the House.

10.37 am

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): I congratulate my hon. Friend the Member for Canterbury (Mr. Brazier). There is absolutely no doubt that the Bill addresses a matter of public concern, and my hon. Friend is doing a public service by allowing us to debate it. Normally, he and I agree about almost all matters, so it is with some sadness that I say I do not agree with all his remarks this morning.

Everybody accepts that there must be a degree of control. I should not think that anybody would argue that there should be no restrictions whatever and that one should be able to buy any kind of video game or other content. The question is where to draw the line. I think that everybody would accept that certain types of content are beyond that line and are unacceptable in society, such as child pornography, videos depicting forcible rape scenes and snuff movies, where it is apparently the case that the people being tortured or killed are actually suffering that fate in reality. Those are clearly unacceptable.

Age ratings are just as important. I agree with the right hon. Member for Leicester, East (Keith Vaz) that the protection of children is perhaps our highest priority. That does not just mean protecting children from scenes of sex or violence through an 18 classification; it means going below 18 to say that some material is suitable for 15 or 12-year-olds but not for younger children. A lot of debate in the British Board of Film Classification is not about whether something should have an 18 classification but about the correct age rating below that. There is a lot of argument about it.

My hon. Friend the Member for Canterbury suggested that society was somehow becoming more tolerant of violence and that films were now being released that would not have been released some time ago. That is the case, and there are certainly examples of that, but I should not like him to suggest that there has not always been huge controversy over films. I remember the controversy over Oliver Stone's "Natural Born Killers", which was said to push violence to a new extreme. I actually think that it is quite a good film. It is not very easy to watch, but it is well made and it has a serious point. I also remember the controversy about David Cronenberg's "Crash", in which the main character enjoys having sex with the victims of car crashes. I went to see that film as part of the London film festival. It was not particularly good. I did not think that it had great merit, although I recognise that Cronenberg is a good director. Nevertheless, I accepted that some people would take a different view. Nothing in it was so unacceptable that I should prevent other people from going to see it. There are many other examples that I could give.

My hon. Friend the Member for Canterbury has not mentioned the issue of faith, but that, too, generates huge controversy. Many people found Martin Scorsese's "The Last Temptation of Christ" deeply objectionable, and a number of them thought that it should be banned. Actually, it was made by somebody who has some religious belief, and who argued that it was a deeply religious film. Again, I think that it is a film with some merit.

Then there are films that were banned but that have now been released. My hon. Friend referred to some of the so-called video nasties of the early 1980s. I well remember the furore about "The Driller Killer" and "I Spit on your Grave". I saw "I Spit on your Grave" on sale in WH Smith a few months ago; it has now been passed for release. There is no doubt that society has changed its attitude. The Hammer horror films were originally rated 18. Vincent Price baring his fangs was thought to be so horrifying that nobody under 18 could watch it. Nobody today would seriously argue that the Hammer horror films should be rated 18.

Similarly, "Straw Dogs", a hugely controversial film, was banned for many years, mainly because of the rape scene in it involving Susan George. Not only is it now available on release on DVD, but it has been shown on television, as have a number of the films that I have mentioned. Of course, if people believe that the BBFC was wrong to allow the release of a film, as soon as it is shown on television they have a method of protesting against that—they can make a complaint to Ofcom, as

Ofcom has powers to rule against harmful or offensive content being shown on television, but as far as I am aware, it has not done so.

My hon. Friend talked about "SS Experiment Camp". He kindly lent me a copy, and I spent 90 minutes—not the most enjoyable 90 minutes of my life—watching it. It is a truly dreadful film. It is what is called Italian schlock, and many people will find it offensive because of the subject matter—because it involves Nazis and extermination camps. It is pretty tasteless and pretty offensive, but I have to say that there is not a single scene in that film that I could argue should be banned. The scenes of so-called torture and sex are mild compared with anything that a person could see today in the Odeon down the road. I know that that will cause my hon. Friend concern, and he is right to have concern about some of the material—graphic scenes of torture and violence—that is now regarded as mainstream Hollywood entertainment. We are not talking about Italian schlock; we are talking about big-budget, multi-million pound films. My hon. Friend needs to be open about the fact that it is those scenes that he is trying to address.

Mr. Brazier: I am grateful to my hon. Friend for the courteous manner in which he is making his remarks, but I am a little confused about where he is going with that point. Poll after poll, including that commissioned by the BBFC in 2004, has shown that a clear majority of the public are in favour of tightening standards, so why does he not support a measure that would result in greater accountability for the BBFC, so that it has to come in line with public opinion? We all agree that the transition to which he refers has occurred, but a poll published as recently as yesterday shows that the public want a change. Why does he disagree with the public, and why is he determined that the BBFC should continue to be allowed to operate in a completely unaccountable fashion?

Mr. Whittingdale: If I may, I will come on to the issue of accountability, because I accept that it is important. I am not necessarily persuaded by the public opinion research. Opinion polls have shown different results, as they always do. My hon. Friend cast doubt on the BBFC's methodology, but it prides itself on the amount of research that it does on public opinion. I am sure that it will address the concerns raised by my hon. Friend, and if there are serious doubts about the accuracy of its polling, I suspect that it will be the first to want to address that.

Mr. Brazier: My hon. Friend completely misses the point. The poll conducted by TNS, for which the BBFC paid a lot of money, involved a large sample and one of the country's top polling organisations. It was carried out with a view to changing the BBFC's 2005 guidelines. The clear, unmistakable outcome was that the public wanted the guidelines tightened. The BBFC went on to carry out a poll—I have described the methodology—on a website. That poll had none of those merits, and it produced the opposite result. The BBFC chose to follow that.

Mr. Whittingdale: I heard my hon. Friend make that point in his speech, and I am sure that the BBFC will want to respond to it. I look forward to hearing its response. I merely say to him that one should not necessarily be dictated to by pubic opinion. We need to do more research on public opinion on the subject.

The issue affects not just the BBFC; I remember the extensive public research done by the Broadcasting Standards Council when it had responsibility for the regulation of broadcast media content. That, too, showed that there was undoubtedly a change in attitude. A lot of the material that was felt to be unacceptable 30 years ago is now regarded as perfectly acceptable; no one would pretend otherwise. The use of offensive language is another key criterion in determining classification. The use of the F-word used to mean that a film would automatically be rated 18, but that is no longer the case. I suspect that most people would accept that attitudes in that area have changed.

I do not say that the BBFC does not ban films; it does, but rarely. Some might say that it is a happy coincidence—perhaps it is not a coincidence—that yesterday the BBFC announced, for the first time this year, that it was banning a film. It is called "Murder-Set-Pieces". Last year, it banned a film called "Struggle in Bondage", which covered a lot of the ground that my hon. Friend talked about. It showed women being tied up and subjected to abuse, with no indication that they had consented to that. The BBFC felt that it was unacceptable and it rightly banned it.

Mr. Edward Vaizey (Wantage) (Con): It is important to make it clear that the BBFC has no power to ban a film that is shown in a cinema. It only has the power to advise a local authority. It may interest the House to know that "Life of Brian" remains a banned film in Glasgow.

Mr. Whittingdale: I am grateful to my hon. Friend, who is of course completely correct to set out that distinction. As I suggested earlier, some of the most controversial questions have to do with age classification. In some cases, the BBFC has been too strict and should have been more liberal. Let me give an example. I went to see "Sweeney Todd", Tim Burton's new film, which is very good. It is a musical, but it contains gore and shows people having their throat cut, although it is a fairly unrealistic depiction. The BBFC decided that the film should be rated 18. I have a son who is just about to turn 15, and I would have no qualms about allowing him to see that film. I think that it would be perfectly acceptable for it to be a 15. On the other hand, I went to see "The Last King of Scotland", which was rated 15, but which in my view should probably have been an 18. All of us will argue about where the line should be drawn, and probably everybody will have different views.

One should be aware that there are big issues at stake when deciding where to draw the line. The certification of a film can have a considerable impact not only on the amount of revenue that it makes, but on public expectation and people's desire to see that film.

One of the films that led to the greatest number of complaints to the BBFC last year was "Casino Royale", which contains some gritty, violent scenes. I am thinking of two in particular: a scene where Bond is tortured sitting naked on a chair; and a graphic fight scene right at the start of the film.

Keith Vaz: The difference between films and video games is that films are not interactive—one cannot add to Bond's torture.

Mr. Whittingdale: The right hon. Gentleman is right; I accept that there is a distinction. I shall come on to video games, but I want to pursue the point I am making.

"Casino Royale" generated a lot of complaints to the BBFC from people who felt it had been far too lenient and the film should have been rated 15. Had that been the rating, my son for one would have been furious, as, I suspect, would most of Britain's young teenage population. They were all desperate to see that film, and I do not believe that seeing it did them any harm. It has some fairly unpleasant scenes, but it is good that a child should be exposed to such scenes and learn to see them as fiction by the time they reach 12. I did not disagree with the BBFC's decision on that occasion.

Mr. Don Foster: It is worth expanding on the point that the hon. Gentleman is making. Some people complain that the BBFC is too tender in its decision making. He has given a couple of examples, but does he agree that about 10 per cent. of all films that it classifies are given a higher rating than the company producing the film wanted?

Mr. Whittingdale: That is right. I shall give another example of where the BBFC had an argument with the film maker and where I believe it was correct. This goes back a little while, but I am referring to "Indiana Jones and the Temple of Doom". Those who have seen the film, probably in their youth, will know that there is a scene where the high priest tears the heart out of a sacrificial victim. The film maker, one Steven Spielberg, felt strongly that it should be included in the film and seen by a young audience. At the time, the BBFC took a different view, had a long argument with Spielberg and stood its ground, and the scene was not allowed to be shown. I was told—I think by James Firman, to whom I pay tribute for pioneering the work of the BBFC—that Spielberg said much later that on reflection the BBFC was right and the scene was a step too far.

Some BBFC decisions are courageous, and it is not always the liberal body about which my hon. Friend the Member for Canterbury has concerns. My concern is not about "SS Experiment Camp", because it is so bad that it will sell almost no copies. I fear that it has probably enjoyed a boom in sales since he put it on the front page of *The Sunday Times*, but I suspect that those who buy it will be deeply disappointed. What concerns me is the degree of violence that is selling huge numbers of tickets in Odeons up and down the land, although I do not necessarily agree with his prescription.

Stephen Pound (Ealing, North) (Lab): The hon. Gentleman has an almost embarrassingly encyclopaedic knowledge of schlock and other film categories, to which I cede him first place. He rightly talks about the appalling production standards, vile script and general tackiness of "SS Experiment Camp", but is there not a danger of getting into a situation such as pertained to the Russ Meyer films in the 1960s? Those films were so appalling that huge numbers of people bought and watched them. The ante increased as more and more Russ Meyer films were made, particularly following "Beyond the Valley of the Dolls" and "Supervixens". Things got nastier and nastier, and increasingly sordid.

Mr. Whittingdale: I can trade the hon. Gentleman Russ Meyer titles—"Faster, Pussycat...Kill! Kill!" is another example that would meet his criteria. The Russ Meyer films are not to my taste, but I do not have any great objection to them—they are comic strips really.

My hon. Friend the Member for Canterbury has to think carefully about a much more serious matter. I shall give two examples of the sort of films that cause me concern. The first is the "Saw" series—"Saw", "Saw II" and "Saw III". The other is the "Hostel" series—"Hostel" and "Hostel part 2". They show scenes of graphic torture and are known as torture porn. They are highly unpleasant, and because they are quite big-budget films, they are highly realistic. They are not grainy B movies; these are mainstream, big-budget Hollywood movies that are selling tickets by the million. They are some of the most successful films in the past couple of years.

Those films should arguably have been cut more than they were, although I accept that a subjective judgment needed to be made about that. A more concerning point, to which I do not have an answer, is the fact that millions of our fellow citizens chose to go to watch them. My hon. Friend must accept that if his Bill were to pass, he would be addressing not the kind of films watched by a small number of rather strange people, but the kind of films watched by huge numbers of people who get enjoyment from them.

Mr. Brazier: This is exactly the point that my right hon. Friend the Leader of the Opposition addressed when he referred to very large proportions. Neither of the surveys done was terribly well conducted, but both involved quite large samples. One survey suggested a figure of as much as half and the other suggested that up to a third of young males now fall into the category we are discussing. This cycle must be addressed, and I hope that my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale) will join me in supporting the Bill on Second Reading, even if he disagrees with some of my detailed mechanisms, in order to suggest that we should introduce greater accountability into the BBFC.

Mr. Whittingdale: Young males may be the category about which my hon. Friend is most concerned, but the appeal of these films goes way beyond just them.

Whether or not exposure to films or, to some extent, video games, can directly lead to violence is hugely unclear. My Select Committee took evidence last week from Professor Sonia Livingstone, who has done a great deal of work in this area. We are examining games in particular, and I want to say a few words about them. She said that the evidence is largely anecdotal and no clear peer-reviewed, accepted research can definitely show yet whether there is a link.

Mr. Bone: I am trying to follow my hon. Friend's intellectual argument—it seems to be that because a large number of people watched a film, they should have been allowed to do so. Does that mean that if an actual rape was filmed and lots of people wanted to see it, that should be allowed?

Mr. Whittingdale: I would hope that not many people would want to see such a film, but the answer is that we must draw lines, as I said at the beginning. Of

course some things are unacceptable, but we must also take account of the public taste. If a large number of people want to watch a film, even though I personally might find the film distasteful, I would be extremely reluctant to have it banned. I do not like banning things, particularly things that enjoy large popular support. I hope that a number of my hon. Friends share that stance.

The question of a linkage between watching films and committing violence is unproven, although I agree that more research needs to be done. There is an argument in favour of acting on the precautionary principle. We thus need to look seriously at the issue and, in particular, at the impact of electronic games, for precisely the reason expressed by the right hon. Member for Leicester, East. There is a difference between games and films. Games have a much greater degree of interactivity and are played over and over again—neither of those things applies necessarily to watching a film.

I have one or two practical concerns about what my hon. Friend the Member for Canterbury proposes. First, he wants appointments to the BBFC to be subject to scrutiny by the Select Committee on Home Affairs. I do not want to get into a turf war with the right hon. Member for Leicester, East, but appointments to the BBFC are made by the Secretary of State for Culture, Media and Sport, so it seems slightly curious that the Select Committee on Culture, Media and Sport would not scrutinise them to see whether we agreed with the decision. As the hon. Member for Hendon (Mr. Dismore) said, there has been great discussion about the extent to which Select Committees should get involved in scrutinising public appointments. I am certainly in favour of their doing so and welcome the Prime Minister's decision to allow that. It is the Prime Minister's initiative, but despite the belief of my hon. Friend the Member for Canterbury that he enjoys his warm support for the Bill, the Prime Minister did not suggest the BBFC as a body whose appointments should be subject to public scrutiny.

Keith Vaz: I did not say that the Prime Minister gave warm support to the Bill. What I said was clear: that he believes that violence in video games is an important issue.

Mr. Whittingdale: No, it was my hon. Friend the Member for Canterbury who hoped to pray in aid the support of the Prime Minister.

Mr. Brazier: I did not—I said that I was grateful that he would see us.

Mr. Whittingdale: Who knows what the Prime Minister's view will be? It does not appear to be that the Select Committee should scrutinise appointments to the BBFC.

Another concern that I have is that my hon. Friend's Bill mentions the appointment of the "principal officers" of the BBFC being subject to scrutiny. It is proposed that a public body's appointments subject to examination by a Select Committee will be restricted to its chairman. I am not clear about who the principal officers are and how wide that description is. The BBFC has a number of senior staff, and it would be somewhat impractical for the appointment of more than the chairman to be subject to scrutiny by the Select Committee. Perhaps my hon. Friend can address that point.

My next concern, which I referred to in an intervention on my hon. Friend, is about the nature of the appeals process. He set great store by the need for accountability to Parliament and the possibility of an appeal. Almost no regulator has an appeal process. If Ofcom or Ofgem reaches a decision, it remains its decision. The BBFC acts as a regulator, and I am not convinced that a general appeals process such as my hon. Friend describes is a good idea. It would also raise potential difficulties for the industry. I accept that we should not worry just about what the industry wants, but it is an important industry.

At present, a film maker or distributor has lengthy discussions with the BBFC about what it will and will not accept and what cuts might be needed to achieve a certain classification. As I have said, classifications matter greatly to a film's potential revenue. It seems to be double jeopardy for that process to be undergone, an agreement reached and a film put on general release with the cuts that the BBFC has asked for, and then for the whole process to be overturned because 50 MPs sign an early-day motion saying that it should be.

There is an existing internal appeals body, the Video Appeals Committee, to which my hon. Friend referred, although it is the industry that can appeal to it. He suggested that it was somehow there to do the industry's bidding—I think that he said it was quasi-independent. I would say only that its president is a former director of the Serious Fraud Office, and its membership includes people such as Biddy Baxter, whom I fondly remember as the producer of "Blue Peter"—my hon. Friend the Member for North Thanet (Mr. Gale) will remember her even better than I do—Claire Rayner, Fay Weldon, former head teachers and directors of social services and area child protection committees. It is not an industry-led body. I was pretty horrified when it overturned the BBFC decision on "Manhunt 2", and I am pleased that its decision has been challenged, but I would not like it to be thought that the VAC is just a patsy for the industry, which will accept whatever argument is made to it.

Mr. Bone: If the VAC is doing such a good job, my hon. Friend does not have to worry about the safeguard of 50 Members signing a motion, because it would be used only in extraordinary cases. He has nothing to fear.

Mr. Whittingdale: I hope that my hon. Friend is right, but it would be a strange use of early-day motions. All of us sign a large number of them. [HON. MEMBERS: "No, we do not."] There are exceptions in the Chamber, but many Members sign them in large numbers, often at the request of their constituents. I know of Members who sign them because they are asked to, a bit like GPs saying that somebody should qualify for incapacity benefit.

Mr. Roger Gale (North Thanet) (Con): Graffiti.

Mr. Whittingdale: It is a way of keeping people quiet and happy, in the knowledge, as my hon. Friend rightly says, that early-day motions are graffiti and have no effect. The Bill would mean a new departure in their use. I do not single anyone out, but Members have often condemned films, perhaps even "SS Experiment

[Mr. Whittingdale]

Camp", without having seen them. I suspect that there would be a danger that people would read the *Daily Mail*'s account of what a film contained, which might not be wholly accurate, and then sign an early-day motion about it, thinking that they would be pleasing the *Daily Mail* and their constituents. That might be a more frequent occurrence than my hon. Friend the Member for Wellingborough (Mr. Bone) suggests.

Mr. Don Foster: The hon. Gentleman raises the question whether Members of Parliament sign early-day motions. Does he not find it slightly surprising that the hon. Member for Canterbury (Mr. Brazier), who is championing the Bill and who raised the issue of "SS Experiment Camp" with the Prime Minister only a few days ago, has still not signed early-day motion 849, tabled by the right hon. Member for Leicester, East (Keith Vaz)?

Mr. Whittingdale: I shall leave my hon. Friend the Member for Canterbury to address that point.

Mr. Gale: At the risk of infuriating you, Mr. Deputy Speaker, we have to nail this point about early-day motions. A huge number of Members regard them as parliamentary graffiti, never sign them and recognise that they are a fee improver for lazy public relations companies trying to prove that they are doing something on behalf of their clients and for Back Benchers who want a couple of column inches in the local paper.

Mr. Whittingdale: I am sure that there are no hon. Members present who would view them in that light, but I accept my hon. Friend's point that some do.

I have some concerns about the Bill, first because, in the main, the BBFC does a reasonably good job. I do not always agree with its decisions, but I do not think that it repeatedly gets things wrong. Secondly, there are practical difficulties to the Bill's proposals, and thirdly, they could do damage to the film industry.

The right hon. Member for Leicester, East focused on the serious concerns about the unregulated environment, and my Select Committee is currently addressing those. We have controls over films and video games, but more and more material is being made available online. It started with music, but now films can be downloaded with ease, often from websites based way outside the jurisdiction of any responsible authority. Very soon, video games will also be distributed online. There is a concern that young, vulnerable people will be able to access and will be exposed to harmful content, which we all agree that they should not see and which is therefore banned—or they are at least protected from it—in this country. The global distribution offered by the internet means that those protections can be circumvented. That is why I welcomed the setting up of Dr. Tanya Byron's inquiry and why my Select Committee is examining the issue. There is a serious concern about how we protect our young people and ensure that they are not exposed to harmful material. The biggest danger lies in the internet, not in the cinemas in our high streets.

11.10 am

Stephen Pound (Ealing, North) (Lab): It is a pleasure to follow the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), who speaks with extraordinary erudition, which probably shows that many a night has been spent studying the subject.

It is a great honour to be associated with the Bill promoted by the hon. Member for Canterbury (Mr. Brazier). I pay tribute to him for his courage in promoting the Bill and his recognition of the widespread public concern. It is also a great honour to be in the Chamber with my right hon. Friend the Member for Leicester, East (Keith Vaz), who has done more than many a Back Bencher to bring the issue forward. He should be given credit for that.

Let me respond briefly to the points made by the hon. Member for Maldon and East Chelmsford. In this country, there is a profound sense of disquiet and a feeling that societal norms—what is normal for the majority of people—are not reflected in the British Board of Film Classification. That is my concern. I understand that we are prisoners of history in many ways. We can think back to Mrs. Bowdler trying to expurgate Shakespeare in the 1870s, or the late James Michael Curley, a much-lamented former democrat mayor of Boston who banned virtually everything and gave the phrase "banned in Boston" to the world. We can think of many examples, but the reality of the situation is that the constituents of the hon. Member for Canterbury, my constituents and—dare I say it—the constituents of most right hon. and hon. Members are profoundly concerned. The problem that they see is that not only the people who access, watch and see the material are denigrated but those who participate in it are denigrated, too. It sets a standard, so that beyond that cinema or wherever people go to watch those foul DVDs—outside that community—such things might be seen as normal.

The hon. Member for Maldon and East Chelmsford talked about "Straw Dogs". I am a great admirer of Susan George and of the director of that film, but the film contained a particularly graphic scene of anal rape. Many police officers said at the time and afterwards that there were copycat examples of that scene and the foul desecration of that woman. Should we ban it? Should we pretend that such things do not exist? No. We have to accept that there are certain standards, certain information and certain publicity that simply cannot be allowed to flow freely.

The debate comes back to two things. First, does the community have confidence in the present system of classification? Secondly, can we discuss censorship on the Floor of the House without being accused of trying to turn the clock back and wanting to live in a sanitised, homogenised world where nothing nasty ever happens, where we have nothing but endless Disney films and where we are denied Russ Meyer, let alone Sam Peckinpah?

The hon. Member for Canterbury is trying to achieve a balance. Inter alia, he has finally given the House a reason for early-day motions. I tabled an early-day motion six years ago that said that they were a confounded nuisance, that they were a great problem for staff and that they took up far too much parliamentary time. It urged all right hon. and hon. Members never, ever again to sign early-day motions. A large number of my colleagues signed it.

Mr. Dismore: My hon. Friend anticipates my question; how many signed it?

Stephen Pound: Far too many of my colleagues signed it.

I shall not go as far down the road to iconoclasm as the hon. Member for Maldon and East Chelmsford trod so elegantly. In one speech, he not only destroyed the principle of early-day motions, saying that in many cases constituents pressed a button and the Member responded, but he "dissed" the *Daily Mail*. During my 10 years in the House I have heard many things that have amazed and delighted me, but I do not think that I have heard anything so shocking as a Member of Her Majesty's official Opposition speaking against the paper that is virtually the house magazine of the official Opposition. I congratulate him on his courage and iconoclasm, and hope that he receives a favourable press in the future.

The hon. Member for Canterbury is simply trying to bring into a system a body that, as the Government say, is not publicly funded and to which there is no obvious link—usually, the fiscal link directs such bodies—so that the voice of the people can be heard. By doing that through a series of steps—there are at least three in the Bill—he is proposing something that is sound, sane, sensible and workable. I have one problem with the principle of the appeal; there may be a difficulty with that. The Government will quite rightly ask what the distributor will do if there is an inbuilt appeal mechanism. Will the distributor have a period of purdah in which the object—the DVD, film or game—is placed in a sealed vault, probably accessible only to the hon. Member for Maldon and East Chelmsford, until the classification is made? I do not know the answer to that.

As an accountable Parliament, which is the sounding board of the nation and reflects the individual views and concerns of our constituents, we must have some input into the process. The hon. Member for Canterbury suggests that that should happen in two ways. He suggests, first, that Parliament should have a say in the appointments. I could only be impressed by the names of the distinguished figures whom the hon. Member for Maldon and East Chelmsford mentioned were present members of the board. I would certainly not denigrate Biddy Baxter in any way. For God's sake, she educated my children—and me, for a large part of my life. However, why should there not be a link? Why should there be no coupling between what our constituents feel and the appointment of those who make the decisions?

The Government will rightly say—because they are always right, particularly my right hon. Friend the Minister, who is inevitably and invariably right—that the BCCF is not about censorship—

Mr. Vaizey: BBFC.

Stephen Pound: Sorry, it is the British Board of Film Classification—the BBFC. Forgive me.

Margaret Hodge: It has changed its name!

Stephen Pound: As always, I defer to my right hon. Friend.

The Government might say that this is not about censorship but about classification. That is arguing about angels dancing on the head of a pin. What is classification if it is not censorship? What is censorship if it is not classification? By classifying something, we place it in a band. By censoring something, we place it in a band. When a constituent comes to me and says that they are disgusted and horrified by something that they or their children have accessed, or, even more frighteningly, when we hear at school governing body meetings that children are referring to some of those productions, it leads me to think about what possible sanction we have in this country. At present, we have the sanction of good intentions, the establishment and the great and the good. We have the sanction of the involvement at the heart of the system of people of great nobility, such as Biddy Baxter. We need something a little more concrete. We need more of a link between the body and Parliament.

The hon. Member for Maldon and East Chelmsford referred to "Casino Royale". Another film is "Battle Royale". It is horrifyingly popular among teenage children. It is a Japanese film, in which a large number of schoolchildren are placed on an island and all have a bomb tied to their bodies that can be detonated by remote control. Everyone then has to kill everyone else until only one person is left standing. That is revolting, and the first I heard of it was when I talked to teachers about kids playing "Battle Royale" in a school playground in west London last year. That is a direct link between the foul, fevered, foetid imaginings of some Japanese film producer and the silver nobility of a west London primary school.

Mr. Brazier: I am sorry to interrupt the hon. Gentleman's eloquent speech, but I can give him an example much closer to home. I draw his attention to the study published in the *British Medical Journal* demonstrating how a single episode of "Casualty" showing an attempted suicide by an overdose of paracetamol led directly to a large number of similar suicide attempts over the next month. More than a fifth of the people involved cited that episode of the television programme as one of the things that led them—fortunately unsuccessfully—to try to commit suicide.

Stephen Pound: I thank the hon. Gentleman for that intervention. He has exposed one of the more worrying aspects of the whole argument: imitation. What concerns me about his point and the point I was making about "Battle Royale" is the implication that in such films people are disposable. That denigrates the humanity of the individual and people's basic human rights.

I do not want to get on to the appalling problems faced in Bridgend at present in respect of the tragic and awful suicides, but a great many commentators have said that one thing all those poor, tragic children had in common was that they spent much of their life in a virtual world. Much of their life was spent on the web, on Bebo and YouTube, and there may be something in the argument that if people watch and play interactive games and if they see violent films in which people die in enormous numbers—more than 260 people die in the current Sylvester Stallone "Rambo" film—human life becomes less valuable. The sanctity of life becomes diluted and people see human beings not just as disposable but as characters in a cast. A button can be pressed at the end of the game and it can be rewound and replayed. It starts all over again; the dead rise from

[Stephen Pound]

their graves, the battered and bruised bodies climb up from the gutter, the bullets leave the body, the heads return to the shoulders and life goes on.

I do not imply that everybody is so stupid as to believe that such a mad dystopic world has a wash-over into reality, but when we are dealing with young, impressionable and, in some cases, disturbed minds, a real danger exists. I return to my substantive point: if our constituents come to us with those valid concerns—as they do, over and over again—what are we to say to them?

I do not propose that we set up watch committees. It is a fairly well known fact that when councils originally set up watch committees they had nothing to do with censorship, but were entirely to do with pyrotechnics. Early film was on celluloid, which is highly flammable, so if someone wanted to show a film in a council area they needed a licence. That is why local authorities sat in judgment about whether this or that film could be shown. It had nothing to do with the content of the film, but was entirely to deal with the fire risk, because there was an enormous number of cinema fires, particularly before the first world war.

Such licensing was a completely different issue, but it segued into the application of the prevailing morality of an area to limit its citizens' access to films. The case of "Life of Brian" in Glasgow is an obvious example and I have already mentioned "banned in Boston". The key factor, however, is that the local community had a voice in the process. It is easy to take a libertarian view and to say that nobody sellotapes our eyes open, nails us to a chair and forces us watch rubbish, but there is a question of availability.

There is also something else that is very human. When I was a young man there were X, A and AA film classifications, and I freely admit that on a number of occasions I adopted a husky tone, a false beard and an old raincoat to try to get into the Gaumont, Notting Hill Gate to see "Danish Dentist on the Job", which, as I recall, was subtitled "He knows the drill". Those films were almost paragons of innocence, naivety and—I have to say—tedium and boredom compared to some of the foul, offensive, nasty, murderous, brutal, anti-women and denigrating films that exist nowadays.

What is to be the power of the House in such cases? We can tell people, "By all means, take the law into your hands and picket cinemas"—as has happened—but do we really want the House shown as so impotent that the only access for the voice of the community is to stand outside a cinema with placards. I do not think that is the answer—

Mr. Vaizey *rose—*

Stephen Pound: But I think I know someone who does; I give way to the hon. Gentleman.

Mr. Vaizey: As I said to my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), the Chairman of the Culture, Media and Sport Committee, the decision to show a film in a cinema is down to the local council, so should the hon. Gentleman not advise his constituents to picket the offices of his local council next time a particularly unpalatable film hits our screens?

Stephen Pound: The hon. Gentleman makes a powerful point. Sadly, since my local authority fell into the grasping hands of the Conservatives, my intercourse with that previously august body has been less than fruitful. None the less, the hon. Gentleman is absolutely right—technically—but what does a local authority do when a classified film is put on its desk? It looks at the classification. If the British Board of Film Classification classifies a film as acceptable for all people to see, few local authorities will change their mind. The classification is the guide and most local authorities will follow that guidance.

Mr. Vaizey: As the British Board of Film Classification is the body under scrutiny and, if I may use the vernacular, it is being given a good kicking, it is interesting to note that over the past year four local authorities have overruled the board's guidelines and downgraded the classification. Films such as "This is England" have been downgraded to a 15 rating by local authorities.

Stephen Pound: Only four out of many hundreds of local authorities. I do not argue with the fact that they should have that power. If they downgrade a classification, so be it, but I am looking for a link with the House—

Mr. Dismore *rose—*

Stephen Pound: We can pursue the argument about which Select Committee might be the link in a moment, but first I give way to my hon. Friend.

Mr. Dismore: I am sure that my hon. Friend agrees that if a local authority were to reclassify or indeed ban a film, members of the authority would have had to view it first, to form an opinion, otherwise they would be subject to judicial review. In the context of the Bill, does he believe that Members should view the film or video in question before signing the proposed early-day motion?

Stephen Pound: There is a considerable problem. The old wording was that the film was likely to deprave or corrupt, which I always found extremely difficult, because if one were to study a film in great detail one would, by definition, be depraved and corrupted if one had decided that it contained depravity and corruption.

Mr. Bone: Will the hon. Gentleman give way?

Stephen Pound: I hope to answer the question asked by my hon. Friend the Member for Hendon (Mr. Dismore) in a moment; I give way to the hon. Gentleman.

Mr. Bone: I might be one of the few Members who has actually sat on one of those committees, so I can confirm that we used to sit in a cinema to view the films before making a decision. However, we were the decision-making body; the Bill proposes that the appeal would be heard by a different panel of people, who would undoubtedly see the film, so I think the point made by the hon. Member for Hendon (Mr. Dismore) is a red herring.

Stephen Pound: I am grateful to the hon. Gentleman and give way to his expertise. I was once asked to sit on the old Greater London council film classification

committee, which used to meet in a cellar in Portman square on Wednesday mornings at 11 o'clock. It was an immensely popular GLC committee even in the days of reel to reel and a number of councillors frequently had to take copies so that the items could be studied. However, that was an almost frivolous, innocent and naive world—we are talking about something very different nowadays.

The hon. Gentleman touches on a point that is obviously of concern to us all, in that examining and classifying material has an impact on the person watching. There is no question about that, but police officers look at the foulest of material every hour of every day of every week. They rotate, but someone has to do it. There is a sniggering side to this, but there is also a profoundly serious side to it. When one talks to police officers who have had to view some of the material—we all know what I am talking about—it is apparent that it is one of the nastiest and foulest jobs that one can have, which can be corrosive and destructive.

The hon. Member for Canterbury is simply trying to bring this matter into Parliament by having the names submitted to the Select Committee—whether it is that of the hon. Member for Maldon and East Chelmsford or that of my right hon. Friend the Member for Leicester, East does not really matter. To have not a parliamentary veto but some parliamentary influence at that stage would be so reassuring to the general public.

Mr. Dismore: I am sure that like me my hon. Friend believes in evidence-based policy. The problem that I have is the one that I voiced in my earlier intervention, which he still has not answered: whether people should be expressing opinions—particularly where they may have consequential legal effects, which would be the consequence of the Bill—without having viewed the film in the first place. The subordinate question to that is whether we would be given time off to do so.

Stephen Pound: I will not allow my hon. Friend to tempt me down the primrose path that inevitably leads to offence in the Whips Office, as that is not something that I seek, but his substantive point—I apologise for not answering it—is important. I do not have to be a murderer to know that murder is wrong. I do not have to be a rapist to know that rape is wrong. I am demonstrably not a woman, but I know that the denigration of women in some of these films is foul and indefensible. When one sees a film such as "SS Extermination Camp" one knows that that ain't about Butlins. I understand that we are on shaky territory, because this comes down to a question of analysis. However, how many films, video games and DVDs each year would be so contentious that they would be the subject of the proposals? The guidance proposed by the hon. Member for Canterbury would let in some sunlight and daylight, so although we might have to view some, they would be fewer because of the Bill.

Mr. Brazier: Nobody is suggesting that the appeal be conducted by Members of Parliament. In Australia, any member of the public who hears about a film or video coming over from America can object. I am only suggesting that in Britain it would require the signature of 50 MPs on an early-day motion—one that was not graffiti and meant something.

Stephen Pound: The hon. Gentleman makes yet another extremely sound and telling point. What he proposes is not just a mechanism that gives confidence back to the community, but a mechanism that sounds an alarm bell. It is an early-warning system. If 50 MPs in an early-day motion indicate not their concern but that of 50 MPs' constituents—50 times 70,000 or 80,000—that is an early-warning system or an alarm bell. That will also avoid the problem that has been raised about people from particular religious groups who might have an objection to a film on religious grounds, which we should still examine. There are some who might feel that there is a knee-jerk reaction to almost any film, but this is a filter, a safety mechanism, an alarm bell, and it is an excellent system.

Mr. Vaizey *rose—*

Stephen Pound: On the subject of excellence, I give way to the hon. Gentleman.

Mr. Vaizey: Surely the hon. Gentleman will agree that the trouble with the point about early-day motions is that it relies on the self-restraint of Members of Parliament in not making a political issue of something. I give one specific example. Six years ago he tabled an early-day motion saying that no hon. Member should sign early-day motions because they were a waste of time, yet we learn, as I have learnt in the last hour, that on 25 February alone he signed four early-day motions. Surely, when an hon. Gentleman has made a point of principle that he cannot stick to, he cannot say anything about the restraint that hon. Members might show in this mechanism.

Stephen Pound: Over the years I have come to admire and rather like the hon. Gentleman, going back to the old days when we used to sit in the Smoking Room together, when we were younger, more innocent and far less healthy than we are now. But in expressing that admiration I must say that never for a second did I believe that he had at his fingertips, without prompting, knowledge of the number of early-day motions signed by every single Member of Parliament on every single day. I am speechless with admiration. It is almost as if a small part of the analytical brain of the hon. Member for Buckingham (John Bercow) has been transplanted into the hon. Gentleman producing a super-Front Bencher. That is awesome. I can only say that if I did sign four early-day motions on that day, it showed extraordinary restraint on my part. I should be interested to know what they were. Perhaps the hon. Gentleman could remind me.

Mr. Vaizey: In a minute.

Stephen Pound: The Government make one particularly powerful point, apart from the structural issues, and that concerns Dr. Tanya Byron's review.

Mr. Vaizey: The early-day motions related to Cuba, the "Screening Matters" campaign and the Anthony Nolan trust. I cannot remember the fourth one, I am afraid.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The Chair is taking careful note of the extent to which information technology is used in the House following the relaxation of the rules. It will be of interest to those of us who have responsibility for keeping good order.

Stephen Pound: I am always unhappy about electronic equipment being used in the House, but that is the most valid use of it that I have yet heard.

Dr. Tanya Byron is conducting a review. I am not saying that it was the prompting of the hon. Member for Canterbury that led to that; rather it was the result of the coming together of a widespread and general public concern, and that shows the importance of the Bill. There are some who do not like the idea of scrutinising the classification process, and there are some who feel there is something philosophically wrong about any group in society trying to impose standards on another group in society. There are some who take a purely libertarian view, and there are some who take the view that people should be allowed to do whatever they will to anyone, and let the market decide. Those days have genuinely passed. We have come to the point where we have looked into the abyss. We have seen things of such foul horror that we cannot stand back and do nothing. We cannot simply have a system that allows this foul production, be it Italian schlock, sadism or snuff movies, to continue, and we must do something.

We have at least two options. We have the Bill, which is not perfect in every aspect, but it is perfect in about 99 per cent. of it, and we have Dr. Tanya Byron's inquiry. I wish the Bill a fair following wind. I would like to see it succeed because I would like to see elected, democratic and accountable Select Committees of this House of Commons have a genuine and meaningful say in an issue that means an enormous amount to so many of our constituents. However, if owing to the travails of the parliamentary timetable and other calls on our time, it is not successful on the Floor of the House, it will be successful on the sounding board of the nation, because Dr. Tanya Byron's inquiry will be informed by the points that the hon. Gentleman and his supporters have made here today.

I appeal to the House: let no one be in any doubt whatever on this issue. We can talk about structures and mechanisms; we can talk about the philosophical purity of allowing anyone to see anything, as against some sort of retrogressive censorship; we can talk about Mrs. Bowdler, or about attempting to hold back the tide and dam the flow. However, we have to do something. We have to recognise that there is a genuine concern out there that every one of us sees in our mailbags, in our e-mails and in our surgeries.

For Parliament to say, "Something must be done", and then to do just anything is an abdication of our responsibility as parliamentarians. Simply to do something because something needs to be done is not what we were sent here for. We need to do something because it must be done, and to do anything other than that would be a double abdication of our responsibilities. We cannot simply say that the existing system is in place and we are happy with it, that it is not a censorship system but a classification system operated by the great and the good, and that there is no direct parliamentary accountability, as Parliament does not pay them any money and there can therefore be no link. There are many organisations that Parliament does not subsidise where Parliament has an overview.

We have a locus in laws such as the Obscene Publications Acts. We pass legislation on the Floor of the House that has to be taken into account by the British Board of Film Classification. There is therefore a second-stage link at present. However, laws are passed over a fairly long period of time on a fairly wide scale. We cannot structure a law for a specific film, DVD or game. We can set the broad outlines and indicate what is acceptable and unacceptable, not in Parliament but in a civilised society. We need to do more than simply set the guidelines.

Mr. Dismore: I presume that, in preparation for this debate, my hon. Friend has read the BBFC's guidelines. Perhaps he could tell us what he disagrees with in those guidelines.

Stephen Pound: I have read them. They refer to two particular strands. The first is the legislative strand, which explains the law of the land. The second deals with the prevailing social mores. I forget the name of the judge in the "Lady Chatterley's Lover" trial in 1960, who asked the jury whether it was a book that they would wish their wives or servants to read. That was a different world, and the British Board of Film Classification does not operate in that way. It operates within the reality of contemporary standards. I believe that the concept of contemporary standards is too often used as an excuse for no standards. Just because something is modern, it does not necessarily have to be gratuitous. Talking about modernity does not mean talking about a vicarious process whereby people can satisfy their strange lusts and desires by watching these bizarre films. The BBFC takes guidance from prevailing social mores and legislation. We have a link to it through legislation, but we need to have a tighter, more closely coupled link.

The hon. Member for Canterbury is a man of profound decency. I do not know anyone in the House who has a bad word to say about him. He is widely respected. I cannot believe for a moment that he would have brought the Bill to the House had he not felt that this was an issue of such seriousness that the business of the House could, and should, be usefully employed to address it. His point is that there is something very nasty and very new out there—something that can cause harm to communities and to society and set people down a path that they might not otherwise have imagined treading. Instead of just throwing his hands up and being a nay-sayer, he has come up with a series of proposals. The House should give thought and credence to those proposals, although I am not entirely convinced that they will become law within a short time.

The debate has changed and moved on. Contemporary standards have changed. Too many people are now saying that they are unhappy and unprepared to accept what is happening, and we cannot ignore them any longer. For too long, people have stood back and said, "This is what the world is like nowadays. The country's going to the dogs." Whether it is "Straw Dogs" or any other dogs, those voices have now been heard, and those sentiments have been magnificently articulated by the hon. Member for Canterbury. I cannot see how anyone in the House today could do other than support him and his Bill, and support Dr. Tanya Byron. I hope that we can find some means whereby this evil—I do not use the word lightly—can be expunged.

11.45 am

Mr. Roger Gale (North Thanet) (Con): You will be relieved to know, Mr. Deputy Speaker, that I did not come here today to talk about early-day motions. I

came here to congratulate my hon. Friend the Member for Canterbury (Mr. Brazier) on securing this slot for an important Bill, and to add a few comments of my own. I want to comment on what other hon. Members have said before making one or two points based on my own personal modest media experience.

The serial father of the House, my hon. Friend the Member for Braintree (Mr. Newmark), said that we would be better employed discussing matters relating to the internet. There is real concern in the House about the internet, and about the matter that appears on it. If my hon. Friend wishes to introduce a private Member's Bill to seek to regulate that, he can put me down as a sponsor, because I strongly believe that he is right. However, I do not think that that gainsays the importance of the measure that my hon. Friend the Member for Canterbury is seeking to introduce this morning; it might only be a small step, but it is an important one.

Far too often, we talk in the House about doing things, and stress the need to deal with certain matters, but then do nothing. We have before us this morning the opportunity to take a very small step. We have all been here on Friday mornings when Members have introduced their private Members' Bills, and we are often told that the Bill is imperfect because it is badly drafted or does not go to the heart of this or that issue. In another life, I regularly chair Government Bill Committees, and I would not even begin to hazard a guess at the number of Government amendments that have been tabled in this Session of Parliament to the Government's own legislation. So, for any Member to stand up and say that this or that piece of a private Member's Bill is mildly imperfect is absolute nonsense.

The purpose of this morning's debate is to take an issue and to ask whether it is important, and to determine whether the measure before us seeks to address it. If the answer is yes, the Bill will deserve a Second Reading. I shall try to demonstrate that I believe that the answer is yes, and that any Member, on either side of the House, who seeks to prevent the Bill from getting a Second Reading is doing a disservice to the House, to the legislative process and, dare I say it, to the public whom we represent.

My hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale) referred to age ratings, and to the fact that society had changed. He knows a great deal more about film than I do; it is arguable that he knows a great deal more about most things than I do. So far as changes in society are concerned, however, I can, simply by virtue of longevity, say that I have experienced slightly more than he has. As a fully paid-up aspirant geriatric, I am prepared to stand here and say that I do not believe that the fact that society has changed means that it has automatically changed for the better: quite the reverse, in fact.

The quality of programmes on television today is nothing like as good as it has been in the past. That is not to say that there are no good programmes being made today; there are. However, the quantity of nudity and bad language—and the paucity of invention and imagination—in many programmes leaves a huge amount to be desired, and I am certain that it has an effect on society. It is no surprise whatsoever to me that, by and large, the British nation is pretty depressed: one only has to sit and watch an evening's viewing full of soap operas, which I think I am right in saying are universally depressing. Let us consider the storylines. When did anybody in a soap opera enjoy anything? When was anybody in a soap opera happy? I am prepared to put a small amount of money on the fact that that has an effect on society.

We will be told—I will be told—that television merely reflects society. I am sorry, but I believe that television takes a lead. I feel that very strongly, because for 20 years of the early part of my career, before I came into this House, I was a television producer and director. My hon. Friend the Member for Maldon and East Chelmsford mentioned my brief association with Miss Biddy Baxter. I am modestly proud of the fact that for six months of those 20 years, I was a director of "Blue Peter", but I am much more proud of the fact that I made for Thames Television a series of programmes called "White Light", which were made for teenagers. The first of that series was afforded a BAFTA nomination, and it came second. In all modesty, I have to say that there were only two entries.

"White Light" was screened well before the threshold in the early hours of the evening. As a result of an item that I put out in the first series, I was hauled before what I think was then called the Independent Television Commission and asked to explain myself. The item in question was about drug taking. It was put on the screen quite deliberately at a very early hour in the evening. I cannot recall every detail, but I can recall that the final shot of the item was a very explicit one of a body in a mortuary drawer, and of the drawer then being slammed shut. Not entirely surprisingly, that one shot caused very considerable offence to some people; indeed, that did not surprise me at all. My justification was that I believed that if we were to send out a message to young people that drugs are bad—and they are—we had to do so to an audience who might just be influenced by it, and at a time when they might see it. So when I was hauled before the bishops of the ITC, that was the argument that I and my presenter, who was also dragged up before the beak, deployed. The ITC accepted my argument without question, having heard what we were about.

The reason the ITC accepted that argument is that it understood, as we understood, that what appears on the screen influences people. It really is as simple as that. I am not going to try to intellectualise this—I am not even capable of doing so. What I do know is that, for example, companies spend millions of pounds on advertising on the screen to influence people. They do not advertise cornflakes, soap powder and cars into the ether for no good purpose; they do it because they believe that they will sell those products. They do it because they know that those fleeting, flickering images influence people's behaviour. That is what this is about.

The argument is frequently deployed—to some extent it has been this morning, although less so than I thought it might be—that there is no empirical evidence to suggest that any of the filth, violence and degrading sexuality that is allowed to appear on the cinema screen, on the small screen and in video games has any real effect on people. Of course there is not, because it is not possible to exercise a control. One cannot expose 50 14-year-olds to violence on the screen, and take an identical group of 50 14-year-olds that are not exposed

[Mr. Roger Gale]

to that and say, "Well, the first group thinks this and the other group thinks that, so QED." It does not work like that.

However, what we do know is that there are sufficient examples of what is known as copycat crime to indicate that it is very possible indeed—not in any normal person, probably, but certainly in those who may already have some leaning toward violence, physical or sexual—that such images will trigger a response. Are we prepared to go on taking that chance? We can intellectualise this as much as we like. We can be very liberal. We can say that people have a right to see and hear whatever it is they wish to see and hear, or we can respond to what I believe is the public mood and say, "Here is a generation of children and young people who deserve our protection—the protection of this House—from matter that may affect them adversely and may affect their lives". I believe that we have a duty to take that step.

I am not here to say that I believe that every dot and comma of the Bill of my hon. Friend the Member for Canterbury is necessarily perfect, but I defy anybody in this Chamber this morning to look in the eye a constituent who is a parent and say that it does not deserve a Second Reading. It does, and I wish my hon. Friend well with it.

11.55 am

Mr. Andrew Dismore (Hendon) (Lab): I congratulate the hon. Member for Canterbury (Mr. Brazier) on introducing his Bill. I think that this is the second time in recent years that he has been successful in the ballot. I have a little more sympathy with the aims of this Bill than I had with his previous one. As I recall, I had to explain at great length why my objections to the previous Bill were justified, and I am afraid that it made little progress as a result.

I have a lot of sympathy with what the hon. Gentleman has had to say today. There has been an interesting debate, in which Members have elucidated well the serious harm that we in this House perceive is caused by some of the more obscene forms of video and film—obscene in the sense of violence in particular. I am not going to go through examples in detail. That has been done very adequately today, and if we do so there is a risk that we unwittingly give such examples publicity, as my hon. Friend the Member for Ealing, North (Stephen Pound) made clear. If we give them publicity, people might want to watch or buy them.

What this debate is really about, or should be about—we have heard little on this from Opposition Members, except the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale)—is finding the right balance between giving people choice about what they watch, see and do without unnecessary restriction, and protecting the public from violence. In the context of this debate, we are often talking about the fear of copycat violence—people reproducing what they have seen on film. My right hon. Friend the Member for Leicester, East (Keith Vaz), who is no longer in the Chamber, gave the very graphic example of a case from his own constituency.

However, whether we like it or not, what is being proposed does amount to censorship. The hon. Member for Canterbury said in his introduction that it is not about censorship, but I am afraid that it is. The question is whether it is good or bad censorship, whether we should be censoring such material, and if so, what the appropriate procedure is for doing so to prevent that material from getting into the public domain.

Stephen Pound: Sir Isaiah Berlin's aphorism that freedom for the shark does not equal freedom for the minnow has been quoted in the House before. Does my hon. Friend not agree that some forms of censorship, if that is the word we choose—protection is the word that I would prefer to use—are absolutely essential for the conduct of a civilised society?

Mr. Dismore: I most certainly do agree with my hon. Friend about that, as do the Human Rights Act and the European convention on human rights. I hope to talk about that later on. The point, first, is where the balance lies; and, secondly, who exercises the decision making.

My concern is about skating around the issue and calling it something that it is not. My hon. Friend mentioned protecting the public, but that is the object, not the exercise; the exercise is censorship with the aim of protecting the public in the end. That is a better way of looking at this debate. If we skate around and pretend that that is not what we are about, we run the risk of ducking the issue.

Mr. Brazier: I am grateful for the hon. Gentleman's kind remarks, but I am puzzled by one of his early comments. Unless I slipped up somehow, I did not say that the issue was not about censorship; at least, I did not intend to. Of course it is about censorship, for exactly the reasons that he has just outlined.

Mr. Dismore: I am grateful to the hon. Gentleman; I had the impression that he had said that the issue was not about censorship. Perhaps I was thinking of another contribution.

If we are to go down the proposed route, we have to be very careful because we operate within a free society and what we do should be based on clear research into cause and effect.

Stephen Pound: I am not going to ask who guards the guardians, but before my hon. Friend moves off his point, I want to ask to whom the classifiers are accountable. I entirely understand his philosophical point, but there has to be accountability. To whom are they currently accountable?

Mr. Dismore: They are accountable in a variety of ways—in some respects to the Secretary of State, and in others to their own board, the public at large, Parliament and, ultimately, the local authorities that have the final say. There is a complicated set of arrangements, to which I shall refer in more detail in a moment.

I disagreed with the hon. Member for North Thanet (Mr. Gale) when he said that there was no empirical evidence and that none had been referred to. Most of this debate has been about empirical evidence—about examples that we have seen. However, we do not have a proper scientific and statistical analysis and there has been no proper attempt to show where the linkage lies.

Personally, I believe that there is a clear link between some of the things that we have heard about today—between "SS Extermination Camp", for example, and the violence mentioned. Having listened to the case presented by my right hon. Friend the Member for Leicester, East, I certainly think that there is a clear connection between the video game that he mentioned and the foul murder committed in copycat style. To my untutored, unscientific eye, that is self-evident. However, if we are to legislate and try to introduce different controls, we have to make sure that we do so properly and on the basis of proper scientific analysis. That is why I am pleased that the Government have set up the review being carried out by Dr. Tanya Byron; I understand that she is due to report next month. That will be a helpful contribution to our debate.

The debate today has been much more about the philosophy and need for censorship and control in the circumstances that we are discussing than about the Bill itself. That is one of the problems with this debate. I entirely agree with where the hon. Member for Canterbury is coming from on this issue; this is a serious matter that must be addressed. We have to address it on the basis of evidence. To the public, there is clear general evidence that there is a problem, but we need to firm that up to check whether what they—and, by the sound of it, all of us here today—believe is actually the case, or whether we are speculating. Is it coincidence, or is there a causal connection?

If we think that there is such evidence, we ought to think about how we go about regulating and dealing with the issue. I am not sure that the Bill is the right way or sets out the right mechanisms to do that. We have had an interesting debate, but it has been more of an Adjournment debate on the general issue of the problems of foul and violent video games and films than a Second Reading debate on what the Bill proposes or what is missing from it. That, however, is what a Second Reading debate should be about.

Stephen Pound: One of the Bill's proposals is that the Home Affairs Committee should have the power to require the British Board of Film Classification to re-examine its guidelines and tighten them if necessary. Does my hon. Friend not at least agree that that is an essential mechanism to allow the voice of the people to be heard through this place?

Mr. Dismore: I should like to say a little about the proposal on the Home Affairs Committee later. I do not wish there to be a turf war, but as the hon. Member for Maldon and East Chelmsford said, the Culture, Media and Sport Committee, which he chairs, would be more appropriate in the first place.

The problem is that the Bill does not say "a Committee of the House" or "a Committee to be appointed by the House", but specifies the Home Affairs Committee. Perhaps that could be put right on Report, but that is how the Bill approaches the issue. There is nothing to prevent the hon. Gentleman's Committee from recommending that the British Board of Film Classification should change its guidelines, if that was the Committee's view. It has the power now to make such a recommendation, through the House, to the board. The House could not require the board to follow it, and that raises the question whether the role of the House is to require such a thing or to recommend it, in respect of reflecting the views of the public and the discussion within a particular Select Committee inquiry.

Mr. Whittingdale: Let me confirm to the hon. Gentleman that the inquiry that the Select Committee is undertaking is into harmful content online and in electronic games, that we shall be taking evidence from the BBFC, and that it is very possible that we might make such a recommendation.

Mr. Dismore: I thank the hon. Gentleman. I would not be at all surprised if his Committee were to do so, because that would start to reflect the appropriate balance within our society. The regulation of media contracts has always relied on a mix of statutory controls and voluntary codes of practice, as well as self-restraint, although that might sometimes have been rather less evident than would otherwise be the case. It was interesting to hear the hon. Gentleman's account of the Steven Spielberg film "Indiana Jones and the Temple of Doom"—the director accepted with hindsight that the board was right and he was wrong.

Mr. Brazier: That was a long time ago, of course, and the guidelines that we have had since then have been successively liberalised. The point is whether it is right that having taken soundings in 2004, including an opinion poll that showed clearly that the public wanted various guidelines tightened, in the subsequent year, in its quinquennial review, the board loosened the guidelines and, for example, removed all reference to knives from the guidelines applying to 15-graded films.

Mr. Dismore: My understanding is that the BBFC is about to embark, if it has not done so already, on the exercise of reviewing the guidelines; I stand to be corrected if I am wrong. The hon. Gentleman makes an important point, and I should like to refer to some of that evidence later.

Perhaps less consensus exists now than at any other time in relation to what adults may properly access. There are potential tensions between the proscription of obscene or violent material and the right to freedom of expression. I should like to read out a short quote from the Library briefing, which refers to the seminal textbook on this subject by Geoffrey Robertson QC and Andrew Nicol QC, experts in media law:

> "The deep division in society over the proper limits for sexual permissiveness is mirrored by an inconsistent and ineffective censorship of publications that may offend or entertain, corrupt or enlighten, according to the taste and character of individual readers. The problem with drawing a legal line between moral outrage and personal freedom has become intractable at a time when one person's obscenity is another person's bedtime reading"—

or, in this context, viewing. That is the difficulty that we face, first, in general terms, in trying to find the balance that reflects those two conflicting interests, and secondly, in how we go about policing it.

The key question is that of the guidelines themselves. In effect, the Bill proposes a form of parliamentary censorship over those guidelines through the Home Affairs Committee or the Culture, Media and Sport Committee. That gives rise to the issue of the extent to which Parliament is truly representative of British society. We are, of course, elected by our constituents

[Mr. Dismore]

to come here and represent them. However, when I look around this Chamber I see that we are all white, probably middle-class men, with the exception of my hon. Friend the Member for Tooting (Mr. Khan)—one of the Whips—and two, probably middle-class, women: my right hon. Friend the Minister of State and my hon. Friend the Member for Erewash (Liz Blackman), the other Whip. I see very few young people—*[Interruption.]* Perhaps I should back off a little here. I do not know how old the hon. Member for Enfield, Southgate (Mr. Burrowes) is, but he is certainly not the sort of teenager we have been talking about. We are not representative of the class base of our country at large. We are not yet representative, by a long way, of the balance between the sexes, and certainly not as regards faith or race.

Mr. David Burrowes (Enfield, Southgate) (Con): I have not intervened to give the hon. Gentleman my date of birth.

Perhaps one way to improve the worthy intentions of the Bill, to make it representative and to ensure that the trigger mechanism was linked to a representative body of people would be to go beyond the concept of a parliamentary trigger and have a people trigger. That might include in Committee a trigger mechanism by way of a petition with the signatures of an appropriate number of people. Those people would be a representative body expressing views about something that is of general concern—the number of deplorable videos and DVDs that are coming into our homes.

Mr. Dismore: The hon. Gentleman's idea about a trigger mechanism is interesting. If we had such a mechanism, why would it have to go through Parliament? Why could it not go directly—in an appropriate way—to the BBFC, for example? His point also raises the issue of how one makes such a series of representations representative, in a petition or otherwise. We all remember the days of Mary Whitehouse's campaigns. *[Laughter.]* The hon. Member for Enfield, Southgate might be too young to remember. At that time, there was much debate about whether what she was campaigning for, with the backing of certain sections of the tabloid press, was truly what British society wanted, or whether it was a brake on that society, which was pretty buttoned-up in her earlier life. She wanted to return to that sort of society, but I certainly would not want to live in it.

Mr. Brazier: It may surprise the hon. Gentleman to hear that I agree with almost everything he has said so far. The mechanism that my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) refers to is in fact already there. I am proposing that the appeals committee be replaced by a jury of volunteers from the public.

On the point made by the hon. Member for Hendon (Mr. Dismore) about why such an appeal should not be made directly by the public, I can tell him that in Australia that is the case. Any individual can appeal in Australia. I am suggesting a parliamentary filter of 50 MPs having to support an appeal, so that we will not end up dealing with so many. Many people have said that they are concerned about getting too many appeals.

Mr. Dismore: The hon. Gentleman is probably living in cloud cuckoo land. I was going to say a little about this later, but I shall pre-empt my own remarks. What will happen is that we will be inundated. We have seen postcard and e-mail campaigns grow like Topsy over the past two or three years. If it gets out that by lobbying a Member of Parliament one might get a film banned, we will be doing nothing but respond to e-mail and postcard campaigns from every busybody group in the country. Some will want to outlaw perfectly legitimate, decent films because they are offended by one small aspect. We have seen such campaigns already—

Mr. Vaizey: "Jerry Springer—The Opera".

Mr. Dismore: Yes. I would not go to see "Jerry Springer—The Opera" because I think I would find it very offensive, but it is one example of something—nothing to do with violence, which is the context of today's debate—that was offensive to Christian people. Every day, we would have a plethora of requests to sign early-day motions. As I said to my hon. Friend the Member for Ealing, North, pressure may be put on us to sign motions that are based on third, fourth, fifth or sixth-hand hearsay. People write in not because they have seen the film but because something they read in the *Daily Mail* or the *Daily Express* has set them off. There is also the question of whether the reporter who wrote the story has actually seen the film or video, or whether he has simply read a press release from a pressure group, which, of course, may have just read a press release from the person putting out the video.

If such a campaign comes to us, I am sure that the pairing Whips are not going to give us time off to watch all these things. When faced with such campaigns, we will just sign up to them to make people go away, as was said earlier. The net result of the process will be a huge burgeoning of early-day motions and an enormous increase in work load, as we ask the appeals body—whatever it is—to review lots of films that may be perfectly decent, but not seen as such by small sections of society. That is a recipe for a huge bureaucracy, a huge amount of work and huge uncertainty for the industry, and it does not advance one iota the hon. Gentleman's argument about dealing with the really evil, violent films.

Mr. Don Foster: I am grateful to the hon. Gentleman for sharing his concerns about how the Bill would affect all right hon. and hon. Members. He will be aware that the BBFC makes 17,000 decisions a year, so I can well imagine a large number of requests coming our way. Does he share my concern that the situation could be even worse than he describes, because various newspapers will almost undoubtedly get in on the act and will publish, day after day, lists of those Members of Parliament who have failed to sign early-day motions, even when they and the people lobbying them have probably not seen the films in question, as he said?

Mr. Dismore: The hon. Gentleman is absolutely right. The situation might even go beyond that, with people lobbying us to sign early-day motions that we have already signed, which is what happens now. The number of e-mails that I receive asking me to sign something that I have already signed, because they have not been filtered out by the campaign group, is legion. That number would simply increase.

Stephen Pound: The House is about to overwhelm my hon. Friend with sympathy over the difficulties of his office, but the fact that something is hard work is not necessarily a reason for not doing it. However, perhaps he can help me. My reading of the Bill is that it refers only to video works and some computer games, and is not about the generic process of film classification.

Mr. Dismore: Of course, but let us consider how much stuff is churned out, day in day out. If we take the internet, too, to which the Bill refers, we are talking about a vast quantity of material, much of which will not be videos in the classic sense. We will see "Life of Brian" being watched on the internet in Glasgow, and where will that lead us? Actually, I am not sure where that will lead us, but it could lead to Glasgow MPs being bombarded with requests to sign an early-day motion about "Life of Brian".

Stephen Pound: I weep for them.

Mr. Dismore: Indeed.

Mr. Gale: I am listening to the hon. Gentleman carefully. I serve on the Select Committee on Procedure, which is currently considering whether the House should introduce an e-petitioning system, which I would describe as yet more parliamentary graffiti. The hon. Gentleman has just made an extremely good case against allowing e-petitioning. I endorse that sentiment wholeheartedly, but will he explain whether he believes the principle behind the Bill to be right or wrong? If he believes that the principle is right, surely the Bill deserves a Second Reading. He is going into the minutiae of the Bill, but is the principle right or wrong?

Mr. Dismore: I thank the hon. Gentleman for his intervention. I have made my views on e-petitions known to his Committee, which, from what he has just said, I suspect might not be too different from his own. As I said at the start of my speech, I have a lot of sympathy for the objectives that the hon. Member for Canterbury is trying to achieve through his private Member's Bill. My concern is that the mechanism proposed will be unworkable and that it is not the right way to go. I was taken down the line of early-day motions by interventions and things grew from there, because the more one thinks about the mechanism, the more one sees how unworkable it is.

We need to consider what happens under the existing arrangements. The BBFC bases its decisions on the law, taking into account a series of things that are set out in the guidelines. The starting point is, inevitably, the Obscene Publications Act 1959, which my hon. Friend the Member for Ealing, North quoted more or less accurately. Section 1(1) says:

"an article shall be deemed to be obscene if its effect or (where the article comprises two or more distinct items) the effect of any one of its items is, if taken as a whole, such as to tend to deprave and corrupt persons who are likely, having regard to all relevant circumstances, to read, see or hear the matter contained or embodied in it."

Articles include

"any sound record, and any film or other record of a picture or pictures."

Stephen Pound: I should know better than ever to attempt to quote law in the presence of a distinguished lawyer, but as we are talking about legislation, what about article 10 of the European convention on human rights on freedom of expression, enshrined in the Human Rights Act 1998? Surely my hon. Friend is not saying that that should override every emotion in this country.

Mr. Dismore: Of course not. Indeed, I hope to discuss the Human Rights Act and the European convention on human rights later and to make it clear why the right to freedom of expression should be properly balanced by the right to preserve arrangements for public morality, which is an important point in this debate.

The BBFC has to take into account the Protection of Children Act 1978, too, under which

"It is an offence for a person...to take, or permit to be taken, any indecent photograph or"—

inserted by amendment—

"pseudo-photograph"—

whatever a pseudo-photograph is—

"of a child...to distribute or show such indecent photographs,"

to possess them or to distribute them. That has to be taken into account. The BBFC also has to take into account the Cinematograph Films (Animals) Act 1937, which deals with cruelty to animals in the making of films.

As has featured in our debate this morning, public opinion has to be taken into account by the BBFC. It distils public opinion from extensive public consultation exercises. The last round of consultation was in 2004, but I believe that it was published in 2005. As mentioned in a helpful sedentary intervention from the hon. Member for Bath (Mr. Foster), the review for this year has already started.

The guidelines relate to what we as a society believe is suitable for each age group, so it is important that the widest possible consultation should allow proper consideration. When the guidelines were published in September 2000, the research that underpinned them was one of the most extensive exercises on public attitudes ever carried out by any media regulator. Some 11,000 people were consulted in 2004, which was 7,000 more than in the 2000 exercise.

The findings of the research, as set out in the Library briefing, are quite interesting. They showed a great consensus about the need to protect young people from material with the potential to cause harm. There was less unanimity about the question of copycat behaviour, although the figures revealed that quite a large majority were concerned about that. Interestingly, when it came to the proposition that watching violence in films generally makes people more likely to be violent in real life, only 45 per cent. of the public agreed. The public as a whole may not be as convinced of that particular argument as our debate suggests we are.

It is quite clear that people want proper parental control over videos, but 52 per cent. felt that there should be no limits on what could be shown in R18 videos as long as they do not contain sexual violence or break the law. The argument is then about what exactly that means. Furthermore, 60 per cent. disagreed with the proposition that there should be no limits. Presumably,

[Mr. Dismore]

that means that the 22 per cent. and 17 per cent. mentioned in the survey were neutral. There is disagreement over whether there should be limits. We thus need to bear it in mind that the public may not be entirely of the view expressed by hon. Members here today. That brings us back to the point I made earlier about the extent to which we are truly representative of the wider public at large.

People in the survey were also asked to attach various degrees of importance to the range of issues that they were asked about. It is very interesting to note that what they thought most important were drugs and drug taking, which was identified at 75 per cent. Only after that was violence seen as an important issue, which came in at 65 per cent. Sexual activity gained 56 per cent.; strong language 49 per cent.; racial offence 46 per cent.; religious offence 34 per cent.; nudity 29 per cent. My hon. Friend the Member for Ealing, North will no doubt be interested to note that smoking came in at 25 per cent., and alcohol, in which he will be even more interested, at 22 per cent.

Stephen Pound: I hesitate to intervene on my hon. Friend, but may I say that it is two years since I smoked a cigarette and that I have not had a drink since Ash Wednesday? I am grateful, however, for my hon. Friend's thoughts about my health.

Mr. Dismore: The reason I needled my hon. Friend about smoking is that I knew he had given up and I thought he would like to know that the public are also very concerned about the issue. I am very pleased that my hon. Friend has been able to give up and I am sure he is looking forward to the end of Lent with keen anticipation.

Stephen Pound: Oh yes.

Mr. Burrowes *rose—*

Mr. Dismore: I give way to the hon. Gentleman.

Mr. Burrowes: Does the hon. Gentleman accept that the consultation, however wide, did not apply to a matter at the heart of the Bill—the accountability of the whole process of classification? Will he respond to the principle behind the Bill—that the present appeals procedure is restricted to persons submitting videos for classification? Does he agree that it should now be extended, which is the point at the heart of the Bill?

Mr. Dismore: I think that there is an issue here. I do not disagree with the hon. Gentleman that there are issues about accountability and who makes the decisions, but I am not entirely convinced that it is for Parliament to deal with them.

Of course we should set the general framework, if that cannot be done by the industry through self-regulation, and I suppose that our debate is more about self-regulation by the industry as it stands. That, effectively, is the arrangement we have, with a light touch from all the other methods of control and supervision that I mentioned earlier. However, I would be very concerned if there were a substitution of parliamentary censorship, which would be a dangerous road for us to go down. I have genuine concerns about the process in the Bill.

Mr. Don Foster: I share the hon. Gentleman's concerns. Perhaps I will elaborate on them later, if I catch the eye of the Chair.

On the main areas of concern in the debate so far—videos and some video games—will the hon. Gentleman confirm that under the current arrangements the body responsible for classification and for carrying out any further inquiries is the BBFC, but that it does so under designation by the Secretary of State? The Secretary of State has the power to remove the right of that body to be involved in the process. There is parliamentary involvement.

Mr. Dismore: The hon. Gentleman is right. The legislation governing these matters is the Video Recordings Act 1984, which in section 7 makes provision for classification certificates to be issued by the designated authority. Certificates must contain details such as the title and the statement that the video is suitable for general viewing or for over-18s, or that it should be supplied only in licensed sex shops. The designated authority is dealt with by section 4, which clearly states:

"The Secretary of State may by notice under this section designate any person as the authority responsible for making arrangements".

It then sets out in detail how that should be done. Obviously, Mr. Deputy Speaker, it would be wrong of me to go through all that now, but under that provision the Secretary of State has designated the BBFC—certainly, the officers are designated, I think by name. If there is evidence and a view in Government or in the House that the BBFC is not doing its job properly, ultimately the Secretary of State could withdraw that designation.

Margaret Hodge: Yes.

Mr. Dismore: From the Front Bench, my right hon. Friend says yes. So, we have a powerful policing mechanism over the BBFC.

Again I return to the basic point of the debate. The hon. Member for Canterbury, who has left the Chamber, has come up with a jury concept for his Bill, but I simply ask him to reflect on this point. When the public were surveyed in 2005, they were asked about not only the standards and guidelines, but their experience of how those were operating, because that is what they go by. In relation to sex, in 2000, 54 per cent. thought that the standards and guidelines were about right, but that figure had gone up to 58 per cent. in 2004. Roughly a third thought that the guidelines were not strict enough. On violence, in 2004, 53 per cent. thought that they were about right and 41 per cent. thought that they were not strict enough. The figures on language and on drugs were similar.

The point I want to make about those figures is that they show that society is divided on the issue. I am concerned that today's debate, during which we have got quite angry about these awful things, is not reflecting that. If we had a jury system and if a jury were to be properly reflective of society—this brings me to the point that I made in my first intervention on the hon. Member for Canterbury—we would inevitably end up with hung juries of one sort or another, because presumably juries would fail to agree on the guidelines, as indicated by the proportions and the views expressed in that survey of 11,000 people.

There is a real problem here. In relation to what are, effectively, differences of subjective view, Geoffrey Robertson and Andrew Nicol say in their book:

"The central irony of the courtroom crusade—what might be termed 'the *Spycatcher* effect'—is always present: seek to suppress a book by legal action [in *Spycatcher*, the Government actually sued for breach of confidence] because it tends to corrupt, and the publicity attendant on its trial will spread that assumed corruption far more effectively than its quiet distribution. *Lady Chatterley's Lover* sold three million copies in the three months following its prosecution in 1961. The last work of literature to be prosecuted for obscenity in a full-blooded Old Bailey trial was an undistinguished paperback entitled *Inside Linda Lovelace*."

That had the same effect. That is why, unlike other hon. Members, I have refrained from referring by title to any of the obscene materials that we have discussed today: I do not want to be accused of giving undue publicity in this debate to all those horrible things.

We need to consider what the BBFC's process provides for. I asked my hon. Friend the Member for Ealing, North whether he had read the guidelines; I wonder whether all the hon. Gentlemen who have spoken so far have read them as well. I have a copy here, and they are pretty tight. The guidelines provide detailed instructions on the submission for classification of films and videos, and the details take account of the differing natures of the media.

The guidelines start from these basic questions:

"—is the material in conflict with the law?

—is the material, at the age group concerned, likely to be harmful?

—is the material, at the age group concerned, clearly unacceptable to broad public opinion?"

The BBFC tries to reflect public opinion in its procedure, and the legal considerations, particularly in relation to videos, require it to have special regard to the likelihood that the work will be viewed at home, and to any harm to those likely to view the video or to society from the behaviour of viewers afterwards. In considering those issues, the board has in mind the possible effect not only on children but on other vulnerable people. The Video Recordings Act also requires special regard to

"(a) criminal behaviour;

(b) illegal drugs;

(c) violent behaviour or incidents;

(d) horrific behaviour or incidents; or

(e) human sexual activity",

so the BBFC takes those things into account.

As I have mentioned, the board also takes into account the Cinematographic Films (Animals) Act, the Protection of Children Act, the obscene publications Acts and the Licensing Act, which has additional requirements dealing with public safety, prevention of public nuisance and the protection of children from harm. It starts from the basic premise from which any free society should start that

"adults should as far as possible be free to choose what they see, providing that it remains within the law and is not potentially harmful to society".

I hope that everybody in the House would agree that that should be the basic premise on which we proceed, as well as the premise that

"works should be allowed to reach the widest audience that is appropriate for their theme and treatment".

However, of course,

"the context in which something (e.g. sex or violence) is presented is central to the question of its acceptability".

Obviously, some things will be on the border between 18 and R18, but the BBFC says:

"Classification decisions may be stricter on video, DVD and digital works than on film. This is because of the increased possibility of under-age viewing recognised in the Video Recordings Act, and of works being replayed or viewed out of context. Accordingly, a work may occasionally receive a higher age classification than on film, or require new or different cuts."

Mr. Burrowes: The hon. Gentleman rightly points out the distinction in review mechanisms between films and video works, and their different procedures. Is there not an irony, though? When it comes to an appeal mechanism, there is a degree of democratic censorship in councils that he does not want to have through Parliament. Councils, which are accountable to their electors, are involved in the appeals process for films, but there is not the same democratic accountability for video works when it comes to the video nasties that, as he says, can cause more harm.

Mr. Dismore: The hon. Gentleman is wrong to refer to what happens in local authorities as an appeal. It is actually a decision, not an appeal. The British Board of Film Classification gives a film a particular certificate, and generally a local authority accepts that classification. However, the local authority may have had protests or may decide not to accept the classification. I remember sitting on the licensing committee when I was a member of Westminster city council. I only had to watch one rather unpleasant film, and I think that we decided in the end not to permit it to be shown in Westminster, but that was a decision, not an appeal. The only appeal, I suppose, is a judicial review through the courts of an unreasonable decision by a local authority to ban, censor or reclassify a particular film. I think that that would be the only way to appeal. The hon. Gentleman is therefore wrong to refer to an appeal to a local authority. It may sound like an appeal to him, in that it involves the local authority going beyond its normal processes to intervene in the case of a particular film as a result of public pressure, but he is actually talking about the decision of a local authority, not an appeal to it.

Mr. Vaizey: Does the hon. Gentleman agree that, in the case of videos and video games, there is democratic accountability, as a democratically elected Parliament has taken a decision that regulation should be carried out by the BBFC?

Mr. Dismore: The hon. Gentleman is entirely correct. There is a mixture of regulation, to which I referred earlier. It is not right for Parliament to censor; that would be fundamentally wrong, because the political balance in this place may change. There may be extreme parties in here one day. Who knows? There may be a completely different political balance. The people here might have a very different view of our society—one that was oppressive to a minority, or indeed a majority. Parliament should not engage in censorship. It would be wrong for it to do so in a democratic society. If we start censoring films and videos, where will it end? Will we then want to censor newspapers, because of what

[Mr. Dismore]

they write, or books? That is the road to a very undemocratic society, and it would be wrong for Parliament to take it.

That is not to say that Parliament should not approve an appropriate mechanism that allows an independent body to perform that function. The body should be subject to a very light touch, in case it goes off the rails. At the moment, that light touch is provided through the Video Recordings Act, which provides for the Secretary of State to appoint the regulator, and which sets out clear criteria for it.

Mr. Don Foster: Just to ensure that I am absolutely correct, does the hon. Gentleman agree that, as I mentioned in an earlier intervention, there is already an additional stage, as under section 5(1) and (2) of the 1984 Act the Secretary of State can decide to appoint the designated person only if there is no objection from either House? Both Houses therefore have a veto, so there is full parliamentary involvement in that important decision.

Mr. Dismore: I entirely agree with the hon. Gentleman. The fact is that we have that parliamentary mechanism. That is probably the appropriate relationship between Parliament and the regulator, whoever the regulator happens to be. The real argument that we should be having today is on whether the regulator is doing its job properly, given some of the decisions that it has made. I do not think that we in Parliament, collectively, should second-guess decisions on particular videos or films, although we may have our own personal views. I think that some of the regulator's decisions may have been wrong, and I am sure that others in the House think so, too, but it would not be right for us collectively to come to that conclusion. That would be a dangerous course to take, and I would be very worried if we took it.

The first question is whether the independent regulator makes the right decisions, and the second is whether it has the right processes for taking account of the public's view. We should also ask whether there is an appropriate appeal mechanism that allows the pubic to express its concerns.

The BBFC guidelines show the main issues that the regulator considers, including the theme of the work. It highlights the most problematic themes, which include drug abuse, sexual violence, paedophilia, and incitement to racial hatred or violence—the very things that we have talked about today. The guidelines mention the problem of bad language and how the depth of concern may vary. They mention nudity, sex and violence, rightly saying:

"Violence has always been a feature of entertainment for children and adults."

The question is how that is addressed. The answer is: through the classification system, and where the film appears. In making decisions about violence, the BBFC particularly considers the

"portrayal of violence as a normal solution to problems"

and

"heroes who inflict pain and injury"—

in other words, hero-worship. It also considers "callousness towards victims", "encouraging aggressive attitudes", and

"taking pleasure in pain or humiliation".

It says:

"Works which glorify, glamorise or sexualise violence will receive a more restrictive classification and may even be cut."

It goes on to say:

"The BBFC has a strict policy on rape and sexual violence."

I will not go into that in detail; that would be going a little off the subject. The point is that the BBFC's guidelines contain all the tools it needs to deal with the ills that we have identified today.

Mr. Vaizey: As the hon. Gentleman is on the subject of rape guidelines, may I inform him that the right hon. Member for Leicester, East (Keith Vaz), who chairs the Home Affairs Committee, mentioned that some video games allow the participant to engage in a rape act? I checked the point with the BBFC and found it to be completely unaware of any such video game. Is the hon. Gentleman aware of any video game that has as its intention the carrying out of rape or that allows the game player to carry out such an act? The BBFC and I are unaware of any such game.

Mr. Dismore: I am grateful for the hon. Gentleman's intervention on that point. This goes back to our earlier discussion about how Chinese whispers can feed debates through the media, and we end up arguing about things that never happened and, through the early-day motion mechanism, creating a huge superstructure to deal with things that do not exist and are not a problem. We have all been spoofed at one time or another, and the possibility of people spoofing us on this issue is particularly horrifying.

Mr. Brazier: I cannot comment on the rape in games issue, but I can tell the House what Stefan Pakeerah's father said after Warren Leblanc had murdered his son. He said that "Manhunt" is a game

"using weapons like hammers and knives...The object of Manhunt is not just to go out and kill people. It's a point-scoring game where you increase your score depending on how violent the killing is. That explains why Stefan's murder was as horrific as it was."

Of course, that game was passed by the BBFC.

Mr. Dismore: As I said, I would disagree with a view that would approve anything like that. The question is whether it is for us in Parliament or for someone else to make that decision and be held to account for it—in this case, by the Secretary of State. Perhaps the Minister will let us know what representations the Government have made to the BBFC about that game. If they have not made any such representations, why have they not done so? It would be interesting to hear the response.

That comes back to the fact that ultimately somebody must make a decision and say where the line is drawn. I agree with the hon. Member for Canterbury that that video game was beyond the pale. I would not dispute that, but we must decide who is the appropriate person to make such decisions. Is it us lay people, doing the best we can, or is it people who have more experience of this issue because they view these things day in, day out in order to have an idea of where to draw the line to

reflect public opinion? The latter people use their own opinion polling and surveying and their experience of what is being produced by the industry.

We must reflect on the fact that the BBFC is an independent, non-governmental body that, in one form or another, has been doing this job since 1912. The object is to bring a degree of uniformity to the classification of films nationally. As I have said, the statutory powers ultimately rest with local councils, which can overrule decisions, but a degree of consistency and uniformity in the process is important.

The hon. Gentleman said that the appointments process could be done through Parliament. I fully accept that the BBFC is an industry body, but it is responsible for ensuring fair and effective regulation of the industry. That is appropriate because the industry needs to know where it stands. The BBFC is a private company limited by guarantee, but it also has statutory duties, via the 1984 Act, that go beyond those simple industry body responsibilities. Everybody should accept that it is important to preserve the BBFC's independence.

The Government are consulted from time to time about the BBFC's statutory role in relation to videos. That fact emerged from a parliamentary answer that was referred to in the House of Commons Library briefing.

We have a reasonable balance. My main concern about the Bill's proposals is the scrutiny of appointments by a Select Committee, whether it is the Home Affairs Committee, as the Bill states, or the Culture, Media and Sport Committee, which is chaired by the hon. Member for Maldon and East Chelmsford, who is no longer in his place.

As I said in an intervention on my right hon. Friend the Member for Leicester, East, the Government have asked Select Committees, via the Liaison Committee, to consider the scrutiny of outside appointments. The Government produced a consultation paper, with a list of jobs on which they think Parliament should be consulted. Parliament would not have the right of approval, but it would have the right to be consulted. Ultimately, the decision would be made by the Government—probably by the Secretary of State concerned.

That consultation exercise has been going on for several weeks. Each Chairman of a Select Committee was asked to show his Committee the list of jobs and whether we wanted to add NGO or other appointments that we thought appropriate. For example, my Committee suggested that we should add the chair of the new Equality and Human Rights Commission, which was not on the Government's list. I say that by way of diversion to show the matters that we discussed.

The objective of the consultation was to examine senior appointments, not those all the way down the food chain, which could mean Select Committees becoming bogged down. Indeed, discussions seem to suggest that some Select Committees may have bitten off more than they can chew in the number of appointments that they want to scrutinise. Appointments will be made by the Government, not necessarily on the recommendation of the relevant Select Committee, but taking its views into account.

Not one Select Committee proposed that any of the people referred to in the Bill should be part of that scrutiny process. Bearing in mind that my right hon. Friend the Member for Leicester, East, who has left his place, is a sponsor of the Bill, I would have thought that if he felt so strongly about it he would have asked his Committee to consider suggesting those posts for inclusion, and proposed them to the Liaison Committee for approval at our meeting yesterday. I am surprised that he did not. Perhaps he suggested it in private discussions and the Committee was not enamoured of the idea.

Similarly, the hon. Member for Maldon and East Chelmsford, who chairs the Culture, Media and Sport Committee, could have suggested those appointments for inclusion. His Committee suggested the appointments that it thought it ought to approve, and the heads of the BBFC were not on the list. From his remarks earlier, it seems that he does not think that they should be. That calls into question the extent to which the Bill's sponsors have consulted those who would be given the additional responsibilities proposed. The inference must be that those people were not asked about it at all, particularly bearing in mind the exercise that has been undertaken by the Liaison Committee at the Government's request.

We need to spend a little time on the appeal mechanism. The current appeals process is geared towards appeals by those who present films for classification. They may object to the classification that they are given, perhaps because cuts have been made or because they believe it has been put in the wrong age bracket. Ultimately, the video appeals committee's decisions are subject to judicial review if the film maker requests it.

The problem is that there is no mechanism to allow members of the public to ask for a decision to be reconsidered by the VAC. We need to consider whether we ought to allow a review if a significant number of members of the public ask for it. If there is an outcry about a TV broadcast and a lot of people write in, the regulator examines the decisions made by the broadcaster, which is appropriate. If the regulator thinks that the broadcaster's decision was wrong, the broadcaster is rapped over the knuckles or can be fined. Perhaps we need to try to find a similar mechanism to allow a regulator to review those decisions. Obviously, that regulator could not be the BBFC, because it makes the decision. Perhaps we could arrange for the video appeals committee to receive complaints directly and to have a trigger mechanism whereby a decision made by the BBFC should be reconsidered when a certain number of representations were made.

I fully accept that all the problems of retrospectivity would apply. Once such things are out in the public domain, it becomes difficult to recall them. One could stop further examples being sold; I suppose that one could not stop them being pirated. It is not the same as in the cinema, where a film can no longer be shown, or in TV, where broadcasters can be told not to put the broadcast out again. We ought to see whether it is possible to work out some appeal mechanism that would allow the public to express their views.

As I said earlier, I am extremely concerned about the proposed system of using an early-day motion to trigger an appeal, not because I think that it would ultimately bring Parliament into even more disrepute with the public, but because it would be a recipe for all sorts of mischief that would not advance the cause that the Bill tries to address. We would be bogged down with all sorts of complaints about trivial matters and

[Mr. Dismore]

the more serious problems would get lost in the herd. We would not have the opportunity to consider what should be done about these evil, violent videos, because we would be getting the requests all the time and signing them away without even thinking about what we were doing, to avoid pressure from the public.

I am concerned, too, about the mechanism of the people's jury. First, the jury will be drawn from a panel of volunteers. If we are working on the basis of volunteering, how will that jury reflect society as a whole? One can imagine that the people who will volunteer will be those with an axe to grind, not just against the sort of evils that we seek to prevent with the Bill but more generally against such things as the video version of "Jerry Springer—The Opera" or even "Life of Brian", which is banned in Glasgow, as we heard earlier. There is a real risk that the jury will be drawn from a self-selected volunteer panel.

Secondly, if the jury genuinely reflects our society and we get over the problem of the self-selection of volunteers, we will end up with the problem of a hung jury. That would be a likely consequence, bearing in mind the research work that the BBFC has done that shows how divided our society is on the issues of violence in film and video. If we end up with a jury, we will presumably have to have provision for unanimity, or if not for unanimity for a majority verdict. What will happen if a jury decides 6:6 or 7:5? That is hardly a ringing endorsement of the decision one way or the other. Would it ultimately be binding? We then get into the argument about chair's casting votes and so forth. That is not a sensible way to go.

I would certainly be happy to have a method whereby certain numbers of members of the public could trigger a complaint and a review of a decision, but that review should be carried out by the video appeals committee. This is a complicated issue under the procedures set out in the Bill that could be made a lot simpler and easier to administer.

The Bill also talks about the internet. The whole question of the regulation of the internet is very complicated. I have grappled with it in relation to problems arising from use of the internet by Muslim fundamentalism trying to create the climate of violence from Islamic terrorism from which we know we suffer in our country. I have grappled with the question on behalf of constituents in relation to anti-Semitism and, of course, racism. The problem is always that the roots of those websites go far away into different countries. Trying to regulate the internet has been complicated, and Governments will continue to grapple with how to deal with it. That is why I think that it is very important that the Prime Minister has asked Dr. Tanya Byron to lead a review to consider, among other things, how best to deal with that problem. I look forward to her review and its recommendations in March.

The real problem is that the available academic research does not actually establish the link that we all think exists between watching such videos and violence. We have already heard about the case of Stefan Pakeerah. Everybody thinks there was a link in that case and there may indeed have been one, but so far academic research does not support it, which is why Dr. Byron's review is important. Let us hope that she will produce an answer that allows us to decide about the link one way or the other. However, it is important to recognise that in the Pakeerah case neither the police nor the prosecution supported the claim that there was a link between the video and the appalling murder, although I am pleased that afterwards retailers rightly withdrew the game from sale.

The Bill raises important issues, which is why it was crucial that the review was commissioned, because it will look at the evidence of harm and at the measures needed to protect children from inappropriate content. The Bill is based on the premise that exposure to violent behaviour in films or computer games leads to violent behaviour in real life, but the evidence so far does not really suggest much correlation, except in relation to violent pornography and sexual offences, which are of course already illegal, as I mentioned earlier.

The objectives of the Byron review are set out in the Library briefing paper:

> "To undertake a review of the evidence on risks to children's safety and wellbeing of exposure to harmful or inappropriate material on the internet and in video games...To assess the effectiveness and adequacy of existing measures to help prevent children from being exposed to such material and help parents understand and manage the risks of access to inappropriate content, and to make recommendations for improvements or additional action."

That seems a much more sensible way forward.

Today, based on our view of what is going on in society, we have identified an ill that needs to be addressed. The Government need to respond to the very real fear and concern expressed in the House today, but it is not appropriate for Parliament to be involved in censorship. There is a risk that we would end up interfering with entirely private rights. There is also a risk of rule by the mob or the Mary Whitehouse tendency and a real risk of unbalance in our approach. We need to consider how we can enhance the role of the regulator so that it takes a little more account of public opinion and where we want society to be rather than the direction in which it may be heading, as heralded by some videos.

We need to look at human rights provisions. My hon. Friend the Member for Ealing, North referred to article 10 of the European convention on human rights, which makes it clear that everyone has the right to freedom of expression. The right applies to all of us, but it does not prevent states from requiring the licensing of broadcasting, television or cinema enterprise, which is the regime we follow. The right to freedom of expression is not unfettered. Exercise of that freedom carries with it duties and responsibilities, which allow the law to make provision for the prevention of disorder and violent crime or the protection of health and morals and so on.

It is important that we bear in mind the fact that an overwhelming number of people believe in freedom of expression—the right to say and do what we want—but within the constraints of the responsibilities and duties we owe each other. We need to ensure that we exercise our right to freedom of expression in a way that does not affect the health and morals of our society or create the risk of disorder or crime. Those provisions are in the European convention on human rights and that is the direction we need to take. However, we must provide certainty. The biggest enemy in the law is

uncertainty, so we need a process of classification and criteria for it that are absolutely clear. That is a fair reflection of the law and it is encapsulated in the Library briefing.

To conclude my remarks, I very much agree with the broad thrust of the speech made by the hon. Member for Canterbury when he introduced the Bill, and I agree with most of the other contributors about the need for us to take firm action to deal with appalling, dangerous and violent videos of extreme form. However, in doing so we should reflect on the fact that Parliament should not be involved in censorship. We should put in place appropriate mechanisms to allow independent people to make decisions on behalf of our society, in a way that reflects its morals and views, to stop those appalling productions falling into the hands of the general public.

1 pm

Mr. Don Foster (Bath) (LD): I congratulate the hon. Member for Canterbury (Mr. Brazier) on securing the debate, which has led to some extremely measured and thoughtful contributions from the right hon. Member for Leicester, East (Keith Vaz) and the hon. Members for Maldon and East Chelmsford (Mr. Whittingdale), for Ealing, North (Stephen Pound), for North Thanet (Mr. Gale) and for Hendon (Mr. Dismore). We had the benefit of learning of the rivalry between the hon. Members for Ealing, North and for Maldon and East Chelmsford in terms of their knowledge of films, and it is clear that they spend a great deal of their time either in front of their video or DVD machines or in the cinema and clearly enjoy many of the films that they see.

More importantly, my sympathies lie predominantly, in terms of the contributions that we have heard so far, with the hon. Members for Hendon and for Maldon and East Chelmsford. The hon. Member for Hendon perhaps above all will join me in paying tribute to the excellent officers in the Library for preparing the briefing in advance of today's deliberations—a briefing that has definitely informed his own contribution quite extensively, but from which we will all have benefited.

There are a few elements of the Bill with which I have some sympathy, and I certainly accept the point made by others that improvements need to be made, but large swathes of the Bill I find deeply worrying, which is why I certainly will not be able to support it. I have two broad areas of concern. First, notwithstanding that, as we heard from the hon. Member for Hendon, the research shows that a number of people are concerned with the classification system, all the research shows that the majority of people are satisfied with and supportive of it. Secondly, the Bill would give politicians an undue and dangerous influence over these sorts of issues, about which I would be very uncomfortable.

However, it is only right to start with the broad areas of agreement. As we have heard, the Secretary of State already designates the top appointments to the BBFC: the president and the two vice presidents. Before he does that, the names, covered by sections 5(1) and (2) of the Video Recordings Act 1984, have to lie before both Houses of Parliament for 40 days, and there is an opportunity there, in effect, for a veto. However, I point out to the Minister that the chances of Members of either House happening to spot that are slightly remote because they would have to be avid readers of either the *London Gazette*, the *Belfast Gazette* or the *Edinburgh Gazette*, which are apparently among the few places where those names would appear, so we might look at ways of promoting that information and opportunity more widely. None the less, there is already a procedure that gives the right of veto to either House of Parliament and to the Secretary of State.

The Bill proposes that the Home Affairs Committee would have a role in scrutinising appointments and a veto. As the hon. Member for Hendon has already pointed out, the Government are already consulting on that issue and that consultation is well down the tracks, but as he rightly said, that is only in respect of a scrutiny role, not in respect of a veto. The Bill goes further and suggests the Committee should have a veto. Clearly, the hon. Gentleman disagreed with that and would prefer to stick to the proposal that is now being consulted on. However, I agree with the proposal in the Bill that the Select Committee should have the right of veto. Indeed, since 2000, that has been my party's policy on senior posts in quangos and similar bodies. We have long argued that that would be an appropriate mechanism. The hon. Member for Canterbury, who is now rejoining us after a brief absence, will be delighted to learn that I will support that aspect of the Bill. However, I have two concerns about it that I wish to express.

As I mentioned in an earlier intervention, either House of Parliament has the ability to exercise a veto at present. We are being asked to introduce a procedure whereby a Select Committee had a scrutiny role and a veto role, but I believe that it would be inappropriate to have both layers in existence. If the Bill gets into Committee and further deliberations take place, the removal of sections 5(1) and (2) of the 1984 Act might well be a subject for consideration.

I do not feel particularly comfortable with the notion of the three senior people—the president and the two deputy presidents—being affected by the provisions. I accept that that is the present arrangement, whereby the Secretary of State approves the appointments, with a possibility of a veto by either House. However, I believe that that is already a step too far. As with most other non-departmental public bodies, I believe that the appointment that should lie with the Secretary of State—followed by scrutiny and possible veto by the relevant Select Committee—should cover only the person at the top of the organisation. In this case, that is the president of the BBFC. I am not comfortable with the provisions covering three people.

Nor am I comfortable with the fact that the present legislation—a set of procedures that the new Bill proposes to mirror—allows for the possibility of yet more senior people in the organisation falling under that procedure. Given that I believe it already covers two people too many, it is certainly inappropriate to have the power to extend that further. I acknowledge, however, that that is in the existing legislation, and would only be mirrored by the new Bill.

Another area of concern, which has already been mentioned, is the question of which body is the appropriate one to carry out the scrutiny and to exercise the veto. The Bill is clear that it should be the Home Affairs Committee. However, others have rightly said that,

[Mr. Don Foster]

given that responsibility for these issues largely passed to the Department for Culture, Media and Sport in 2001, it would be more appropriate for that Department's Select Committee to be the body to undertake this function.

Some people with whom I have discussed this matter have said that the wording of the Bill is flexible enough to allow that to happen. However, I have looked carefully at clause 5, which deals with interpretation, and it clearly states:

> "'Home Affairs Committee' means any Committee of the House of Commons appointed under that name or any Committee appointed under a different name with substantially the same functions".

So, as the Bill stands, it would not be possible for the DCMS Select Committee to undertake this important activity. I happen to agree with that activity, but the proposals would result in it being undertaken by the wrong Committee. I do not understand how that mistake could have been made. The hon. Gentleman is an experienced Member of the House and someone who clearly has a passionate interest in this issue. Perhaps he will explain why this has happened. I find it odd that he seems to be championing a Committee that is chaired by a member of the Labour party, rather than the one chaired by the hon. Member for Maldon and East Chelmsford.

Mr. Brazier: Let me make two points. First, this of course has nothing to do with personalities—it just seems to me to be right that the focus should be on concerns relating to murder, rape and the other such issues that we have been discussing, rather than on those relating to the film industry. That is why I felt that the Home Affairs Committee was the more appropriate Committee. Secondly, that said, and as the hon. Gentleman has already mentioned in another context, this is very much a Committee stage issue, rather than one on which the decision whether to support the measure should be taken on Second Reading.

Mr. Foster: I am delighted to hear that progress might be made on this issue in Committee, if the Bill reaches that stage.

I have tried to be supportive of the hon. Gentleman and his Bill on that issue, but I have to tell him that from now on, it is downhill, because there is no other part of the Bill with which I have any agreement whatsoever. However, I hope that that will in no way lead him to suggest that I am belittling the concerns that he and many other people have about the issues that we are debating. All Members who have spoken so far, and doubtless those who have still to contribute, will share those concerns. To say that the status quo is adequate is simply not good enough. Changes are needed; for example, the hon. Member for Hendon suggested giving greater opportunities for other groups to have an appeal heard by the VAC. There is a general acceptance that there are issues and concerns, and I hope that some of them will be addressed by the Byron review, to which I will return.

I have practical concerns about the detail of the Bill, the first of which relates to the appeals mechanisms, which have been touched on by many others. As we heard, there are in effect two appeals processes. I take the point made by the hon. Member for Hendon that the use of the local authority in respect of films shown in cinemas is not really an appeal, but that is the mechanism for such films. As we have heard, for videos, DVDs and certain video games, the mechanism is the work of the video appeals committee.

A number of people have talked about the VAC being a creature of the BBFC, and it certainly is, but nobody should be in any doubt as to its robust independence. We have already heard probably the best example of that from the mouth of the Bill's promoter—the row that occurred about "Manhunt 2". Let us reflect on this point. This can hardly be a cosy relationship, given that the BBFC effectively took to judicial review a decision made by the VAC. The VAC has, therefore, clearly shown real independence. The hon. Member for Hendon referred several times to the excellent book by Robertson and Nicol on media law. Having studied this matter, they make it very clear that the VAC really does exert its independence. So it is an independent body, and we should not forget that.

The Bill proposes to establish a new appeals body for videos, DVDs and some video games. As we have heard, it would consist of an independent panel, 12 of whose members would be selected at random for each hearing, which would be triggered by an early-day motion with 50 or more signatures. The issues to be dealt with include the classification of an existing video game. I have nothing at all against the idea of ensuring that the VAC is independent not only in spirit, as it currently clearly is, but in structural terms.

I accept that we should look at that issue, because there is within the minds of some a lingering doubt that it is a creature of the BBFC. However, the question then is why we need to set up this elaborate procedure. Is there any real evidence of huge dissatisfaction with the work being done or with the classification system itself, against which the vast majority of appeals are actually aimed? As we heard from the hon. Member for Hendon and others, there are clearly mixed views on the matter. There always will be. However, we know from the detailed research—incidentally, it was not conducted, as was suggested, by one independent organisation, but by several—that the majority of the public were satisfied with the guidelines on all the categories, whether on sex, violence, language or drugs. The hon. Gentleman cited the figures on that.

The phrase "If it ain't broke, don't fix it," certainly springs to mind. I have suggested some areas where tinkering is needed, but I am not convinced that we need a radical overhaul, as the hon. Member for Canterbury suggests. I say that particularly in the light of the Byron review, to which much reference has been made today. Frankly, it is bizarre that we should set up a review to consider a large number—although not all, I accept—of the issues on which the Bill touches and discuss those issues without having had its results. Surely it would be far better for us to consider the review's outcome to help us in our deliberations on how we can address the concerns already expressed in this Chamber.

The notion that an appeal should be triggered by 50 signatures on an early-day motion is the most bizarre of all the things in the Bill. I acknowledge that the hon. Member for Canterbury is looking for a mechanism to reflect what he called public opinion on these issues,

and I understand that. However, I am not at all convinced that that is the right way of doing it. I am sure that, like the hon. Member for Wantage (Mr. Vaizey), the hon. Gentleman is an avid reader of early-day motions and that both hon. Gentlemen know that as of last night, when I struggled away from my office at 10 pm and finally checked, there were 1,075 early-day motions before the House. Of those, 380 have 50 or more signatures; I urge all hon. Members to have a look at those. However, they should also note that the vast majority of early-day motions have fewer than 50 right hon. and hon. Members' names on them.

Having looked at the early-day motions with fewer than 50 signatures, I have no doubt that hon. Members might pick up on early-day motion 590, which was tabled by the right hon. Member for Leicester, East. It expresses his concern about that much-talked-about video game "Manhunt 2". It was tabled on 17 December, but to this day has only 24 signatures—interestingly, they do not include that of the promoter of this Bill, despite his expressions of concern about the game.

Mr. Brazier: Will the hon. Gentleman give way?

Mr. Foster: I am more than happy to.

Mr. Brazier: I shall put that right on my way out.

Mr. Foster: Very good. In a second, I shall help the hon. Gentleman with some other putting right that he might want to do.

It is worth reflecting on why so few Members of Parliament have signed the early-day motion on "Manhunt 2". The BBFC received 779 complaints about its banning of that game, but the vast majority were from people protesting about the ban, not people suggesting that it should have been done sooner or that something else should have been done.

I want to draw attention to early-day motion 849, a second one with fewer than 50 signatures. I referred to it in an intervention earlier. That early-day motion, which was also tabled by the right hon. Member for Leicester, East, is about the video that I have not seen but that was clearly the bedtime viewing of the hon. Member for Maldon and East Chelmsford—"SS Experiment Camp". It was tabled more than three weeks ago, but as of last night it had only 10 signatures. Again, despite the hon. Member for Canterbury expressing his deep concern about that item to the Prime Minister on 20 February, his signature is not on the motion; no doubt he will assure us that he is going to put that right at the end of this debate.

It is worth reflecting on the fact that early-day motion 983, which deals with the cost of drinks and confectionery in cinemas and was tabled much more recently, already has 32 signatures. That is indicative of the interest that Members of all parties have as regards issues of real concern.

Both early-day motions might, in due course, reach the magic number of 50. However, the question is what would happen in the period between when the motion was first tabled and when the magic number of 50 eventually was reached, triggering the appeal and suspending sales. Bearing in mind the fact that the hon. Member for Canterbury has not yet got round to signing early-day motions from before Christmas, that could take weeks, during which huge amounts of publicity would be given to the item concerned. We heard earlier about the example of "Inside Linda Lovelace", and "Lady Chatterley's Lover" sold millions of copies as a result of the publicity relating to the trial. I am certain that this procedure would achieve the exact opposite of what anybody might want to achieve. It would create massive publicity, with names of right hon. and hon. Members who had not signed the early-day motion appearing in newspapers up and down the land and pressure being applied, and sales would rocket.

In practical terms, how would MPs come to know about the concerns of their constituents and other people? As I say, there would be pressure from newspapers, but there would also be pressure from groups that have not even seen the item they are worried about. It is worth noting that huge concern was expressed about two programmes that were recently on television—"Diana: The Witnesses in the Tunnel" and "Undercover Mosque"—before they even had been screened. Yet once they had appeared on our screens, many people who had protested and said how disgraceful it was that Channel 4 was going to show them were much quieter. We should be confident that we have a proper and careful procedure for Ofcom, the independent regulator, to follow.

Another good example of members of the public taking up extreme positions about things that they have not seen is the film "Dogma", starring Ben Affleck and Matt Damon, among others. That film was protested about by a large number of people from a group within the Catholic church, more than 2,500 of whom complained to the BBFC, saying that it was blasphemous and anti-Roman Catholic and demanding that it be banned. None of those complaining had actually seen the film, which was passed with a 15 certificate. When the BBFC contacted the Archbishop of Westminster's office about it, the people there did not think it was blasphemous, were not remotely worried that it was in any way anti-Roman Catholic, and encouraged the people who had complained to go to see it. I am worried that there would be similar whipped-up campaigns based on the prejudice of people who had not seen the film concerned. I would be deeply concerned about the system of early-day motions, which has already been brought into question by the hon. Member for North Thanet, being used in such a process.

It is important that such issues are dealt with by an independent body. It is right and proper that Parliament has a say in setting the framework for that body's work. It is right and proper that a Select Committee can scrutinise any appointments, and even that it has a veto. It is right that Parliament, through the Secretary of State, makes the appointment. Going beyond that to use the approaches suggested by the hon. Member for Canterbury would be a step too far. However, he wants to go still further.

The hon. Gentleman wants Parliament to be involved in scrutinising, and effectively vetoing, the guidelines that apply to videos, DVDs and some video games. He is proposing that that could be done in the way he describes in the Bill. However, we come back to the notion "If it ain't broke, don't fix it." I am not aware of wide- scale dissatisfaction with the current arrangements. I have acknowledged that the opinion polling has produced mixed results, but in all polls the majority favour the

[Mr. Don Foster]

current arrangements. As we have heard already, those arrangements were put into place in 2005, based on a 2004 consultation.

The BBFC is already planning and undertaking the consultation that will inform the 2009 guidelines. I have no doubt that in the period between the 2004 work and now, there will have been some changes in public opinion, and I have no doubt whatsoever that those will be reflected in the results. It will be for the BBFC to ensure that it reflects changes in public opinion—there may be increased concerns of the sort set out by the hon. Gentleman and others. The BBFC will be able to reflect those concerns in the revised guidelines.

Mr. Brazier: Let us be clear: the 2004 consultation included a real survey conducted by an outside body, which showed that just over half those polled thought the arrangements were about right. Of those who thought that they needed changing, 41 per cent. wanted a tightening, and only 4 per cent. wanted a loosening. A rather phoney web consultation was undertaken, which produced figures almost the other way round. The BBFC admitted in its literature that it encouraged people from the film industry to contact it about that. On the strength of that consultation exercise, the guidelines were significantly loosened—for example, all references to knives were removed.

Mr. Foster: The hon. Gentleman and I can trade statistics all day long and it will not take us any further forward from the comment I made earlier, which I stick by, and which his figures do not disprove: the majority of people were happy with the current arrangements with regard to sex, violence, language and drugs. I am not denying that a significant minority expressed a different view—the figures are very clear. He read out the figure for violence, but only 30 per cent. of those consulted thought that the guidelines were not strict enough on sex; on language use the figure was 43 per cent.; and on the portrayal of drugs 43 per cent. However, 58 per cent. feel that the guidelines on sex are about right, on violence the figure was 53 per cent., on language 51 per cent., and on drugs 52 per cent. That shows a majority in favour of no change, but I have always acknowledged that this is a difficult issue on which there are mixed views, and that a significant minority is opposed.

Mr. Brazier: I am grateful to the hon. Gentleman for giving way again. My key point, though, is that on the strength of that survey, the BBFC chose to loosen the arrangements. Only 4 per cent. of those consulted wanted a loosening of standards on violence, but the BBFC chose, very significantly, to loosen its guidelines on violence, particularly for 12 and 15-rated videos.

Mr. Foster: I hear what the hon. Gentleman says, but the one thing on which I hope we can agree is that work is now under way on a major survey to ascertain the public's view and whether there has been a change in public opinion. I do not know what the results will be and nor, I suggest, does the hon. Gentleman. However, we both have the opportunity—it is not too late—to influence how the BBFC obtains the information. If he feels strongly that it conducted the last survey incorrectly, I would urge him to contact the BBFC and share his concerns about the methodology used, to ensure that that does not happen again. That way, we will all be in possession of information that none of us currently knows.

As I said earlier, although the BBFC is portrayed as being far too timid, it is worth reflecting on the fact that 10 per cent. of its decisions have been to give certificates of a higher categorisation than were requested by the film makers. There are many such examples, including "I Am Legend", "Mr. and Mrs. Smith" and "Cloverfield", which were given a 15 rating instead of a 12A rating, "The Proposition" and "This Is England", both of which were given an 18 rating instead of a 15 rating, and "Sweeney Todd", whose classification the Chairman of the Culture, Media and Sport Committee was, as we heard, desperate to have reduced on behalf of his children. There are also a number of cases where films and videos were rejected altogether. The BBFC is therefore not a soft-touch organisation; it is one that that commands the support—albeit by only a small margin—of a majority of the British people and one whose decisions are tougher than it is often given credit for.

I therefore have concerns about Parliament getting involved in the nitty-gritty of the guidelines. For reasons that I have already given, I think that that would be a step too far. Parliament would have the opportunity of throwing out the head of the organisation responsible for the BBFC if Parliament—or, specifically, the relevant Select Committee—believed that it had come up with an inappropriate set of guidelines.

Finally, let me deal with one issue in the Bill that has not been touched on at all, other than briefly in an intervention. The current maximum fine that can be levied on retailers selling DVDs, videos or video games is £5,000. The Bill proposes to increase that to £20,000. However, the average fines in recent years have been considerably below the £5,000 maximum. Indeed, the average fines in the past 10 years have been: £519, £440, £798, £1,028, £1,378, £1,079, £921, £775, £489 and £1,244 in 2006, the last year for which we have figures. If we are thinking of increasing the fine, there must be a significant change of attitude among those deciding on the level of the fine. I would not object to that. Where there have been breaches, those concerned need to be penalised severely to ensure that people know how seriously we take the issue.

The real issue is not the size of the fine, however; it is that not many people are being fined at all. The concern among my constituents and every other hon. Member's constituents is about the ease with which children can get hold of such material—videos, DVDs and certain computer games—in many shops. We have heard examples of the ease of accessing such material. I said in an intervention that I knew how many prosecutions there had been in recent years. I said that the average over the past 10 years was 14. However, it is instructive to note that the last time we reached even 14 prosecutions was in 2003. There were only six prosecutions in 2004, and only eight in 2005 and 2006.

We can talk as much as we like about increasing the penalties, the level of fine and the length of imprisonment, as the Bill does, but frankly there is no point in worrying about those issues unless we first ensure real enforcement of existing legislation. If that means making the labelling clearer and dealing with the two different types of

labelling for some video games, then so be it; it is a task that we should undertake. I know that the Select Committee, under the chairmanship of the hon. Member for Maldon and East Chelmsford, is looking into that issue. We hope for an urgent response.

Labelling is important, but so is the education of members of staff working in the stores, as is educating parents about what the labels mean. With proper enforcement, we can hope that the figures will stay low because everyone will be abiding by the law rather than getting away with it, as I am convinced is currently the case.

Let me end with brief comments on another issue. As others have said, although the Bill is important and addresses issues that are of concern to many people, in some senses it misses the key point. The biggest concern should really be about the internet, particularly the ability of children to access all sorts of inappropriate material on it. That is why, as I said briefly before, I greatly welcome the Government's appointment of Dr. Byron to look into that issue. I have kept track of her work—for example, her extensive survey work and her engagement with many experts in the field. I believe that the result of her work will influence further movements in Parliament to deal with these issues.

For the many reasons I have provided, I do not believe that the time is right to press ahead with the Bill as drafted. It would not be right to go ahead right now when we are about to receive the results of some very important research. I congratulate the hon. Member for Canterbury on initiating our debate on these important issues. As I have explained, apart from one small area of agreement, I sadly disagree with the majority of the Bill, so I cannot support it.

1.37 pm

Mr. Edward Vaizey (Wantage) (Con): One characteristic of our debate earlier was that hon. Members declared their interest in respect of the number of children they had. My hon. Friend the Member for Braintree (Mr. Newmark), for example, pointed out that he had five children. In that vein, may I point out that I have one child aged 17 months, but that, more importantly, I have another child due this very leap day. It is thus a measure of my commitment to hearing the arguments of my hon. Friend the Member for Canterbury (Mr. Brazier) that I am in my place in the House rather than in the maternity ward. Perhaps I should say that my wife is not yet in the maternity ward either! Clearly, my soon-to-be-born daughter has already taken on board the precedence of Parliament over all other issues.

I congratulate my hon. Friend the Member for Canterbury on introducing the Bill and on giving the House the opportunity to debate some extremely important issues. Indeed, by the time our debate concludes, some five hours after it began, we may well have discussed the matter for longer than is often the case on Second Reading of many public Bills.

Before commenting on some of the important matters raised in the debate, I would like to put some other points in context. Because the Bill focuses on the working of the British Board of Film Classification and much wider concerns about the increasingly violent and sexual content of video games and films, we may have lost sight of some the merits of the current system.

I want to put it on the record that, by and large, I believe that the BBFC does an extremely good job. It is one of those rare bodies that costs the taxpayer absolutely nothing and it rarely takes up much parliamentary time. Having visited the BBFC, I know that it is staffed by very dedicated men and women who take their job extremely seriously. It is important for the House to recognise that the organisation largely does a very good job. That is not to dismiss the valid points made by my hon. Friend the Member for Canterbury, nor to say that no changes could be made to make it even more effective.

As we have focused on the rather seamier side of the film and video games industries, it is important again to put on record the astonishing success of those industries, none of which is due to the Minister. I want to ensure that that is absolutely clear; we do not want to give the Government any credit for it at all.

We have an extremely successful film industry in this country, and the recent Oscars and the British Academy of Film and Television Arts ceremony showed what kind of awards it can garner. The video games industry is often the Cinderella and is rarely debated in the House, if at all, but it is now worth an astonishing £8 billion a year. It is a successful industry, alongside those in France, Canada and the United States. That has to be put in context.

Nevertheless, the regulation of films and video remains an incredibly important and sensitive function. As has been clear from today's debate, we have to strike a balance between protecting people, and children in particular, from viewing harmful and offensive content, and allowing freedom of artistic expression. As has also become clear during the debate, that has never been under greater strain than it is today because of huge technological advances and people's ability to watch unsuitable material on all sorts of different platforms. One sometimes feels a bit like King Canute, trying to stop the tide of this material as it seeps into more and more different outlets in our homes.

In September, the Government, as has been mentioned many times today, commissioned the Byron review to consider how children might be protected from inappropriate content. No doubt, Tanya Byron, a celebrity psychologist—thus, the Prime Minister's self-imposed ordinance on dealing with celebrities is being breached—will produce an important report, which is due in March.

The House should also know that my right hon. Friend the Member for Witney (Mr. Cameron), the Leader of the Opposition, has made a strong stand on matters of this kind. In a speech last year, which I think my hon. Friend the Member for Canterbury referred to, my right hon. Friend said:

> "Companies which make music videos, films and computer games have a social responsibility not to promote casual violence, the gang culture and the degradation of women."

Last year, the Conservative party made an unequivocal commitment to

> "review the regulatory framework relating to films and video games to ensure that violence and misogyny are not directly promoted to young people. This should include the role of the British Board of Film Classification".

So, we do not yet know the Government's position, and we certainly do not know the Prime Minister's position, but we do know that the Conservative party is committed to reviewing the role of the BBFC.

[Mr. Edward Vaizey]

Turning to the specific proposals in the Bill, our film classification system works on two levels: it protects consumers by removing the most extreme films and games from circulation, so a film can be banned outright, and it classifies content according to age groups for which it is suitable. The BBFC carries out both functions.

The organisation was established as long ago as 1912, and as I mentioned it has been financed ever since at no cost to the taxpayer. It is separate from the Government and from Parliament. However, Parliament has given it the function of classifying video games and videos through the Video Recordings Act 1984, which, as far as I can work out, is the only role it has in that respect.

I think that there was perhaps some confusion when the hon. Member for Bath (Mr. Foster) made his comments. Parliament has not given itself the power to appoint members of the BBFC, but simply has the power to designate that body as the body responsible—

Mr. Don Foster: The hon. Gentleman needs to check that, and perhaps the Minister can help us. I understand that there has to be agreement in respect of the president and the two vice-presidents—the specific postholders.

Mr. Vaizey: That is not my understanding, but the hon. Gentleman and I will turn to a much wiser person—the Minister, who will no doubt correct either of us, or indeed both of us, as she has done so many times in the past.

Part 1 of the Bill would make the Select Committee on Home Affairs responsible for making appointments to senior roles at the BBFC. We have debated whether the Home Affairs Committee or the Culture, Media and Sport Committee is better at scrutinising that kind of appointment. I do not know whether the House should read anything into the fact that the Chairman of the Culture, Media and Sport Committee, my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), has attended almost all of this debate, whereas the Chairman of the Home Affairs Committee, the right hon. Member for Leicester, East (Keith Vaz), has departed, but I leave that to one side.

Mr. Bone: The right hon. Member for Leicester, East (Keith Vaz) made it clear that he had a prior commitment for which, regrettably, he had to leave, so I do not think that we can draw any conclusions from that.

Mr. Vaizey: That is a point extremely well made by my hon. Friend, who perhaps should take over from both Chairmen the role of scrutinising appointments at the BBFC, such is his fairness and objectivity. I was seeking to tease the right hon. Member for Leicester, East.

Currently, the BBFC is overseen by a council of management that makes appointments. It is made up of representatives from parts of the film industry with no financial interest in classification decisions and includes a film lawyer, a broadcast engineer and an expert in film industry training, none of whom stands to gain from any policy decision by the BBFC. Indeed, none has any role in film policy development.

I have some concerns about the Select Committee chosen by my hon. Friend the Member for Canterbury, given that jurisdiction over implementation of the 1984 Act and over the BBFC rests with the Department for Culture, Media and Sport. Moreover, I have no reason to believe that the current appointment process is flawed in any way. There is no evidence that decisions are made with the film industry's interest in mind. As my hon. Friend the Member for Maldon and East Chelmsford pointed out, the proposal to extend the jurisdiction of the Select Committee not only to the chief executive but to other senior appointments does not chime with the review being undertaken by the Cabinet Office, in the interest of the whole House, into allowing Select Committees to scrutinise only the appointments of chief executives of bodies.

Turning to part 2—

Stephen Pound: On that point, and bearing in mind the comments made earlier by my hon. Friend the Member for Hendon (Mr. Dismore), is the hon. Gentleman entirely comfortable with the representational nature of the body that he described? Does he feel that it accurately reflects this country in all its aspects and can speak with authority for the nation?

Mr. Vaizey: I could not answer that question completely honestly by saying that I am entirely comfortable with it, because I do not necessarily know enough about it. Perhaps a more accurate question might be whether a Select Committee's scrutiny of a range of appointments to the BBFC is likely to increase that representation. As far as I am aware, appointments to both the management committee and the executive of the BBFC, as well as to the video appeals committee, are undertaken according to Nolan principles, so those appointments are as transparent and objective as most public appointments. In that respect, I have no reason not to be satisfied with them. Although I regularly take on the Department for Culture, Media and Sport about some of the cronies that it appoints to other bodies, it does not appear in this case to be involved in such appointments.

I come to the issue of appeals. We have had a long debate about whether an early-day motion procedure is appropriate. As I have made clear in interventions, there are two systems in place at the BBFC, one for films and one for video games. The BBFC has an advisory role as far as films are concerned. It can only advise local authorities on classification; it is up to the local authority, because it has licensed the cinema, whether a film should be screened. As I mentioned, it is a delightful fact that the city of Glasgow remains implacably opposed to the screening of "Life of Brian", although one can presumably go into any video or DVD store in Glasgow and rent it.

As I said in an intervention during the excellent speech of the hon. Member for Ealing, North (Stephen Pound), it is interesting that local authorities—the democratic guardians of the nation's morals in this instance—have more often downgraded the classification than upgraded it. In fact, there is no recent example of them upgrading a classification. "This is England" was downgraded to a 15 rating, and "Spider-Man", "Sweet Sixteen" and "Billy Elliot" were all given lower ratings.

Mr. Don Foster: It's all to do with Johnny Depp.

Mr. Vaizey: The hon. Gentleman reminds me that it is all to do with Johnny Depp, a film star who is adored by my wife; I say that as we have been on the subject of the family for so much of this debate.

As local authorities do not have jurisdiction over video games, an appeals process—the video appeals committee—is in place. I can tell my hon. Friend the Member for Canterbury that we support a review of how the committee works, because there is a feeling that the committee exists for the benefit of the video games industry. If the BBFC gives a video game a high rating, the video games industry, acting perfectly within its rights, can come along with an expensive QC and try to get the rating lowered. That is exactly what happened with "Manhunt 2"; the BBFC is now seeking a judicial review to try to reverse the VAC's decision. It seems that there is very little scope for members of the public to use that appeals mechanism to upgrade a video game's rating, or even to ban it.

Mr. Brazier: My hon. Friend is making a typically thoughtful contribution. It is not that there is very little scope for the public to use the appeal mechanism; there is absolutely none whatever. Earlier, I mentioned a terrible case in Leicester. The parents of the murdered boy have been campaigning about the first "Manhunt" game ever since the tragedy, but even though the trial judge said that there was a link between the murder and the video game, there is absolutely nothing that can be done about it, without a BBFC sanction.

Mr. Vaizey: That is an important point, but it also raises significant questions. As I say to my hon. Friend, we in the Conservative party want to consider ways in which the video appeals committee can provide a mechanism through which the public can appeal, but it is worth considering the difficult issue of how effective post-release appeals can be. I leave aside the issue of whether the early-day motion mechanism would be appropriate. I have to say that during the debate, it became more and more apparent that the idea of an appeal being triggered if enough MPs signed an early-day motion was a recipe for chaos and disaster, but that could well be discussed in Committee, if the Bill proceeds.

The problem with post-release appeal is that one could inadvertently fuel the sales of the game that one is seeking to restrict. I have no idea what the current position is with regard to "Manhunt 2"; I do not know whether it has been withdrawn from sale pending judicial review, but I very much doubt that it has. I suspect that the more that newspapers screamed, "Ban this video game", with MPs queuing up to sign the early-day motion, the more likely it would be that some of our voters would go to the shops to buy it before it was banned, perhaps to see what all the fuss was about. That is a real problem that I urge the House to consider.

My hon. Friend the Member for Canterbury seeks to provide, through his Bill, for parliamentary scrutiny of the BBFC guidelines. The BBFC puts together the guidelines with care and scrutiny. They are not the kind of guidelines that are simply written on the back of a fag packet. As has been discussed, every four years specialist research groups are commissioned, and 11,000 members of the public are consulted, although I heard my hon. Friend's concerns about the web-based survey and the perhaps more objective research-based survey.

Stephen Pound: I am particularly impressed that the hon. Gentleman is present on a day when there is to be such an important family production, which I hope is successful. Surely his point is that the criteria change every four years, following a series of inputs. Why will he not allow the House, or a Committee of the House, to be one of the agents of input?

Mr. Vaizey: I am coming to that. One of the things that I really like about the hon. Gentleman—he mentioned our friendship—is how he rightly, in some respects, ascribes an enormous amount of power to me. I loved his asking whether, "I would give Parliament the power." Believe me, I will consider it. *[Interruption.]*

The next review of the guidelines will take place in 2009. Guidelines change in terms of our cultural context. It is interesting to read the BBFC's current guidelines, which contain a caveat about scenes that might "glamorise smoking". Smoking is another thing that the hon. Gentleman and I used to have in common. Can one imagine a British Board of Film Classification in the 1920s, 1930s or even the 1960s having a caveat against glamorising smoking? Anyone who watches a pre-1960s film will see virtually every member of the cast with a cigarette in hand. Thus, the guidelines constantly shift.

As I exercise the power invested in me by the hon. Gentleman, I must tell the House that I have an enormous amount of sympathy with the view that Parliament should have some kind of say. However, I again caution against giving it a formal power to approve or disapprove the guidelines. It would not be beyond the power of this House for the Culture, Media and Sport Committee—I see my hon. Friend the Member for Maldon and East Chelmsford in his place—to conduct its own inquiry into the guidelines every four years as part of the consultation process on them. It would be perfectly within my hon. Friend's power to constitute his Committee at the beginning of 2009 in order to examine draft guidelines from the BBFC and present a report.

One of the most interesting and perhaps ironic facets of this debate was the fact that the hon. Member for Hendon (Mr. Dismore), a Labour party member, constantly cautioned the House about increasing the scope of its powers and my hon. Friend the Member for Canterbury, a member of the Conservative party, sought to extend this House's jurisdiction into an area where previously it has not deemed it necessary.

The hon. Member for Bath touched on the penalties that my hon. Friend the Member for Canterbury seeks to increase through his Bill. I am in sympathy with the hon. Gentleman's remarks, in the sense that I have not seen any evidence that tougher penalties would act as a deterrent. I agree with him that enforcing the existing law might be the way forward.

The link involving the increasing violence and sexual content in video games and films is at the heart of what we are debating. There is no doubt that there is an enormous amount of concern about this in the country as a whole; it is a feeling that perhaps standards are slipping and almost that anything goes. It is important for this House to take a step back and to reflect coolly

[Mr. Vaizey]

on matters of this nature. Interestingly, my hon. Friend the Member for Canterbury said that the UK sits somewhere between Australia and America in terms of a free-for-all. He sought to make the point that there may be a correlation between Australia's tighter regulation and its having a lower crime rate than the UK, although he was careful to say that that was obviously not the only reason.

I would make a counter point. One of my constituents, Mr. Ian Wright of Didcot, who is watching this debate on TV there, sent me a note. He wished to make the point that when he had taken DVDs and videos that he had bought legitimately in other European countries to a charity shop in Didcot, he had been told that it did not want to put them on display because although he had bought them in Europe, it was not thought that they were appropriate for Britain. I hope that I have not mangled that and got him into trouble—I am not saying that they were illegal or obscene. They were perfectly normal videos, but the ratings shown were lower than they would be in the UK. In a lot of European jurisdictions, a film that we would rate as an 18 is rated as a 15, and one that we would rate as a 15 is rated as a 12. Interestingly, those European countries seem to have a lower crime rate than we do, but a more liberal approach to classification.

I caution hon. Members that if we open the can of worms of the classification of films, we might find that the Government trot down to the Chamber and announce that they are handing the whole thing over to Europe. The Opposition are the only party in the House to stand proud and firm against further European integration, and we do not want inadvertently to give the Euro-federalists who populate the Government the opportunity to pass over this important aspect of our lives, which remains firmly under the control of the United Kingdom's citizens—*[Interruption.]* It does—not even Parliament controls it. We do not want it to be passed over to the Eurocrats and Euro-federalists who populate the Government Benches and the offices in Brussels.

2.1 pm

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): I congratulate all the right hon. and hon. Members who have participated in the debate. It has been of a high standard, as I am sure the hon. Member for Canterbury (Mr. Brazier), whose Bill we are considering, would accept. The issues involved have been addressed seriously in well-considered and well-articulated contributions from both sides of the House. Interestingly, the debate has not been party political; there are varying views among colleagues who agree strongly on other issues. Such debates help to raise the status and credibility of the House, and I want us to engage in them more.

I wish the hon. Member for Wantage (Mr. Vaizey) and his wife all the best. I hope that he does not have to hang around too long before he is the parent of a second child. His role as parent will probably be far more important to ensuring that his children and their friends grow up not seeing violence as an integral part of their lives than any regulation that we choose to pass or any debate in Parliament. If he has to choose between tackling the problem in the two places in which he spends his time, his role as parent will be paramount.

I say to the hon. Member for Canterbury that there is not a Member in the House who does not share the concerns that he has highlighted about violence in our society, particularly against women. I took some exception to the contribution of my right hon. Friend the Member for Leicester, East (Keith Vaz), which seemed to suggest that he had a monopoly on concern about that. It is of concern to all of us, and the only matter for debate is what action we can take, in the House or through the regulatory bodies that we establish, to ensure that we provide an environment in which children will grow up well.

The hon. Member for Canterbury kindly agreed to come and see me before today's debate so that I would have some idea of the issues that he had in mind. He said to me during that conversation—I hope that he will not object to my raising it this afternoon—that he was concerned not only about children, but about the impact that videos and films that were classified would have on adult behaviour. We have been debating the subject for more than four and a half hours, and it appears that that concern is not shared across the House. My right hon. Friend the Member for Leicester, East, who is not with us now, was focusing on children. The hon. Member for North Thanet (Mr. Gale), if I read him right, was primarily concerned with the impact of videos and films on children.

Mr. Gale: Let me set the record absolutely straight. I think that we all accept that children are much more impressionable than adults, because they are at an impressionable age. I said carefully that the empirical evidence, in so far as there is any, suggests that the impressionable of any age are affected—some adults are fairly impressionable and could be just as easily affected as younger people.

Margaret Hodge: I hope to come on to that later.

As the hon. Member for Canterbury knows, the Ministry of Justice has collected evidence from research that it has done. It might be appropriate for me to talk about it now, because it is about pornographic material and the link that that can have to behaviour. I do not think that the hon. Gentleman said this, so it might be worth putting it on the record: the piece of research done by the Ministry of Justice considered only extreme material. When it defined that material, it was talking about material that would never have gained classification under the current BBFC system—not even as an R18. As all hon. Members know, R18 material is available for sale only in licensed sex shops and is therefore subject to severe restriction.

The research applies to material that would in no circumstances whatsoever have obtained any of those classifications. It is only when that extreme material was examined—material that is censored, to use the term of my hon. Friend the Member for Hendon (Mr. Dismore)—that the contention is supported that extreme pornographic material can have a harmful effect on those who access it. There is some element of consensus in the House, but we must be careful about the evidence when that element of consensus exists.

Stephen Pound: Is not my right hon. Friend's point about that dark abyss beyond R18 one of the principal motivators of the hon. Member for Canterbury (Mr. Brazier)? None of us is prudish. I do not think that any of us objects to consenting adults appearing in films, and if consenting adults want to buy them, so be it. We are really concerned by the denigration of the performers and the observers and the constant moving of the boundaries further and further away beyond the R18 rating and beyond even unimaginable horrors. Is that not what we should—to use a dreadful, trite, hackneyed parliamentary phrase—be putting down a marker for?

Margaret Hodge: My point was that the marker is there already. Those films that could cause the deepest offence and could impact on the behaviour of adults are not classified.

I agree with what a lot of hon. Members have said. First, judgment is terribly personal on such matters. The BBFC will not always get it right, but it is doing an incredibly good job in a difficult area. Judgment is personal and judgment will change. Let me give my personal judgment. In preparing for today's debate, I, like the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), asked for a copy of "SS Experiment Camp". Last Saturday night my husband and I watched two films. The first was "This is England", which I had not managed to see before, and which had received BAFTA and Oscar nominations; the other was "SS Experiment Camp". Some of the scenes in "This is England" were utterly outrageous and horrible and could very well have had an impact on the behaviour of young people. The film was set in the '80s, but it could have been in 2008. One scene showed the crazy and unnecessary vandalism of a building. It was horrific to watch such pointless vandalism; if one wants to link action in a movie and action in real life, the scene could have done so.

The film included—Members must excuse me if this is unparliamentary language—a scene of the most horrific Paki-bashing by a young group of National Front members. They knocked the living daylights out of a young Pakistani boy. Such a scene could resonate with some of the most violent racist abuse nowadays, which I certainly see in my constituency, and it was utterly horrible, yet "This is England" is a powerful film that succeeded in gaining BAFTA and Oscar nominations.

Mr. Whittingdale: It is important that we understand clearly what the Minister is saying, because "This is England" won the award for best British film. Does she think it was not properly classified or that it should have been censored more?

Margaret Hodge: No, I think the film was completely properly classified. It would have been outrageous if anybody had suggested censoring it, but it contained violent scenes, portraying a reality in Britain in the 1980s that could be mirrored in the reality of Britain in the first decade of the 21st century. We need to experience the film. Violence is sometimes portrayed in films—I shall discuss interactive games in a moment—that reach the top of various competitions.

I started to watch "SS Experiment Camp", but I could not manage the whole lot because it was so poor. It would not convince a soul. There was gratuitous ugliness and hideousness, but I thought that there were no connotations of a Nazi concentration camp. I say that as someone who lost family in the camps. People in Nazi concentration camps were not dolled up to the nines, wearing make-up. At one point, the inmates were drinking wine and eating the sort of food that would never have been seen in the camps. It was a pathetic, out-of-date pornographic portrayal. The film had no impact on me whatever.

Of course, judgment is personal. I have enormous respect for the hon. Member for Canterbury for promoting the Bill, but the film he selected as a basis for the measure would not encourage violence in any way because it is such a poor film—it is just bad.

Mr. Brazier: I may be able to reassure the Minister. I had never heard of the film when my Bill received its First Reading; it was one of the large number of films and games sent to me as examples.

May I take the Minister back to the study conducted by the Secretary of State for Justice and published in December? She dismissed it as being composed only of such extreme material that it would be banned in the UK. She cannot really claim that, because the document was based on 124 studies from all over the world. The material was indeed extreme, but as the bounds are pushed steadily back some of it is coming into the British orbit.

Margaret Hodge: I hope to come to the evidence on content in a research-based desk study undertaken in 2006, which encompassed studies from throughout the world, not just in the UK. Context matters a lot because it has an impact on whether a piece of work could be said to influence behaviour in a particular society.

Stephen Pound: As one who has led a fairly sheltered life, despite appearances to the contrary, I too have had a look at some material in connection with this matter. Surely the point about "SS Extermination Camp" is not that it is a bad film but that it is a film about the gratuitous torture of human beings, and whereas today there is a bad film about torture on the market, tomorrow there could be a better film about torture. That is what concerns me. The minute that we have the public availability of a film that relies on that form of viciousness, the question of whether it is bad, good, aesthetic, well lit or well acted, is irrelevant. It is out there and another one could then follow it.

Margaret Hodge: I disagree with my hon. Friend, who made a fantastically good contribution to today's debate. A good film that portrays torture well, as "This is England" did, has a far greater impact on our views and possibly on our behaviour than a bad film that portrays torture in a poor way.

Several hon. Members spoke about the internet, which is the big challenge. I am sorry that the hon. Member for Canterbury covered only videos and films. The internet is of greatest concern because of the difficulty in controlling the source of information and therefore in being able to ensure that we censor where we have to censor while being able to classify. It was largely arising from that convergence over all the

[Margaret Hodge]

platforms that the Government, in responding to the legitimate concerns that the hon. Gentleman raised, asked Tanya Byron to examine the area to see whether we should have further regulation or changes in regulations to protect our children from material accessed by them, either through video games, the cinema, DVDs, or, most importantly, the net. As has been said, she is due to report in March. She has undertaken her work in a serious, comprehensive, sensitive and good way, she has talked to everybody and she has been assiduously independent of anybody. I have no doubt that we will debate her findings when they are published, and if she suggests that further action is needed in this new converged world, we will respond to that.

When I was Minister with responsibility for children we started to look at the emerging problems of the net, particularly in relation to child pornography and pornographic images, and interestingly, what came out of that work was an understanding, which Tanya Byron may or may not reflect, that if we wish to protect our children from accessing inappropriate material, action must be taken on what is classified, which is action by the content producers. Action also needs to be taken by internet service providers. We touched on that issue in the strategy document on the creative industries that we produced last week.

Action should also be taken in relation to parents, because they have a key responsibility for protecting their children from accessing inappropriate material. Work can also be done to educate the children themselves, and their peer groups, so that they can begin to understand the harm that they could experience by viewing the material. So this is not just about our taking action here by passing a bit of a law, even if it is the hon. Gentleman's Bill. That would not be effective on its own. We need to get all the stakeholders working together. That is the way forward.

Mr. Brazier: Of course the Minister's last remark is exactly right. The Bill seeks only to look at one area. However, the point must surely be that, in getting all those groups to collaborate, we will all need to agree on where we set the boundaries. Part of the problem is that anything that can go out to adults can now reach children relatively quickly. Indeed, one of the two Bulger murderers was a 10-year-old who, according to the testimony of the trial judge, was heavily influenced by at least one of the violent videos that his father had been watching.

Margaret Hodge: Several Members, including the hon. Gentleman and my right hon. Friend the Member for Leicester, East, have raised that issue. However, it is important to put on record what I understand to be the facts. If the hon. Gentleman does not believe what I am saying to be right, I shall be willing to reconsider. All I can give him are the facts that I have been given.

Let us consider the Stefan Pakeerah murder. That was an horrific, terrible crime, involving a horrible way to die. Stefan was subjected to a hammer and knife attack by a 17-year-old, who has since been given a life sentence. Stefan's mother and father suggested that the actions of Warren Leblanc—the man who was found guilty of murdering their son—had been influenced by his alleged obsession with the video game "Manhunt". They may have made that statement, but the rationale for the statement is less clear. The game was discovered not in Warren Leblanc's possession but in the victim's possession. It does not feature the use of a hammer, and it was not considered by the police to be a contributory factor. No such connection was ever suggested in court. Indeed, the prosecution and defence barristers insisted in court that the video game had played no part in the killing. It was reported that Leblanc was motivated by fear of a gang to which he owed money.

That is the information that I have been given. If the hon. Gentleman can provide me with other information, I would honestly be willing to look at it. However, we need to be extremely careful before we make assertions in the House about a connection between a particularly horrific murder and the playing of a game. I accept that it is a violent game, but it is none the less a game with a classification. We have a responsibility to ensure that we carry through our legislation based on evidence, and we need to be accurate about that evidence.

Mr. Whittingdale: I agree entirely with the Minister. I wonder whether she can confirm my recollection that no evidence was produced to suggest that the young boys responsible for the murder of Jamie Bulger ever saw "Child's Play 3".

Margaret Hodge: That is absolutely right, and I was going to come to that. My understanding is that "Child's Play 3" had been in the house, but there was never a suggestion that either of the two boys who killed Jamie Bulger had seen it. Anyway, that particular film was rated 18, so it should not have been rented or sold to the boys, given the issues that have been discussed.

Mr. Brazier: The Minister is surely not denying—this was not denied at the time, when the issue was raised in the House—that Lord Justice Morland, the judge on that case, said that there was a link. Moreover, it was clearly established that the father of one of the murderers had taken out that video and that it had been in the house for some weeks.

Margaret Hodge: The hon. Gentleman should be really careful about the assertion that he is making, because it is really important that we base what we do on evidence. Nobody is suggesting that the film was not in the house, but there is no suggestion that either of the two boys who killed Jamie Bulger had seen it. If the hon. Gentleman proves me wrong, I will be really happy to make a retraction, but at present all I can say to him is that my best understanding is that the link that he is attempting to make in the two instances that we have been discussing has not been evidentially established. We must be really careful when we deal with these issues.

I want to talk about the British Board of Film Classification, because I agree with the hon. Member for Wantage and others in the House who have said to us that although it does not get it right every time, it does an extremely good job in incredibly difficult circumstances. Nobody has mentioned today that it looks at some 17,000 works a year. *[Interruption.]* My apologies to the hon. Member for Bath (Mr. Foster)—he

did mention that. The BBFC looks at an enormous number of works, and it takes extremely seriously the task of ensuring that it works in tune with the general consensus of the public's views at any one time.

Mr. Bone: Does the Minister not think that there is a danger that the message from this debate, in the light of the agreement of all three Front Benchers that the classification system is working very well, is one of complacency?

Margaret Hodge: I am grateful to the hon. Gentleman for that intervention, because it allows me to say that I think he has misinterpreted what I have been saying. There is a consensus among all three Front-Bench spokespeople that the issues behind the Bill that have been raised are hugely important, incredibly complex and need to be addressed. Certainly from the Government's point of view, it is because of that consensus that we established the Tanya Byron review, the outcome of which the hon. Gentleman should await. During our consideration of that review, there will be plenty of time to engage with the question of how best to respond, and whether action needs to be taken to change the way that we establish the BBFC or to change its accountabilities.

I should point out that the hon. Member for Wantage was right in saying that the Secretary of State does not approve BBFC senior appointments; the Government are involved only in naming them as the designated authority. The BBFC can appoint whom it likes, and if the Government do not approve, we then have the option of choosing not to designate them, under the terms—*[Interruption.]* Well, perhaps the hon. Gentleman and the hon. Member for Bath are both right, then.

I very much welcome the inquiry that the Culture, Media and Sport Committee is undertaking. That provides an opportunity. Tanya Byron is undertaking her independent review and the Select Committee, concurrently, having regard to what she says, I hope, is undertaking a review of this hugely difficult issue and putting it in a wider context—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on Friday 7 March.

Remaining Private Members' Bills

DRUGS (RECLASSIFICATION) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 9 May.

EXPENSES OF PUBLIC SERVANTS (PUBLICATION) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 6 June.

National DNA Database

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Michael Foster.]*

2.30 pm

Sarah Teather (Brent, East) (LD): I am delighted to have secured this debate on the DNA database. I have been asking for it for some time, and I am fortunate in having this opportunity to discuss the issue when it is highly topical, given recent high-profile convictions and the forthcoming European Court of Human Rights ruling on the retention of data on the database.

However, I sought this debate in response not to those current factors, but to constituency concern about the disproportionate number of black people on the DNA database. The database has been the subject of hot debate, but its impact on different ethnic minorities has been discussed far less. The Minister will be aware that I represent the most ethnically diverse constituency in the country. The poor relationship and distrust particularly between young black men, the police and the wider criminal justice system is raised constantly at constituency events and on the doorstep. The over-representation of black people on the DNA database is both symptomatic and causative.

There is no doubt that the technique known as DNA profiling has revolutionised forensic science and had a dramatic effect on convictions for difficult crimes as well as for cold cases. As a scientist, I have great admiration for the brilliance of Alec Jeffreys. However, precisely because the technique of DNA profiling and the associated database are such powerful tools, it is important that they be used carefully.

Protection of the public from criminal activity is a primary obligation of the state. However, in a liberal democracy we expect that obligation to be exercised in a way that respects fundamental ethical rights to liberty, autonomy and privacy and is fair, transparent and proportionate.

The UK now has the largest DNA database in the world; it stores about 4.5 million profiles, which represent about 5 per cent. of the UK population. The database includes profiles of about 500,000 people who have never been convicted, charged or cautioned and have never received a formal reprimand. It also includes the profiles of children under 10 and, more worryingly, those of three quarters of young black men.

Concerns and questions about the database fall broadly into four areas: first, the circumstances around sampling—the processes that bring people into contact with the criminal justice system; secondly, what happens to the profile when it is produced—whether it is retained on the database or destroyed; thirdly, what happens to the original DNA sample, which has the capacity to reveal much more about the individual than the profile itself; and finally, access to both the database and the sample.

The first point, about the sampling of DNA and its disproportionate application to black people, relates directly to the relationship between the police and various black and minority ethnic communities. I shall deal with that later. On the whole, it is not the sampling of DNA alone that gives rise to most ethical concerns. It seems perfectly sensible for the police to check someone's DNA profile against the database during an investigation into a burglary to see whether it matches information found at other crime scenes. The issue is about what happens if the person is later released without charge, or acquitted in court.

At the moment, that person's details are entered on the database if he or she has been arrested for any recordable offence, even if the arrest was on the basis of mistaken identity. It does not matter whether charges are brought, evidence is available, the police drop the case or the person is later cleared of all charges in a court of law—the sample and the record on the database are kept in perpetuity. It is that, in my view, which fundamentally blurs the distinction between innocence and guilt and changes the relationship between the citizen and the state.

The Government are fond of repeating that the innocent should have nothing to fear from the retention of these data. I cannot accept that argument, because it places no intrinsic value on privacy or liberty. Moreover, it fundamentally fails to appreciate the distress and discomfort that can arise from a police investigation in which one may later be exonerated. If someone's details, along with those of several others, match those of a partial profile gained from a rape, and they are investigated, the stigma and damage may last long after the police have excluded them from their inquiries. Similarly, given the Government's view that this database is a database of criminal or likely future criminal activity, there is stigma attached just to being on it.

It is worth noting that the database also holds profiles of volunteers who have willingly submitted their DNA to clear themselves during an investigation. Once consent is gained from such a volunteer, they are never allowed to revoke it. On the subject of informed consent, I am also gravely concerned about the increasing applications to conduct research on the DNA database and the samples associated with it, some of which appear to identify ethnic markers and those for behavioural genetics. That would appear to breach basic rules on informed consent for medical research. Furthermore, the data are not anonymised, and the data card carrying the individual's details is readily accessible to researchers undertaking research.

I wish to turn now to the disproportionate numbers of black people on the database. The numbers are breathtaking and should give any politician pause for thought. At the moment, 27 per cent. of the entire black population, 42 per cent. of the male black population, 77 per cent. of young black men, and 9 per cent. of all Asians are on the database, compared with just 6 per cent. of the white population. If someone is black, their details are three times more likely to be stored on the database than if they are white. Some would say that that merely reflects the over-representation of black people in the criminal justice system. Much has been written about that, with most explanations centring on poverty, poor education, poor aspirations and lack of male role models. However, few explanations ever question whether black people really commit more crimes. There is a report that should be made compulsory reading for all who work in this area. It is based on the Home Office's own commissioned research and entitled "Minority ethnic groups and crime: findings from the 2003 Offending, Crime and Justice Survey". That research is based on self-report surveys about the offending of 12,000 individuals,

from young people to those up to the age of 65. The results should rock the presumptions on which we usually begin such debates.

First, it finds that offending is quite common—far more so than most people would realise. However, the real shock should come from the findings on offending behaviour in different racial groups. Far from finding that more black people commit crime, the survey found that at every age group, for both genders, for serious and less serious crimes, over a lifetime and in the past year, there was either no statistical difference among white, mixed race and black groups or, more commonly, that white people were more likely to have offended than either mixed race or black people. For example, the report found that over 42 per cent. of white people had committed an offence in their lifetime, against 28 per cent. of black people, and that 21 per cent. of white people had committed a serious offence in their lifetime, against 14 per cent. of black people. When one considers that just 14 per cent. of black people have ever committed a serious offence, yet 27 per cent. of them are on the database, it is hardly surprising that 55 per cent. of those from BME communities who have their details on the database have never been charged or convicted of anything.

We also know from countless surveys that black people are more likely to come into contact with the criminal justice system. Someone who is black is six times more likely to be stopped and searched and three times more likely to be arrested. The Home Affairs Committee recently looked specifically at young black people in particular and found that while young black teenagers make up 2.7 per cent. of the population, they make up 8.5 per cent. of those arrested. Once charged, young black offenders are significantly less likely to be given unconditional bail, are more likely to remain in custody, and are more likely to be given a more punitive sentence. This is despite self-report surveys from the Home Office's own research saying that black people are no more likely to have committed a crime than white people.

The disparity in the way that young black men are treated by the police is how they end up on the database in the first place. I have an example for the Minister from my own constituency. My constituent, friend and colleague, Councillor James Allie, was jogging through Queen's park on Boxing day in 2005 at about 9.30 in the morning. Unbeknown to him, a burglary had been reported in the area. The assailant was reported to be a young black male, but nothing else about the description matched my friend. Nevertheless, James was stopped by the police, who asked him what he was doing and where he had been. James explained that the trouble was that, as a young black man, now in his mid-30s, he had been stopped by the police quite a lot in his lifetime, and he knew that the conversation would not go well.

James was extremely irritated to be stopped when he was jogging on Boxing day, so when asked what he was doing, he replied, "What does it look like? I'm jogging." The police officer asked, "Are you telling me that you are not going to assist the police with their inquiries?", and he said, "Yeah." They said, "Well, in that case we'll arrest you." They arrested him, and as they did so, information came over the radio that someone else had picked up the man that they believed to be responsible for the burglary. There was not, therefore, any need to take James in at all, but by this stage the process had become unstoppable. James was fingerprinted, had his DNA taken and was held at the police station for over five hours, ruining his Boxing day and his mood. He was later released without charge, but his DNA remains on the database in perpetuity.

Unfortunately, that is quite a common story. People are stopped for one thing, they respond with irritation that is perceived as aggression and they are then arrested. Having been arrested, they have their fingerprints and DNA taken and find themselves on the database. A lot of young black men who may have been stopped for no particular reason find themselves criminalised.

The trouble with disproportionate numbers of black people being on the database is that it means disproportionate numbers of black people are having their privacy infringed, and the very existence of disproportionate numbers of black men on the database reinforces the myth that black people are more likely to commit crime. A database that is consciously and unconsciously perceived as a database of criminality reinforces myths about black people and leads to stigma. In a world where much crime goes undetected, a small skewing of police behaviour leads to a large discrepancy in outcomes for different ethnic and racial groups, and the problem is that those discrepancies become reinforcing when they inform future police behaviour.

It is time that we broke the cycle. Much has been said about the need for police to examine their own stop-and-search practices, but we also need to break the cycle with regard to the database. It is one thing to sample DNA from someone suspected of being involved in a serious crime, but if they are not charged, they should not have their details entered on to the database. If they are acquitted in court or not convicted because the case does not proceed to trial, they should have their details removed from the database and the sample destroyed. If a person is a volunteer who has consented to have their details on the database for a period of time, they should be able to withdraw that consent, and the details should then be removed and the sample destroyed. We urgently and desperately need better oversight of who has access to this vast database of very sensitive information and of what research can be conducted on it.

The database and the associated police practices go to the heart of the current debate about the relationship between the criminal justice system and black people in my constituency. It is an issue that they are rightly concerned about. It is an issue that we should all be concerned about, and action must be taken: I do not want to live in a world where whole populations are treated as suspects because of the colour of their skin. Doing nothing about this is not an option.

2.43 pm

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): I congratulate the hon. Member for Brent, East (Sarah Teather) on raising this important issue. It is an issue that the Government take very seriously. As an MP representing a constituency not unlike her own, I share many of the concerns that she has raised about the over-representation of black people, particularly young black men, on the DNA database, and in the criminal justice system in general. I know that other colleagues of mine have raised this issue on several occasions.

[Meg Hillier]

We share a concern, but I should like to outline why we differ on how to deal with that concern. I agree with the hon. Lady's comment that the DNA database is symptomatic of the current criminal justice system, but I disagree that it is causative. I think that we can find room for agreement, however, in that we want a fair, transparent and proportional approach to the tackling of crime and the use of the database.

The hon. Lady also mentioned research data. Just to make one factual point before coming to the main thrust of my arguments, I can reassure her that research data are used only in an anonymised form that is strictly governed by the Police and Criminal Evidence Act 1984. Data can be used only for the purposes of prevention, detection and investigation, and not in a way that would ever identify any of the individuals involved.

Sarah Teather: I thank the Minister for giving way so soon. Are not the categories of prevention and detection of crime quite broadly drawn? They do not rule out the possibility of making investigations into ethnic identification or behavioural genetics, for example. Very little information is available to the public, who may wish to scrutinise the research being conducted, on exactly what that research constitutes.

Meg Hillier: I can refer the hon. Lady after this debate to a number of parliamentary answers from recent weeks and months that list research on the DNA database that is currently under way. I should be happy to direct her to those answers and, if necessary, to write to her further, in order to give the exact detail of what the research is being used for, which will confirm the points that I have made.

It would be useful to clarify what information is held on the database and to talk about how it works and what the DNA sample translates to on the database, before I discuss the serious issue of the over-representation of young black men. First, the information is limited. It is used simply to match DNA from a crime scene with the DNA from a person. Also, the information does not include a record of a person's entire genetic make-up, which will perhaps reassure the hon. Lady on the point about research. The information held is known as the profile and comprises only the 20 two-digit numbers and the indicator of gender. The information on the database does not include anything about criminal records, which are held on the police national computer, and the two are not, on a general basis, run together, although I can go into that further if I have time.

The DNA database is an intelligence database, not a criminal records database. It is important to remember that it does not imply that a person is an offender. In many senses, the DNA database is blind. Until someone commits an offence or is arrested for something, the fact that they are on the database does not trigger anything, unless their information is found at a crime scene.

We are sometimes told that people with no convictions but a record on the DNA database are worried that that will affect their ability to get jobs or visas, or that the database will flag them up as a concern. I recognise those concerns, but that is not the case. If people have been in contact with the police over a serious issue, that might well be on the police national computer, but that is separate. It is not the case, however, that anything on the DNA database has a flag, in terms of criminality.

To take a recent cause célèbre, although the issue at Soham was not related to DNA, information on Ian Huntley's previous behaviour was not collected on the police national computer. Had that information been collected better, the outcome of the case could have been different. The DNA database, however, is not connected with the police national computer.

It is worth highlighting the fact that, from the point of view of criminal record checks, someone who is arrested or charged but not convicted is in exactly the same position as someone who has never been arrested—that is, a criminal records check will show no conviction.

It is also worth reassuring the hon. Lady and others about who can access the database. There is no free access to the database. Only about 30 named people in the DNA custodian's office or currently working for the Forensic Science Service under a contract to supply IT for the database have access to it. The police do not have direct access to the database. If a match is found, further investigation will take place. How people are categorised by ethnic group on the database and the statistics of what percentages of different ethnic groups are on it are not readily available to people, either.

Let me deal with the hon. Lady's main concerns, about black and minority ethnic representation, and explain how people are categorised on the database, before addressing some of her other points. The database indeed holds records on the "ethnic appearance" of persons who are arrested and have a DNA sample taken, as we all understand, which is based on the judgment of the arresting police officer, using seven broad categories based on the categories used on the police national computer. The categories will inevitably be visual, because the categorisation is not the same as with the census, where people self-identify. The categories are: African-Caribbean, Arab, Asian, dark-skinned European, oriental, white-skinned European and other/unknown. The hon. Lady will be pleased to know that I have been asking questions about those categorisations. It is a difficult balance; she or I would be described differently by different people. I shall touch on that matter again shortly, but it is worth noting that this is different from the 16 plus one ethnicity list used in the census.

As for the most recent data, on 30 September the national DNA database had the following: 78 per cent. DNA of white-skinned Europeans; 8 per cent. Afro-Caribbean; 5 per cent. Asian; 3 per cent. other ethnic appearance groups; and 6 per cent. of unknown ethnic appearance. I will gladly give the hon. Lady those figures afterwards if it would help. If we compare that distribution with the statistics on arrests, it will bring us to the crux of the issues that the hon. Lady raised. The Government are concerned about them, and I and other hon. Members are concerned about them as constituency MPs.

In 2005-06, of an estimated 1.4 million arrests, 84 per cent. were recorded as being of white people; 9 per cent. black people; 5 per cent. Asian; and 1.3 per cent. of other ethnic groups. The national DNA database figures broadly reflect the processes by which people are brought into the criminal justice system. They are legitimately sampled under current law—the Police and Criminal Evidence Act 1984, as amended in 2001 and

2003. The samples are on the database because the people were under suspicion for committing a recordable offence, not because of any inherent bias in the database itself. There is, however, one issue raised in the Select Committee report that we are looking further into, and I shall touch on it later.

As the hon. Lady says and we all know, a large body of evidence indicates that black and minority ethnic communities continue to be over-represented in the criminal justice system. That should be a real concern to us all, as it is to the Government. Stop and search and arrest are just some of the better-known issues. I speak to mothers in my constituency who are concerned about their sons and others who have been arrested—and they do not raise just the DNA database; sometimes that is part of it, but it is more often about wider issues. I stress again that the database is not a criminal database. Having a profile on it does not disadvantage anyone in any way—unless they commit a recordable offence.

Sarah Teather: I made a point about partial profiling. The chance of a match between two unrelated individuals may well be only one in a billion with a full profile, but it is much more likely with a partial profile, which is often what is picked up from a crime scene. That is why I tried to make the point that great discomfort can be attached to being investigated by the police, even if the person is later exonerated.

Meg Hillier: In the grand scheme of things, partial profiling has a very important role in crime detection, which I need to say very clearly before moving on. I can understand the concern about an innocent person getting a knock on the door from the police as a result of a match. However, the police have a duty to behave very sensitively in those circumstances, because a partial match does not indicate guilt. Screening can be done before any knock on the door happens. I stress that a partial DNA match is not enough in court. When it is only a partial match, other evidence is necessary to bring about a conviction. No court would accept a partial match alone. Certain screening mechanisms are on the way, but we would be very wary of removing the opportunity to carry out partial matches now that we have the science and technology to use it to filter down and hopefully catch the perpetrators.

Let me come back to the issue of young black men in particular. Reports have provided figures of the proportion of young black men on the national DNA database, which range from 40 per cent. to 75 per cent. There is no definitive figure. Let me explain why it is difficult to calculate. The recording of ethnicity is different, as I have already explained, from in the census, which adds one complication. Around one in 10 of those entered on the database are of unknown ethnicity, which creates further uncertainty. Around one in eight entries are duplicate profile entries—currently 13.3 per cent., although it is being ironed out. Anyone arrested today would have their fingerprints taken on "Livescan", which should prevent duplicate entries from occurring in the first place. It is a historic problem that is now being resolved. It clouds the issue further.

There are issues about obtaining corresponding population data to establish the baseline, but we know and have acknowledged that, as the hon. Lady rightly highlights, there is substantially higher representation of young black males than white males, reflecting the proportion of young black men in the criminal justice system. That is one reason for the Home Office welcoming the Select Committee on Home Affairs report on young black people in the criminal justice system. The Under-Secretary of State for Justice, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), is the lead Minister in relation to ensuring that the issue that the hon. Lady has raised and the issue generally in relation to young black men and women in the criminal justice system are addressed across Government.

That report was published in June 2007, and in October the Government published their response, which set out how we are dealing with those matters. I do not need to go into that with the hon. Lady, as I am sure she is familiar with it.

Sarah Teather: I understand that an equality impact assessment has been commissioned, but I can find no record of whether it has been published. If it has, I would be grateful if it was put in the Library.

Meg Hillier: Perhaps I should cut through some of what I was going to say and move swiftly on to talk about the equality impact assessments, particularly those relating to the DNA database. Time is short, and this is the crux of what the hon. Lady and, I hope, other Members are interested in.

The National Policing Improvement Agency is conducting an equality impact assessment to identify any potential adverse effects in the processes and procedures surrounding the management of the database. That includes how data, particularly on diversity, are recorded on the database—the issue I raised earlier about how that can be done as fairly as possible within the constraints of day-to-day policing. Also, the Association of Chief Police Officers' DNA good practice guide provides guidance for police forces on DNA sampling and custody suites.

The assessment is being conducted by the NPIA equality, diversity and human rights team, in partnership with ACPO and the Home Office. Other interested parties are also being consulted, and I am sure that the hon. Lady's views would be welcome. I undertake to ensure that hon. Members receive a copy once the assessment is published, and will ensure that the hon. Lady receives notification of publication, as well as a copy of the document.

If any such discrimination exists, we will take action to address it. I would be keen to do so. Having a constituency such as mine, it would be difficult for me not to say that, but I believe in it passionately. We cannot allow anything that is not fair to continue. If there are any unfairnesses in there, we will drive them out. That work is being done in consultation with the Equality and Human Rights Commission. We are working with as many interested parties as possible to get this right.

The hon. Lady raised issues of retention in relation to non-convicted persons. We will have to agree to differ on that point. We have seen huge results from the retention of such data. She mentioned the European Court case; I shall not comment on S and Marper, as we are expecting a ruling from the European Court of Human Rights in summer—possibly around August.

On those charged with offences but not convicted, which involved about 200,000 people from May 2001 to December 2005, about 8,500 profiles were linked with crime scene profiles. That involved nearly 14,000 offences, including—this is where I differ with the hon.

[Meg Hillier]

Lady—114 murders, five attempted murders, 116 rapes, 68 sexual offences, 119 aggravated burglaries and 127 links to the supply of controlled drugs. Those are serious crimes. Had those 200,000 people not been on the database, they would not have been linked to those crimes. That speaks for itself and it helps to solve serious crimes and protect the public, which, after all, is the role of the Home Office and, in particular, my right hon. Friend the Home Secretary.

Let us take this down to real-life crimes. I shall not go into too much detail, but let us take the recent example of Mark Dixie, who has been convicted of murder and was arrested following a punch-up in the pub where he worked. The incident was, in itself, fairly minor and no further action was taken, but because his DNA was on the database, a match to the murderer was produced. Within five hours, he was under arrest.

We believe that the DNA database serves a useful and important role. I recognise fully the hon. Lady's concerns, which have been reflected to me by constituents and by other hon. Members. That is why we are looking into how we can make improvements and seeing what might be done. I should add a word of caution, though. Even if, overnight, we found some way of tackling issues about the over-representation of young black men in the criminal justice system, the DNA database would still exist as a reflection of the past. There is no likelihood of the Government removing any profiles from it on any scale. It would take decades before the balance evened up, were we even to solve the issues that might exist in terms of detection.

I undertake to maintain contact with all hon. Members who are interested in this important matter and to reflect the significant issues raised by the hon. Lady, which are of great concern to the Home Office.

Question put and agreed to.

Adjourned accordingly at one minute to Three o'clock.

House of Commons

Monday 3 March 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

MESSAGES FROM THE QUEEN

QUEEN'S SPEECH (ANSWER TO ADDRESS)

The VICE-CHAMBERLAIN OF THE HOUSEHOLD reported Her Majesty's Answer to the Address, as follows:

I have received with great satisfaction the dutiful and loyal expression of your thanks for the Speech with which I opened the present Session of Parliament.

COMPTROLLER AND AUDITOR GENERAL

I have to inform the House that the address of 23rd January, praying that Her Majesty will appoint Timothy John Burr to the office of Comptroller and Auditor General, was presented to Her Majesty who was graciously pleased to comply with the request.

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Veterans Day

1. **David Wright** (Telford) (Lab): What plans he is considering to mark Veterans day. [190358]

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): I am sure that the whole House will join me in sending our profound condolences to the family and friends of Royal Air Force Sergeant Duane "Baz" Barwood, who died in Iraq on Friday 29 February. We owe him and others who have lost their lives a deep debt of gratitude.

The third annual Veterans day will take place on 27 June 2008, and we have allocated £350,000 to support events across the UK. In January, I announced that Blackpool will host this year's national event. To date, more than 80 UK towns and cities will host major events to celebrate the achievements of the country's veterans, and we expect many more to do so. We are also working to ensure the effective involvement of ex-service organisations and service units.

David Wright: The whole House associates itself with the Minister's remarks about Sergeant Barwood, who give his life serving our country. We all owe him a debt of gratitude.

Given that the Government are considering options for another bank holiday, is it not time that Veterans day was a bank holiday?

Derek Twigg: I am sure that there will be a lot of support for that, particularly in the veterans community. As I am sure my hon. Friend knows, the decision is not mine to take, but many veterans have pressed that case and I am sure that they will continue to do so. As Minister with responsibility for veterans, I am the voice for veterans in government, and it is important to make sure that everyone is aware of veterans' views on that issue.

Mike Penning (Hemel Hempstead) (Con): As we think about Veterans day, can we consider some of the veterans who did not return home, in particular Captain Robert Nairac of 1st Battalion Grenadier Guards, whose body has never been found following his service in Northern Ireland? Is there any news on Captain Nairac's body?

Derek Twigg: I do not have any news, but I will write to the hon. Gentleman after I have returned to the Ministry of Defence and found out any further information.

Andrew Mackinlay (Thurrock) (Lab): This year marks the 90th anniversary of the first world war armistice, of which there are a few veterans still alive. Will the Minister say how we will commemorate that occasion, bearing in mind that it was a seminal moment socially, politically and militarily for our country and, indeed, for Europe?

Derek Twigg: I agree with my hon. Friend about the importance of that moment. My grandfather fought in the first world war, and I am particularly proud of his record—of course, the first world war touched nearly every family in the country. As my hon. Friend knows, we intend to hold a significant event when the passing of the last world war one veteran takes place. He is right to say that we need to do something this year to mark the 90th anniversary, and I will set out more detail for the House at a future date. At the moment, we plan to hold an event around remembrance week. It is also possible that there will be an event in France, and I will discuss that issue with the French Defence Minister.

Mr. Mark Field (Cities of London and Westminster) (Con): Although I acknowledge other hon. Members' contributions on particular veterans' issues, I want to stress the importance of ensuring that there is a memorial to Sir Keith Park in Trafalgar square, which is in my constituency. There will be a campaign on Sir Keith Park, Bomber Command and the battle of Britain, and although I do not expect a positive answer from the Minister at this juncture, I have put the matter on the record.

Mr. Julian Brazier (Canterbury) (Con): Fighter Command.

Mr. Field: As my hon. Friend rightly points out from a sedentary position, the campaign concerns Fighter Command. The Minister should give some credence to that campaign in the months and years ahead.

Derek Twigg: As the hon. Gentleman will know, there is a great deal of support for that campaign. However, there are many campaigns for different memorials to various acts of heroism and service. He will also know that memorials are usually funded by public subscription, so it would not be appropriate for

me to comment at this stage. However, I understand the sentiment that the hon. Gentleman has expressed; I can only praise all those who served in Bomber Command, the rest of the Air Force and the other services during the second and first world wars.

Mr. Jim Devine (Livingston) (Lab): John Patterson is a local hero in my constituency. He flew more than 32 bombing raids into Berlin and ended the war flying Field Marshal Montgomery throughout Africa. As a result of publicity, he met a comrade whom he had not seen for 62 years. Will my hon. Friend consider producing a special magazine that contains the names of all the people who have received a veterans badge so that they can get in contact with old comrades?

Derek Twigg: I have to be candid with my hon. Friend and say that I had not thought about that until now. I shall certainly have a look at the idea. About 550,000 veterans badges have now been given out and the practice is becoming ever more popular. I do not know whether we can do anything along the lines suggested by my hon. Friend, but I shall write to him.

Dr. Andrew Murrison (Westbury) (Con): We Conservatives wish to be associated with the Minister's message of condolence to the family of Sergeant Duane Barwood, who died serving our country.

Parades and badges are important, but veterans are also looking for a more tangible recognition of their service and sacrifice. Will the Minister use the opportunity of Veterans day to announce, first, his plans to remedy the shortcomings in the management of post-traumatic stress disorder among veterans, highlighted last month by the Defence Committee? Secondly, will he announce his plans for ensuring that there is continuity of care throughout the UK for amputees who leave the defence services rehabilitation centre at Headley Court and become reliant on NHS limb centres, which are not as well resourced and may very well have competing clinical priorities?

Derek Twigg: The hon. Gentleman will know that we have made a number of announcements about PTSD in the past few months. He has visited the medical assessment centre at St. Thomas's—people can go there to get a mental health assessment, support and help to link in with that from their general practitioner. We have also announced the reservists mental health scheme and a 45 per cent. increase in funding for Combat Stress from January this year.

There is also an important new project, in which the Ministry of Defence will work with Combat Stress and the health service to develop specific pilots to address the mental health problems of veterans. Clearly, that is still at an early stage. We will continue to consider what more we can do to improve support for veterans. Given that we have much better knowledge of PTSD and mental health these days, I suspect that we can always do more.

It is important that we understand that the quality of the prosthetic limbs that our service people get at Headley Court is world class. If they have to leave the services, such people will obviously come under the care of the national health service. It is important that we have a system that will maintain that standard of prosthetic limb. That is why we are working with the national health service and talking to a number of health trusts about how we can provide such a service.

Health Care

2. **Rosie Cooper** (West Lancashire) (Lab): What recent discussions he has had with the Secretary of State for Health on arrangements for ex-service personnel to receive continuing secondary health care. [190359]

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): I have regular contact with my Department of Health counterparts. Recently, I discussed our response to the Defence Committee's inquiry into Defence Medical Services. The issues that the Committee raised, including continuity of care for veterans, will be covered in the Government's formal response to its report.

Rosie Cooper: In the light of that answer, will the Minister expand on the progress that has been made with the regional pilots that are being used to improve the mental health of ex-service personnel?

Derek Twigg: I have visited pilots in Stafford and Camden and am pleased to see that they are developing well. There are, of course, other pilots in Wales, St. Austell, Cleveland and Scotland. The pilots are important because they will allow us to develop a service tailored to the particular needs of veterans suffering from a mental health problem.

I should like to make it specifically clear that the issue is not about the actual standard of treatment and care—that is the same whether the patient is a civilian or from the services. The issue is about understanding the culture of the armed forces and about the experiences that might have led to the mental health problems of those who have served in them. There is a greater understanding and therefore better care; that is the important point to make. That links in with Combat Stress, with which we are working very closely.

Peter Bottomley (Worthing, West) (Con): The House will understand that the Government now understand the issues and we are grateful for that.

The Minister mentioned continuing health care. Will he also consult the ex-service associations and make it plain to those dealing with wills that the estates of those whose deaths, whether early or late, might have been brought forward by war service or wounds, can be inherited tax-free?

Derek Twigg: I cannot give the hon. Gentleman the answer to that today, but I shall certainly write to him with my views on the issue.

As a Department, we work closely with ex-service organisations on a range of issues; I meet their representatives regularly. That partnership is an important part of the support that we give those who have lost loved ones on operations in Iraq, Afghanistan or elsewhere and of the treatment of the wounded and veterans. That relationship is important for us.

Miss Anne McIntosh (Vale of York) (Con): As the Minister knows, I have a constituent who is suffering from post-combat mental stress. In the first instance, he is finding it very difficult to get a GP referral, and in the second instance, he is being told that he cannot get any treatment for it in the north of England, so he has to travel to the south of England, which is adding to the stress of his condition and that for his mother and the

rest of his family. This is simply not acceptable, and I hope that the Minister will look at some alternatives so that we can have treatment for these very brave soldiers nearer to their homes.

Derek Twigg: That is why we are looking at mental health pilots to see how we can develop a system around the country so that people can get treated near to home. Although we are currently offering the medical assessment programme at St. Thomas's, we pay travel expenses for someone to go there. That support is important. Our doctor there, Dr. Ian Palmer, who is a former Army medic, will be able to link in with the individual's GP to help to advise on the best course of treatment for that individual. If my memory serves me right, I think that I have written to the hon. Lady about this issue, and I urge her to advise her constituents to take that advice.

3. **Mr. Richard Benyon** (Newbury) (Con): What assessment he has made of the adequacy of ongoing care provided for servicemen and women wounded on operations; and if he will make a statement. [190360]

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): I am confident that the enhancements we have made to the ongoing care for service personnel have created a first-class service. The House of Commons Defence Committee agrees, declaring in its February 2008 Report "Medical Care for the Armed Forces":

> "The clinical care for Servicemen and women seriously injured on operations is second to none. Defence Medical Services personnel, working with the NHS, provide world-class care and we pay tribute to them".

We are not complacent and continue to examine what further improvements we can make in the medical care and welfare of our service personnel.

Mr. Benyon: Alarming stories are emerging from servicemen who are being treated, under the MOD's contract for trauma stress, with The Priory Group. We have heard stories of people being told not to talk about their experiences for fear of upsetting civilian members of the group. We also heard of one case where an individual was sitting next to a woman who was receiving bereavement counselling for the loss of her cat. Does the Minister accept that it is not entirely appropriate that the psychological welfare of servicemen traumatised by war is being subcontracted out to an organisation such as The Priory Group?

Derek Twigg: Hon. Members will remember that we heard similar stories about various cases at Selly Oak. I will be happy to look at any individual case for which the hon. Gentleman can give me evidence. The Priory Group has, rightly, been treating our service personnel, but it works very closely with our department of community mental health, which visits it on a regular basis. Personally, I have not had any complaints, and I meet very many veterans, some of whom have been to the Priory. That is not to say that things do not go wrong on occasion. If the hon. Gentleman, or any other hon. Members, can give me details of specific cases, I assure him that I will have them investigated. As I say, we heard the same sort of stories about Selly Oak, but we have just had the report back about the medical services that are provided there for our injured service personnel, which are first class. I am not suggesting that we can never improve anywhere, but the Select Committee looked at current mental health care provision as well, and said that it was very good.

Mr. Jim Cunningham (Coventry, South) (Lab): Following on from the previous question, if all personnel returning from war-torn areas are subject to counselling, what is the quality of that counselling?

Derek Twigg: The process is that if someone who is serving in Iraq or Afghanistan develops a mental health problem, they can go and see a community psychiatric nurse and, if necessary, a consultant. Many can be treated or cared for in operational service out there, and some will need to be sent back to the UK. We have our departments of community mental health around the country, which can provide them with support, and eventually, as we have just heard, they could be admitted to the Priory for further intensive care. In addition to that, our service personnel go through a period of decompression before they come back, which is very important. We also have in service the new trauma risk management system—TRiM—which was originally used by the Royal Marines and now by the Army. All the feedback on that from service personnel says that it is very good and helps people. There is effective support in theatre and back in the UK as well.

Patrick Mercer (Newark) (Con): I pay tribute to the treatment that Lance Corporal Nick Davis, of my constituency, has received both at Selly Oak and at Headley Court. Although his amputation has been traumatic, he has been treated well, but I draw the Minister's attention to the fact that his family found it extremely difficult to visit him. His mother has been living with him in Birmingham, and then down in Epsom, but his father has had no support, with the children or with his job, to enable him to visit his gallant son. May I ask the Minister to consider giving support in these circumstances?

Derek Twigg: I give the hon. Gentleman a clear assurance that I will look into the case. When wounded services personnel are taken to Selly Oak, families are given funding to visit, and there is accommodation there for families. That provision is based on medical need, which is obvious when an injury first takes place and the person in question is admitted to Selly Oak.

With regard to Headley Court, if there is a clinical, medical need for it, support for families can be given. The Soldiers, Sailors, Airmen and Families Association—SSAFA—has just invested in a house for families there. I am surprised to hear what the hon. Gentleman said, but if he gives me the details I assure him that I will look into the matter and get back to him.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Following on from that answer, I understand that an appeal is being launched in Birmingham to extend facilities where families can stay to support those in Selly Oak. Can the Minister assure me that his Department will support that appeal as much as possible?

Derek Twigg: Yes, I can give my hon. Friend that assurance, as I did with regard to the SSAFA house at Headley Court. SSAFA already helps with housing support at Selly Oak, and the new hospital being built there means that it will get even better facilities. It is an important part of the process that SSAFA is involved in the delivery of more housing for the families of injured service personnel. That is good because it shows the ex-service and charitable sector working with the Government to provide care, and it gives members of the public a chance to show their support for the armed forces.

Mr. James Gray (North Wiltshire) (Con): In addition to the first-class medical care offered to our soldiers returning from Afghanistan, is it not high time that we recognised their great gallantry by striking a gallantry medal for those who have been wounded or even killed there? Perhaps we ought to call it the Prince Harry.

Mr. Speaker: Order. That is far too wide of the question.

Iraqi Forces (Training)

4. **Mr. Jim McGovern** (Dundee, West) (Lab): What progress has been made on the mentoring, monitoring and training of Iraqi security forces in southern Iraq. [190361]

The Secretary of State for Defence (Des Browne): We continue to make good progress in our monitoring, mentoring and training efforts with the Iraqi security forces. They have shown themselves able to deal effectively with security incidents that have occurred. The most recent include operations to counter smuggling, border enforcement and successful containment of the religiously motivated violence at the Ashura festival in January.

Mr. McGovern: I thank my right hon. Friend for that response. As he indicated, this is a crucial matter for us. Will he provide evidence of how overwatch is delivered by our armed forces in southern Iraq?

Des Browne: Contrary to some commentary on our forces' activities in southern Iraq, we continue to play an important role there. I have already referred to the mentoring, monitoring and training of the Iraqi security forces. The view is that the 10th Division of the Iraqi army has improved significantly under that training, and that the 14th Division is progressing, although it is some way behind the 10th. Frequently, we support those troops in active operations, such as the counter-smuggling operation I referred to, which involved the seizing of 15 smuggling barges in the Shatt al-Arab waterway recently. That notable success was principally achieved by the Iraqi army. Where necessary, and at the request of the Iraqi army or their forces, we provide them with capabilities that they do not have access to, such as air cover, fast air support or aerial surveillance. Of course, we do that while retaining the ability and willingness to intervene if called upon to do so by the Iraqi army, but increasingly, that is becoming unlikely.

Mr. James Arbuthnot (North-East Hampshire) (Con): Does the Secretary of State agree that the men and women of the armed forces doing such important work in Iraq and Afghanistan are heroes, whatever Prince Harry may modestly say about himself, and that we can be utterly proud of what they are doing? Is the Secretary of State on Facebook? Has he been invited to join a group demanding an apology from the Drudge Report?

Des Browne: I have not specifically been invited. With all due respect to the right hon. Gentleman and his advice, which I normally respect immensely, it might be unwise for me to join Facebook. However, I support the tenor of his question. All those who serve us in Iraq and Afghanistan—and in other places, including Sierra Leone, which my right hon. Friend the Minister for the Armed Forces recently visited—are entitled to be considered heroes. On the right hon. Gentleman's observation about Prince Harry and his treatment by the media, I thought the most important thing Prince Harry did was put into context the heroism of those with whom he had served.

Jeremy Corbyn (Islington, North) (Lab): There were reports in yesterday's papers that the Government are to bring forward the withdrawal of a further 1,000 troops from Iraq. Will the Secretary of State make any comment that he feels fit on that? Will he also give us an estimate of the final date for withdrawing all British troops from Iraq?

Des Browne: Currently, we have approximately 4,100 troops serving in southern Iraq and we continue to work on detailed plans with our allies, including the Iraqi security forces and other coalition partners, to determine the appropriate number of troops. Those decisions will be made on the basis of military advice, and when I am ready to make a further statement to the House about numbers, I will do so, just as I have kept the House informed as numbers have reduced.

On the final part of my hon. Friend's question, a final decision will be based on an assessment of the Iraqis' ability to provide security for themselves and their people.

Aircraft Carriers

5. **Richard Ottaway** (Croydon, South) (Con): What his policy is on whether aircraft carriers are a necessary component of the UK's defence requirement. [190362]

The Secretary of State for Defence (Des Browne): The future carriers will be a key component of the improved expeditionary capabilities that we need to confront the diverse range of threats in today's security environment. They deliver on the Government's commitment in the strategic defence review.

Richard Ottaway: If the Secretary of State believes that there is a future role for the aircraft carriers, he should get on and replace them as his inaction is becoming an embarrassment not only to him but to the Royal Navy. The Illustrious has twice had to be towed back into port after breakdowns, and a tug is on standby in case it breaks down again. There is no air defence cover for the fleet until well into the next decade. Does the Secretary of State not agree that that smacks of a Government who do not understand the nature of maritime power and the lead times involved—unless he is looking to cancel the project?

Des Browne: If what lies behind the hon. Gentleman's comments is a question about whether there is any change in the in-service dates for the carriers, there is not.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Does my right hon. Friend agree with the article in February's *Parliamentary Brief* by Dr. Eric Grove, director of the Centre for International Security and War Studies, on "Tomorrow's Navy for tomorrow's world"? It concludes that, by 2020, "the Brown years" may be seen to be those

"when the seeds were finally laid for a renaissance of British maritime power and global presence".

Des Browne: I am not qualified to see that far into the future and retrospectively assess the position. However, since 1997, when the Government came to power, 31 new ships have been brought into service. We plan to spend approximately £14 billion on naval equipment in the next 10 to 15 years. That constitutes historic investment in our Navy, which will significantly increase its capability. I am sure that future generations will thank us for that investment.

Willie Rennie (Dunfermline and West Fife) (LD): I was pleased to join the Secretary of State at Rosyth dockyard last month for the signing of the contract to extend the dock to take the aircraft carriers. Why has yet another month passed without the main contracts for the aircraft carrier being signed?

Des Browne: As I have said repeatedly, we are working closely with the industry over months for this complex contract to be ready for signature. In the mean time, however, as the hon. Gentleman knows—I was in his constituency awarding a contract—a number of contracts have been placed in the supply chain, for design, engineering data, materials in support of the manufacture of the carriers and infrastructure, including in the hon. Gentleman's constituency, which will be necessary to construct the carriers after the individual elements have been built. We are getting on with the job, and as long as the in-service dates remain the same—and they do remain the same—he can rest assured that we will contract at the appropriate time.

Mr. Brian Jenkins (Tamworth) (Lab): My right hon. Friend said that we could not look that far into the future, but the purchase of aircraft carriers that will remain in service for many years requires us to do so. When we look at future defence requirements and defence expenditure, should we perhaps not be asking our European allies to enter into an arrangement whereby we can joint-purchase such equipment, to be leased to the nation that needs it at any point in time?

Des Browne: The Government's approach has been to encourage each individual country to meet its own commitments to invest in its capabilities and armed forces. That process has paid dividends—not as quickly as we would have wanted in some respects, although progress is being made. In particular, Afghanistan has been a transformatory process for a number of countries in that regard.

Mr. Gerald Howarth (Aldershot) (Con): The Select Committee on Defence said 18 months ago:

"If the In-Service Dates for the"

carrier

"programme are substantially later than 2012, there is a serious risk of a capability gap emerging which would impact upon the ability of the Royal Navy to undertake its role effectively."

Last July, the Government announced that they had delayed the in-service dates by two years, to between 2014 and 2016. Reports this weekend suggest further delays and that even if the matter is not delayed, the contractors will be asked to delay cutting metal. If there is no further delay, as the Secretary of State has just told the House, why is the Prime Minister dithering about a programme described by his own Minister responsible for security, Admiral Lord West of Spithead, as the

"jewel in the crown of the Strategic Defence Review"?

Des Browne: There is no dithering. We are talking about a complex contract. It was announced in July that we were going forward, and there has been no change to the in-service dates. The important thing is the real-terms increases in defence investment for which the Government have been responsible, year on year and planned into the future of the comprehensive spending review—exactly the same investment, I understand, that the Conservative party has agreed it would make if it came into government, although that is now in some doubt because of other commitments that have been made. Those who are interested in defence spending might wonder where those additional cuts might be made. However, there will be no change in the in-service dates, and the hon. Gentleman should not consider this idle speculation.

Mr. Lindsay Hoyle (Chorley) (Lab): My right hon. Friend is aware that we are talking about two important platforms from which the Royal Navy will project its presence round the world. However, to go with those platforms, we need the joint strike fighter. Can he ensure that we will not see any delays in that order?

Des Browne: The JSF programme is developing. Indeed, flight testing of the JSF has been commenced and is progressing well. In fact, I understand that the first short take-off and vertical landing aircraft was rolled out in December 2007 and is undergoing testing, with the first flight planned later this year. We remain committed to the joint strike fighter as the optimal solution to operate from the future carriers, as the joint combat aircraft requirement. As is normal in a programme of such size and technical complexity, reports may emerge concerning progress—that issue was raised in the last Defence questions—but we remain committed to the aircraft.

Kosovo

6. **Philip Davies** (Shipley) (Con): What forces he has identified for possible deployment to Kosovo; and for how long he expects such forces to be liable for deployment to Kosovo. [190363]

10. **Bob Spink** (Castle Point) (Con): If he will make a statement on the possible deployment of forces to Kosovo. [190367]

The Minister for the Armed Forces (Mr. Bob Ainsworth): As part of our long-standing commitment to the Balkans, the UK remains ready to deploy a battalion to Kosovo until the end of 2008, as part of the NATO pan-Balkans operational reserve force. Any

deployment would be for an initial period of 30 days, after which we will re-examine the requirement with NATO. The 1 Welsh Guards is currently on standby to deploy if necessary.

Philip Davies: If UK troops are deployed, the armed forces, which are already at breaking point, will be heavily overstretched. Will the Minister confirm what effect the deployment may have on operations in Afghanistan and Iraq?

Mr. Ainsworth: It would not have any effect on operations in Afghanistan and Iran—[HON. MEMBERS: "Iraq."] In Iraq. This is a long-standing commitment that is being provided for within our planning assumptions, and 1 Welsh Guards stand ready to deploy. The lead element would be ready, if necessary, within four days; the rest of the battalion would be ready within seven days. We have been prepared for that for some time.

Bob Spink: Given our overstretch and the regrettable reluctance of European Union NATO countries to take on their share in Afghanistan, does the Minister not agree that those countries should bear the brunt of any troop deployment for peacekeeping purposes in Kosovo?

Mr. Ainsworth: My right hon. Friend the Secretary of State has just told me that there are 18,000 NATO troops in Kosovo. We share responsibility for the reserve with Italy and Germany. It happens that, in 2008, that responsibility falls to us, and we have prepared for that deployment, which is all catered for within our assumptions. As I have said, 1 Welsh Guards will take on that responsibility for the first three months; after that, the responsibility will fall to 2 Rifles.

David Taylor (North-West Leicestershire) (Lab/Co-op): How does my right hon. Friend respond to the remarks made by Commander John Muxworthy, the chief executive of the United Kingdom National Defence Association, that the Ministry of Defence would be

"heaving a sigh of relief"

if no more troops were required in Kosovo, because the British armed forces are in chronic crisis?

Mr. Ainsworth: I would respond by saying that this is a deployment that has been prepared for, and a commitment that we have known about. It started on 1 January and, to date, there has been no requirement for the reserve to be deployed. Let us all hope that that situation pertains, but I do not think that my hon. Friend or anyone else in the House would deny the fact that our forces have played an extremely positive role in Kosovo and in the wider former Yugoslav republic over a period of time. People will recognise the capability that we have been able to put in there, and the considerable effect that that has had over the past few years in helping to stabilise that part of the world.

Mr. David Drew (Stroud) (Lab/Co-op): I hear what my right hon. Friend says, but what efforts are he and his colleagues making to ensure that other European nations hold to their commitments and realise that, due to our commitments in Iraq, Afghanistan and Bosnia, it is possible that they might be asked to do more?

Mr. Ainsworth: As my hon. Friend and all other hon. Members know, there is an ongoing debate to try to ensure burden sharing across NATO. We are trying to achieve that to the maximum possible degree, taking into account not only our NATO allies' preparedness to deploy in various places—whether in Afghanistan or Kosovo—but their capability to do so. We ought to be enormously proud of the fact that this country has a very real military capability that we have been able to use very effectively in the Balkans. We have accepted responsibility for this deployment as part of that. As I have already said, it is shared with Italy and Germany, which will take turns to be able to provide the reserve capability. It has not been called on for the first three months of this year. Let us hope that it will not be necessary to provide it, but our people stand ready and able to undertake the deployment, should it become so.

Dr. Liam Fox (Woodspring) (Con): Russia's new President, Mr. Medvedev, visited Belgrade twice during his campaign to show solidarity with the Serbs over Kosovo. Russia's newly appointed ambassador to NATO, Dmitri Rogozin, has warned that Russia could use military force if the situation in Kosovo worsened. What assessment have the Government made of how the new Russian Government might affect the security situation in Kosovo?

Mr. Ainsworth: We conduct those ongoing assessments, along with our NATO allies, and we can only hope that the Russians will play a constructive part in exerting the very real influence that they have on the Serb side of the reaction to Kosovo. Let us hope that everybody plays a constructive role and that peace prevails, so that we do not need to deploy the reserve force and the transition to the new status in Kosovo takes place in a peaceful manner.

Dr. Fox: It was no secret that the date on which Kosovo was expected to declare independence would fall in the early part of 2008, yet the Government did not make an arrangement with any other NATO country to provide troops for the operational reserve force. If, as many worry, the security situation worsens and we have to deploy British troops to the area, it will have an impact on our armed forces. At a time when roughly 20 per cent. of the British armed forces are deployed overseas, is not that just another example of the Government failing to plan properly and our allies failing to carry their share of the burden fairly?

Mr. Ainsworth: If the hon. Gentleman would listen—I have said that there are 18,000 NATO troops in Kosovo. The commitment was long expected and planned for; and throughout the run-up to what has subsequently happened in Kosovo we knew that from 1 January we would have to meet the commitment, should it become necessary and be required. That was part of our planning assumptions. We are now three months into the year, and it has not been necessary yet—let us hope that it does not become necessary. Should the deployment be necessary, however, we have the ability and we have done the planning in order to be able to meet our commitments, and we will do precisely that.

Iraq

7. **Mr. Douglas Carswell** (Harwich) (Con): If he will make a statement on the security situation in Iraq. [190364]

The Secretary of State for Defence (Des Browne): The security situation in Iraq varies from province to province. Although levels of violence remain unacceptably high in some provinces, the security situation in Iraq improved significantly over the course of 2007. In and around Baghdad, violence has reduced to levels not seen since 2005. In the south, the security situation remains relatively stable, following the successful transfer of security responsibility for Basra province to the Iraqi authorities in December. We continue to work with the Iraqis and our coalition partners to develop further the capacity of the Iraqi security forces and to consolidate the solid progress to date, underpinned by various economic development initiatives that we are undertaking in the south.

Mr. Carswell: Yet another British serviceman was killed in Iraq last week. There is widespread concern that rockets being used to kill our servicemen are, in fact, made in Iran. Is that true?

Des Browne: Of course I would like to take this opportunity, as have other hon. Members, to express my sympathy and condolences to the family, friends and colleagues of the RAF sergeant who was killed in that dreadful incident on Friday. Recently, there has been an increase in indirect fire attacks against our forces in Basra, but they are still at a significantly lower level than they were last summer. We now deploy quite significant resources to protect those troops deployed in the contingency operating base from such attacks.

I am unable to say whether, specifically in relation to that attack, those missiles were thought to have been manufactured in Iran, but I can say—there is undoubted evidence—that in the past we have interdicted equipment, particularly weapons, which have clearly been manufactured in Iran. As I understand it, they are more likely to have been an improvised explosive device than of the missile variety. Over the past few days, President Ahmadinejad of Iran has visited Iraq and been welcomed there. There is no question but that, because of the geography of that part of the world, the Iranians will have a continuing and significant influence on Iraq—never mind the history of those two countries. My message to the Iranians—

Mr. Speaker: With respect, I must stop the Secretary of State there.

Ann Clwyd (Cynon Valley) (Lab): My right hon. Friend will know that, last week, we were pleased to welcome six Iraqi trade unionists to the House of Commons, and they all talked about improved security. There were two women among them—one from Basra, one from Baghdad—and they were concerned about the continuing intimidation of and threats against women. Next time my right hon. Friend meets the leadership in Iraq, will he please impress on them the importance of saying that women in Iraq must be protected against threats and intimidation and that they have a role to play in the future of the country?

Des Browne: I pay tribute to my right hon. Friend and her consistent support of trade unionists, women and others in Iraq over a long period—long before many others wanted to be engaged in that country. Her point is well made; I have made it in previous meetings with the Iraqi Government, and will seek an early opportunity to do so again. Although violence has decreased in Basra, there is some evidence of continuing violence against women. It is hopeful that General Jalil, who is in charge of the police, has identified that as a priority. I will continue to support him in that through our forces.

Ann Winterton (Congleton) (Con): Bearing in mind our military commitments in Iraq and elsewhere, and the Army's lack of medium-weight vehicles, will the Secretary of State confirm that future rapid effect system vehicle design will be based on current and foreseeable future operational requirements, and that recent lessons regarding troop protection will not be forgotten?

Des Browne: I give the hon. Lady that assurance with regard to the design of the FRES, particularly its hull, to which she alludes and which is most important. Valuable lessons have been learned, as can be seen in the improvement of the vehicles supplied over the past couple of years, and will be taken into account.

Pay Settlement

8. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What factors he took into account in determining the recent pay settlement for the armed forces; and if he will make a statement. [190365]

The Minister for the Armed Forces (Mr. Bob Ainsworth): Pay rates for UK service personnel are recommended by the independent Armed Forces Pay Review Body, which bases its recommendations on a wide range of factors. The Government accepted in full its recommendations, which will be implemented with effect from 1 April 2008.

Jim Sheridan: I thank my right hon. Friend for that response. Is he content that the recent pay award will improve recruitment and retention in our armed forces? Is he also content that the views and aspirations of our armed forces are reflected accurately under the current structure, particularly in the lower ranks?

Mr. Ainsworth: The increases provided for by the pay review body this year will include not only the 2.6 per cent. but the addition of the X factor to increase the remuneration of the lower ranks by about 3.5 per cent. My hon. Friend needs to recognise that that is on top of the 9 per cent. for the lower ranks provided for last year. The operational bonus will also increase by 3.6 per cent. In addition, the retention packages for certain pinch-point trades will be continued to try to maintain skills in those areas where they are most needed. The package will be welcomed by the armed forces, including the lower ranks, and adds to what we achieved last year.

Topical Questions

T1. [190383] **Mr. Julian Brazier** (Canterbury) (Con): If he will make a statement on his Department's responsibilities.

The Secretary of State for Defence (Des Browne): As Secretary of State for Defence, my departmental responsibilities are to make and execute defence policy, to provide the armed forces with the capabilities that they need to achieve success in their military tasks at home and abroad, and to ensure that they are ready to respond to the tasks that might arise in future.

Mr. Brazier: I do not have to remind you, Mr. Speaker, as an ex-Territorial, that we are four weeks from the 100th anniversary of the founding of the Territorial Army. Between Lord Kitchener writing them off as a town clerks army in 1915, and Sir Henry Wilson, the outgoing Chief of the General Staff, trying to disband them in 1918, they formed almost half the fighting units in the first world war and won 77 Victoria Crosses in the process. Can I urge today's Government to bear in mind the huge potential that the Territorials still have, including providing fighting units, not just specialists, and gap-filling for their regular counterparts?

Des Browne: The hon. Gentleman is consistent in his support for the Territorial Army, and he knows of my admiration for it. When I visit the operational theatres I always make a point of spending time with those who are deployed there, and I know that they are very proud of their service. Interestingly, our post-appointment interviews suggest that the effect of Territorial Army members' deployment is that they want more of it. I am very impressed by the job that they do, and I know that the regular soldiers who work with them are as well.

Mr. Eric Joyce (Falkirk) (Lab): During the past week I have been privileged to speak to a number of veterans in my constituency, and one of the subjects that they wanted to discuss was burden sharing in southern Afghanistan. Will my right hon. Friend give his assessment of the current direction of travel in that respect?

Des Browne: Our military have done an excellent job. There has been a focus on the job they have been doing over the past few days, and I think that the understanding of the people of this country has improved. They have a sense of the nature of the task and the skills being deployed, and also of the effect that those skills have had: the Taliban have been significantly affected. We hope to be able to construct the other elements of what is necessary to rebuild that part of Afghanistan, which has not seen proper governance for the best part of 25 or 30 years.

Nick Harvey (North Devon) (LD): Are Ministers able to update the House on recruitment to the services? Are they alarmed that the rate of drop-out from basic Army training has jumped from a quarter to a third? Will they confirm that there is a shortfall in manpower among recruiting staff? Given that the most recent figures show—again—that the number of people leaving the forces exceeds those coming in, is not recruitment from the Commonwealth rather saving the day? What are Ministers doing to improve the situation?

The Minister for the Armed Forces (Mr. Bob Ainsworth): I am not trying to suggest that we do not face challenges, but the hon. Gentleman should recognise that the current level of recruitment is 96.9 per cent. of the required level. The drop-out rate in the services is lower than that in many other areas of employment, and certainly much lower than that in industry in civilian life.

Of course we need to do more: we need to do as much as we can on retention. We have packages to cover certain pinch-point trades that we badly need to keep the skills in the armed forces. Our task is challenging, but I think that the pay review body's award and the morale of the armed forces will enable us to maintain recruitment at sustainable levels in the near future.

John Smith (Vale of Glamorgan) (Lab): Does my right hon. Friend agree that the best investment that we can make in our armed forces in order to ensure the continuation of recruitment, retention and future capability is in training—not just training for service life, but training that will equip our servicemen and servicewomen throughout their working life? Does he think that the defence training review and the military academy at St. Athan will achieve that?

Mr. Ainsworth: My hon. Friend makes his point for his own reasons—

Dr. Liam Fox (Woodspring) (Con): Yet again.

Mr. Ainsworth: Yet again, as the hon. Gentleman says.

Of course training plays an important part in recruitment and retention, but I think it should be recognised that it has a far wider purpose. I do not think that the importance of its role in military life is appreciated in civilian life. When the military have to act they have to get it right, and their training must therefore be first-class and extensive. The defence training review should put us on a better footing, and that includes the provisions made at St. Athan in my hon. Friend's constituency.

T2. [190384] **Bob Spink** (Castle Point) (Con): Like other hon. Members, I have visited Basra and Baghdad, and I have heard incoming fire very early in the mornings. Progress is being made in Basra to harden troops' canteens and living facilities, but when will we start to make progress in hardening defences for our troops in their sleeping accommodation? Will the Secretary of State give us an undertaking that he will start that process, so that we can give our troops in Basra more protection from incoming rockets?

Des Browne: The hon. Gentleman is right to identify the need for hardened accommodation, but there are many other ways of improving security for troops against that threat. Changes have been made—I will not go into detail, but I would be happy to let the hon. Gentleman have a private briefing if he wishes—that have significantly improved the personal security of sleeping troops. The changes proved to be very effective against a recent missile strike.

T4. [190386] **Mr. Bernard Jenkin** (North Essex) (Con): We welcome Prince Harry back from Afghanistan and celebrate the achievements of the British military there, but we must avoid missing the big picture, which is that there is strategic confusion in Afghanistan. We have no UN co-ordinator, there is a divided command chain, several allies have different caveats on their armed forces and there is little evidence that the aid effort will have a long-term impact on the hearts and minds of the Afghan people. When will these matters be resolved? Will they be addressed at the Bucharest summit?

Des Browne: The hon. Gentleman is right to identify those as the priorities on Afghanistan. It is crucial that the leadership of the international community in the form of a UN special representative be appointed sooner rather than later to give coherence to the international community. It is regrettable that a previous appointment fell apart in the way it did. The other points that he

made are also important and it is to be hoped that we will make significant progress at or about the time of the Bucharest summit on those points, all of which identify priorities of the Government on Afghanistan.

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): In my constituency we obviously welcome the two new aircraft carriers and the six Type 45 destroyers, not least because VT Shipbuilding will be playing, and does play, a large part in their construction. However, will the Minister elaborate on how the orders are consistent with the maritime industrial strategy?

Mr. Bob Ainsworth: My hon. Friend points to an important issue. We need not only to maintain our capability for today and the immediate future by the provision of capability for, in this case, the Royal Navy, but to maintain the capability to produce new ships, which is exactly what the defence industrial strategy and, in this case, the maritime industrial strategy are all about. Of course we need the maximum efficiency to provide the best possible equipment for our Navy and armed forces, but we have made a commitment to all three naval bases, including, of course, Portsmouth.

T5. [190388] **Mr. Andrew Robathan** (Blaby) (Con): Further to the question from the hon. Member for North Devon (Nick Harvey), will the Secretary of State tell the House specifically the shortfall in infantry battalions, whether it is caused by an inability to recruit the right calibre of young men or by the flood of young officers and other ranks leaving the Army, and to which Government policies he ascribes the shortfall?

Mr. Bob Ainsworth: There is no shortfall of infantry battalions. The Conservatives have made a commitment to increase the number of infantry battalions—we are all aware of that—but plan to do so without increasing defence spending. If they are to increase the number of infantry battalions by three, the natural corollary of that is that they will cut the size of either the Navy or the RAF. It is up to the hon. Gentleman and his party to tell us what they would do.

Mr. David Heath (Somerton and Frome) (LD): My hon. Friend the Member for Yeovil (Mr. Laws) and I recently visited RNAS—Royal Naval Air Station—Yeovilton, and I pay tribute to the helicopter squadrons who have been deployed in Iraq and Afghanistan. The Lynx aircraft, however, plays a crucial operational role for our surface fleet, and it is reaching the end of its flying life. Will the Minister confirm when he expects to sign the contracts for the future Lynx project?

Mr. Ainsworth: We are not yet ready to make any announcements on the future Lynx project, or on any other possible future projects under consideration.

T6. [190389] **Sir Nicholas Winterton** (Macclesfield) (Con): Will the appropriate Minister give an unequivocal commitment that future FRES vehicles, which have, of course, to be air-transportable, will have monocoque V-shaped hulls, which deflect blasts, leaving the vehicle repairable after it has experienced an explosion? That is critical to the safety of our armed services personnel.

Des Browne: I fully understand how important the hon. Gentleman's point is—and he knows why. In answer to an earlier question, I made it clear that I would expect the design of the hull to take account of our learning experience over the past two years in particular. I am not in a position to give the hon. Gentleman at the Dispatch Box the unequivocal undertaking he seeks, but he can rest assured that I consider the shape of the hull to be extremely important to the safety of the vehicle.

Dr. Julian Lewis (New Forest, East) (Con): In order for the Government to fulfil their 2004 commitment for a fleet with 25 frigates and destroyers and eight submarines, they need to order eight Type 45 destroyers and eight Astute class submarines. Do they intend to do so?

Mr. Bob Ainsworth: As the hon. Gentleman knows, we have ordered six Type 45 destroyers. We have made no commitment yet to hulls seven and eight, and we are not ready to make any announcement on that. If the hon. Gentleman had followed what is said in *Hansard* rather than what he hoped was said, he would know that back in December I told him that the plan was eventually for there to be seven Astute class submarines, not eight.

T7. [190390] **Mr. Nicholas Soames** (Mid-Sussex) (Con): Will the Minister for the Armed Forces confirm that the costs of the joint strike fighter are now ballooning out of control, and that it will be impossible to achieve the original number that the Ministry of Defence was to order?

Des Browne: As I said earlier in answer to another question on the JSF, that programme is developing. We are working closely with the United States to monitor the programme, and although we do not intend to order production aircraft, when we are satisfied that the aircraft's development has matured sufficiently and that it is affordable, we will place the order. Currently, we are committed to the JSF providing the joint combat aircraft for the carrier force.

T9. [190392] **Stephen Hammond** (Wimbledon) (Con): What progress has the Department made on reaching a common position with the Americans on the eradication of opium poppy farms so that the men involved in that are not driven into the hands of the Taliban?

Des Browne: The hon. Gentleman knows our Government's policy on opium production in southern Afghanistan, which is to drive forward on a number of pillars of the counter-narcotics strategy that we share with all our allies and coalition partners, including the United States of America. We have made significant progress in Afghanistan more widely than just in the south by increasing significantly the number of poppy-free provinces, but it continues to be an important part of our policy on the eradication of opium in southern Afghanistan that alternative livelihoods are available to farmers.

Point of Order

3.34 pm

Philip Davies (Shipley) (Con): On a point of order, Mr. Speaker. As all Members know, the Government have said on a number of occasions that the police pay award cannot be honoured in full because it would be inflationary, and that any pay increase would be eaten up by inflation. On the back of that, I tabled a written question to the Chancellor asking what effect paying the police 1.9 per cent. and 2.5 per cent. would have on the official inflation rate, to try to tease out from the Government exactly what the inflationary impact would be. I received a reply from a Minister, which did not address the question at all. It merely stated:

"The Government are committed to continuing to support public sector workers in their efforts to deliver the best possible public services."—[*Official Report*, 6 February 2008; Vol. 471, c. 1197W.]

I therefore tabled the following question to calculate—

Mr. Speaker: Order. I am going to assist the hon. Gentleman by saying that that is not a point of order, and that it is not a matter for me as I have no responsibility for the perceived quality of a Minister's reply. Therefore, I cannot take this matter any further.

BUSINESS OF THE HOUSE (LISBON TREATY) (NO. 8)

3.35 pm

The Minister for Europe (Mr. Jim Murphy): I beg to move,

That the Order of 28th January be further amended as follows—

(1) in paragraph (1) for 'the first business is' substitute 'the business includes',

(2) in the Table, in the entry for Allotted Day 9—

(a) in the second column, for 'Clauses 3 to 7' substitute 'Clause 3, the Schedule, and Clauses 4 and 5', and

(b) in the third column, add '6 hours after commencement',

(3) in the Table, in the entry for Allotted Day 10—

(a) in the second column, for 'Clauses 3 to 7, so far as not completed on Allotted Day 9' substitute 'Clauses 6 to 7, and any selected amendments to Clause 8 other than those making commencement contingent on a referendum', and

(b) in the third column, for 'The moment of interruption' substitute '6 hours after commencement', and

(4) in the Table, in the entry for Allotted Day 11—

(a) in the second column, for 'Clause 8, the Schedule, New Clauses and New Schedules' substitute '(1) remaining proceedings on Clause 8, and (2) New Clauses and New Schedules', and

(b) in the third column, for 'The moment of interruption' substitute '(1) 6 hours after commencement, and (2) 15 minutes after commencement'.

The motion does three things in response to concerns about the scrutiny of clauses 3 to 8. First, it provides certainty for the House by protecting a full six hours of debate on each of the three days of debate this week. The time is protected against any statements or urgent questions—such matters have arisen on five occasions during Committee days thus far. I am delighted to see the hon. Member for Forest of Dean (Mr. Harper) in his place—he is in a different place from normal, but Conservative Members move around to make it appear that there are more of them. He has asked on a number of occasions whether day 10 and in particular day 11 could have a protected number of hours of business, saying that he would be grateful if Ministers tabled a provision to that effect. I congratulate him on the influence that he has brought to bear in ensuring that just that has happened.

Secondly, the motion structures a division of time over the three days to ensure that sufficient time is given to discuss the clauses of most interest to the House—that is the case with clause 8 and its hook for the discussion of a referendum, and with clause 6, which covers the amending provision and new oversight powers for Parliament.

Bob Spink (Castle Point) (Con): Following this weekend's astounding referendum results, does the Minister not believe that it is now necessary to extend debate on the referendum question? Perhaps we ought also to debate the issue on Thursday so that we could explore why, for instance, Maria Hutchings's superb campaign in Eastleigh did so well in getting that referendum result.

Mr. Murphy: We are not tempted by that approach. I cannot congratulate the hon. Gentleman in the same way as I encouraged the hon. Member for Forest of

Dean, who has a different view from him—the hon. Member for Castle Point (Bob Spink) wishes to see us out of Europe altogether.

Mr. Mark Harper (Forest of Dean) (Con): I thought that the Minister was going to say that I had a different view about the timing. I had said that I was grateful to the Minister and the Government for having listened and for having at least protected the six hours of debate. In an intervention on the Deputy Leader of the House, I pointed out that the debate on the referendum was to be on a Wednesday, and that if we carried on we would have many hours free in the evening to debate the matter at length.

Mr. Murphy: The business of the House motion guarantees a certain number of hours of debate, as the hon. Gentleman requested. The third thing that it sets out to do is to provide an opportunity at the end of day 11 for a new clause to be moved, protecting that possibility without encroaching on the time available for the referendum debate.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): I am always impressed with the Minister's tact and charm. I have tabled an amendment for Wednesday, but as that is a busy day for some of us would he like to be really tactful and allow me to debate my amendment earlier?

Mr. Speaker: Order. That is a matter for the Chairman of Ways and Means.

Mr. Murphy: May I say to my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) that our affection for one another's tact, diplomacy and guile is mutual? As she is aware, the timing of the discussion of amendments is, of course, a matter for the Chairman of Ways and Means.

Sir Nicholas Winterton (Macclesfield) (Con): In the light of the point made by my hon. Friend the Member for Castle Point (Bob Spink)—that an overwhelming majority of the people who voted in the constituencies where referendums were held opted to support the holding of a referendum on the treaty—is it too late for the Government to recognise that the people of this country deserve a vote on the matter, and to decide that they will, after all, grant a referendum?

Mr. Murphy: In my constituency, fewer than one in six of the electorate voted for a referendum. The timetable set out for this week, which builds on the first programme motion, sets aside three days, which represents the same number of days of debate as on the Committee stage of the Bill implementing the treaty of Nice. We have already had eight full days of debate.

The hon. Member for Macclesfield (Sir Nicholas Winterton) and I will not agree on whether there should be a referendum, but I disagree with his assertion that Britain would be better off out of the European Union. I do not disrespect him, but I disagree with his view, which I accept he holds strongly.

Mark Pritchard (The Wrekin) (Con): I know that the Minister always likes to be transparent with the House: when he said that one in six people in his constituency voted for a referendum, he was referring to the sample rather than the percentage of those who voted. He will know that, in his constituency, more than 85 per cent. of those one in six people who were sampled wanted a referendum on the treaty. Are the Government not failing democracy when the people of this country have to take direct action, only a few hundred yards from Parliament, because the Government have reneged on their promises on the EU reform treaty?

Mr. Murphy: The hon. Gentleman knows his constituency better than I do, and I hope that he would accept that all hon. Members know their own constituencies better than any other Member. In my constituency, more people voted for the failed Conservative candidate at the last election than in the process that we have just been through. Of course, the process cost nearly £50,000.

I shall return to the business motion, because I do not think that you would thank us for going much wider, Mr. Speaker.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): If the turnout in local elections in the Minister's and other constituencies falls below that achieved in the recent voluntary polls, do the Government propose to ignore the outcome?

Mr. Murphy: The place to make decisions is in this Chamber, not in a crane in the sky above London. This Chamber will decide later this week whether it is right to have a referendum on the Lisbon treaty, in the same way that it decided whether there should be referendums on the treaties of Maastricht, Nice and Amsterdam.

Mr. William Cash (Stone) (Con): Does the Minister agree that, when he mentions the Nice, Maastricht and Amsterdam treaties, he ignores an issue that we shall debate shortly: the amalgamation of all those treaties into one? To say that there is no need for us to examine the whole, and that we need only examine individual treaties, is to deny what the Government are saying in their own proposals and about the mandate.

Mr. Murphy: No, the mandate is clear, and has been clear on each day of the debate. Every Government of the European Union has agreed that the constitutional approach has been abandoned. That view has been accepted by Governments on the left, centre-left, centre and centre-right of European politics.

Mr. Speaker: Order. We are now at the stage of debating the issues, which is not what this motion is about.

Mr. Murphy: Thank you, Mr. Speaker, for your encouragement.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I absolutely agree with the Minister when he says that all of us know our constituencies better than anyone else does. Given that the Government are not inclined to allow a referendum, could the party Whips at least give Members a free vote?

Mr. Speaker: Order. That is beyond the scope of the business motion.

Mr. Murphy: Thank you, Mr. Speaker. I shall return to the business motion.

Bob Spink: I am grateful to the Minister, and I promise him that this will be the last time that I intervene on him; he has been most generous in giving way. If he were to allow the debate this week to extend into Thursday, so that we had more time, we could explore how the referendums this weekend had a greater turnout than many EU elections in this country.

Mr. Murphy: I will not hold the hon. Gentleman to his assertion that that was the last time that he will intervene on me today; no hon. Member believes that to be the case.

Bob Spink: In this debate.

Mr. Murphy: I accept that it is probably the last in this debate; I have only one paragraph left of my comments in moving the rather narrow business motion.

Mr. David Drew (Stroud) (Lab/Co-op): Does my hon. Friend accept that a fundamentally different situation now faces us in that, if the desire of the Liberal Democrats is upheld, we will be effectively making a decision based on two referendums? Should he not take that into account, so that we can extend the time, to debate both fully?

Mr. Murphy: As I am against holding one referendum, it will hardly come as a surprise to my hon. Friend to learn that I am against holding two referendums. We are not tempted by that approach, and I have set out a business motion that protects the time on each day available to the House this week. We have been flexible.

Mr. James Clappison (Hertsmere) (Con): So that we can determine how much time will be required and given what the Minister has said about what has taken place already, does he accept that much of what he has described as debate has, in fact, been very general debate on subjects connected with the treaty but not detailed scrutiny of its provisions? Does he accept that, for example, we have had no detailed scrutiny so far of the treaty's provisions on defence, which is a very important subject in the treaty?

Mr. Murphy: The total number of days available for the House to discuss the Lisbon treaty and the Bill to enact it has been the same as for the treaties of Nice and Amsterdam and the Single European Act.

Several hon. Members *rose—*

Mr. Murphy: I am spoilt for choice.

Mr. Kenneth Clarke (Rushcliffe) (Con): The Minister always makes comparisons with treaties that were much shorter and much less controversial, but does he not accept the point made by my hon. Friend the Member for Hertsmere (Mr. Clappison)? The Minister makes great play of the time that we have taken so far, but it has been largely taken up at the Government's insistence with general debates on European issues that have gone very wide of the treaty of Lisbon? The debates have been very familiar to many hon. Members; they have been about the merits and otherwise of various aspects of our European policy. Does he not agree that this experiment has been a failure and that we should have debated the amendments tabled by those hon. Members who, unlike me, disagree with the treaty's contents?

Mr. Murphy: Of course, on these issues of substance and on some of the policy issues that relate to Europe, I find myself at common cause with the right hon. and learned Gentleman, but the fact is that the structured approach that we have taken to each day was contained in the programme motion and the principle was in both the Government's motion and Conservative Front Benchers' motion. Although, of course, the Conservatives demanded more days, they nevertheless suggested their own set of proposals along this structured approach.

Mr. John Gummer (Suffolk, Coastal) (Con): But does not the Minister understand how difficult he is making things, even for those of us who support the treaty of Lisbon? To have a debate on the treaty of Lisbon that excludes a debate on the treaty's effect on defence is not to have a complete debate on the treaty. Similarly, would he not be in a stronger position if he had spoken out against holding a referendum in the first place, as some of us did, instead of supporting a referendum when that was convenient and now opposing a referendum when that is convenient? Is it not better to be against referendums always?

Mr. Murphy: I hope that it does not unsettle the right hon. Gentleman if I disagree with him. Where there is an issue of substantial constitutional significance—for example, if we were ever to consider joining the euro—there is a case for consulting the public in a referendum, as we did when we established devolution in Scotland and Wales. Those are substantial, lasting constitutional changes, and I agree that there is, on occasion, a place for a referendum.

Mr. Mark Francois (Rayleigh) (Con) *rose—*

Mr. Speaker: Order. We have to get back to the business of the House motion.

Mr. Francois: My point is on the motion.

Mr. Speaker: I know that it will be; I am trying to tell the Minister that we have to get back to the motion.

Mr. Murphy: Mr. Speaker, I know that you will accept that I am simply responding to the interventions that I take. I shall give way to the hon. Member for Rayleigh (Mr. Francois). It is perhaps the last time that I shall give way, as I want to conclude the one paragraph that I mentioned in my response to the hon. Member for Castle Point.

Mr. Francois: I thank the Minister for giving way. My point is directly about the motion, Mr. Speaker. The Minister asserted that when we debated the original business of the House motion, we consented to the Government's procedure in principle, but we did not. Let me read him what my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) said on that point, in response to an intervention on the topic:

"We certainly do not agree with the motion, and we will vote against it. We will, of course, vote for our amendment, not because we agree with any of the procedures involved but because we wish to propose an amendment that ought to be acceptable to the Government and that would address many of Members' concerns about the time available for consideration of amendments. We are no fans of the procedure employed in the motion or of the constraints that it sets on debate."—[*Official Report*, 28 January 2008; Vol. 471; c. 61.]

That sets the record straight. We did not favour the Government's methodology, and we still do not.

Mr. Murphy: The hon. Gentleman makes his point in his own way. The fact is that the Conservatives tabled a substantive amendment to the business of the House motion—an amendment with its own structure and its own purpose, and which included provision for themed debates. If I may conclude—

Mrs. Dunwoody: May I upset my hon. Friend once more?

Mr. Murphy: Only if it is just a little.

Mrs. Dunwoody: I hope that my hon. Friend will make it clear that it was the Government who proposed the procedure; other people opposed it. The Government radically changed the way in which we are handling the Bill. That may be a good thing or a bad thing—in my view, it is an extraordinarily bad, selfish and rather unimaginative thing to do—but he should be proud of what he has done, because it was the Government's decision not to have amendments tabled in the normal way, not to proceed in the normal way, and to limit the discussion.

Mr. Murphy: Of course the procedure was recommended by the Government, but it was decided on by the House, which came to its conclusion on 28 January, agreeing to the motion with a substantial majority.

Several hon. Members *rose—*

Mr. Murphy: I shall conclude my remarks—my one paragraph. We have varied the motion on six occasions. On each of those occasions we responded to the amendments tabled and extended the time available for detailed debate. Today's motion makes good the further undertaking that I gave the House that we would be flexible and would secure sufficient protected time to debate clauses 3 to 8. With that, I commend the motion to the House.

3.52 pm

Mr. Mark Francois (Rayleigh) (Con): The Minister referred to the previous business of the House motion, so I shall do so too, if I may. I wish to begin by explaining with what part of today's Government business of the House motion we agree. The motion in effect divides up the time for the three remaining days of Committee, and protects the business. The Minister will recall—in fact, he mentioned the matter in his opening remarks—that when we debated the original business of the House motion on 28 January, my hon. Friend the Member for Forest of Dean (Mr. Harper) noticed, in his usual eagle-eyed way, that the time for day 11, allocated to discussion of the referendum, was not protected. He repeatedly pressed the Minister to give an assurance that it would be protected. In fairness, the Minister undertook to consider that, and today's motion does indeed protect the time for the debate; we should acknowledge that.

However, there is much that is wrong with the motion. For instance, the House will recall that when we debated the original motion, we objected to the Government's methodology in relation to the debate, and sought more time to debate specific amendments. We also argued for at least six extra days of debate to match the figure of 20 days that the Government have repeatedly floated in the media. We asked for a day on which to debate the defence implications of Lisbon—a point that we subsequently pressed repeatedly at business questions—given that the defence amendments were not touched on at all. Unfortunately, the motion does not allow any extra time for the important topic of defence to be debated in detail, and that is to be deprecated.

Mr. Cash: As the amendments relating to defence were tabled in my name, I concur with my hon. Friend the Member for Rayleigh (Mr. Francois) and—this is unusual, but welcome—my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) and my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). Although we disagree about certain aspects of the treaty, we agree that the defence issue has not been discussed. Our boys out in Afghanistan and Iraq are at risk as result of some of the provisions of this treaty.

Mr. Francois: My hon. Friend has made a powerful point. In the run-up to these debates, the Government repeatedly said in the media that their strategy was to divide the Conservative party on Europe. As has been said, they have succeeded in unifying my hon. Friend the Member for Stone (Mr. Cash), my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) and my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), which is more than we have managed to do for years.

Mr. Gummer *rose—*

Mr. Francois: Don't spoil it.

Mr. Gummer: Will my hon. Friend point out that some of us want a debate on defence in order to show that the treaty will help our boys in Afghanistan and elsewhere? If we do not have a chance to say it—

Madam Deputy Speaker (Sylvia Heal): Order. The debate is going wide of the business motion.

Mr. Francois: As has been said, we really did want that extra day on defence.

It has emerged that we have the rest of today to debate just four amendments, whereas we will have six hours tomorrow to debate many more amendments. That will hopefully include our important amendment No. 20, which would not wreck the treaty, because it is procedural. It would amend the Bill so that no further vetoes could be given up under the so-called ratchet clause without an Act of Parliament. I raise that question because previous experience of debating this Bill does

[Mr. Francois]

not set an encouraging precedent for being able to debate everything, not least because of the Government's deliberate ploy of using so-called themed debates to eat up time that would otherwise be available to debate specific, detailed amendments.

On day one in Committee of the whole House, when we debated justice and home affairs, there were three groups of amendments. We only managed to debate the first group, and we did not discuss any of the important amendments concerning borders, visas, asylum and immigration. On day four, the theme was the single market. There were four groups of amendments, but we only reached the first group, so we did not touch on subjects such as social policy, the free movement of workers and intellectual property rights.

On day five, as a number of hon. Members have said, we debated foreign, security and defence policy. That night there were three groups of amendments, and again, only the first group was reached. The treaty includes proposals on creating military structures that could rival NATO, a mutual defence guarantee and an armaments agency, but none of the amendments relating to defence were considered. I reiterate that we have repeatedly pressed the Government at business questions to allow us to debate defence, but the motion does not reflect that request.

Mr. Clappison: Is my hon. Friend aware that the Foreign Affairs Committee's analysis of the defence provisions of the treaty identified five important changes introduced by the treaty? The Committee found one change in which the Government's wording, which was taken directly from the treaty, was ambiguous and needed clarification. None of those matters has been debated, although they are important to this country's defence.

Mr. Francois: My hon. Friend has scrutinised the treaty in detail, and as usual he has made an important point. The Government said that there were only 50 vetoes, but on the day of the foreign policy and defence debate, they released an answer saying, "Oops! Sorry! There are 51 vetoes, and the extra one relates to defence." We did not get an opportunity to debate that, either.

On day six in Committee of the whole House, we debated international development. There were two groups of amendments, and we actually reached the second group for five minutes.

Mr. Kenneth Clarke: This is yet another motion that slightly amends the timetable. Although my hon. Friend has acknowledged that that involves meeting hon. Members' desire to protect the time for the referendum debate, how far are the Government consulting the usual channels? Were Conservative Front Benchers or Liberal Democrat Front Benchers approached about this latest motion, and was there an attempt to agree it? Surely the point of timetabling in this House is to enable the maximum opportunity for debate involving the widest range of opinions in order to achieve proper scrutiny. Have the Government presented yet another unsolicited business motion, or was there at least an attempt to reach an agreement first?

Mr. Francois: As an ex-Whip, I have learned never to comment in the Chamber on any discussions through the usual channels; that is always safest career-wise. Nevertheless, my right hon. and learned Friend will know that we asked repeatedly at business questions for an extra day to be added for debating defence. That request was made almost ad nauseam, but unfortunately the Government have not complied with it. It is disappointing that we have not been allowed to debate defence.

Sir Nicholas Winterton: Will my hon. Friend give way?

Mr. Francois: I shall do so only briefly, because I would like to move on to a related point.

Sir Nicholas Winterton: I am not sure that my hon. Friend should be concerned about his career—he should be concerned about the principle of what we do in the House and our ability to scrutinise.

I should like to take up the matter to which my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) and my hon. Friend the Member for Hertsmere (Mr. Clappison) referred. Is my hon. Friend the Member for Rayleigh (Mr. Francois) aware that Mr. Giscard d'Estaing, an author of the European constitution and past President of France, has said that the treaty contains all the critical elements of the constitution? Is it not true, therefore, that this business motion is inadequate and does not reflect the best interests of this House?

Madam Deputy Speaker: Order. That intervention was very wide of the motion under discussion. We are talking about the business motion and the time allowed.

Mr. Francois: I thank my hon. Friend for giving way—*[Laughter.]* I am well aware of Mr. Giscard d'Estaing's comments about the treaty. The one that sticks in my mind is—

Madam Deputy Speaker: Will the hon. Gentleman, too, address the motion under debate?

Mr. Francois: We will continue the discussion in the Tea Room, but my hon. Friend is entirely right.

On day seven in Committee, we debated four groups of amendments relating to EU institutions and remaining matters in clause 2. That day, there were four quite large groups of amendments, but we touched only on the first. How can the Government be confident about their business motion given that so far in Committee the Chair has selected 20 groups of amendments, only eight of which have ever been debated—one of them for only five minutes?

The subjects of borders, visas, asylum, immigration, defence, social policy and free movement of workers have never been debated in detail at all. The Government had hoped that they would be able to get away with the whole process, of which today's motion forms a further part, without anyone outside the House noticing and with no media attention. However, I am pleased to say that they have been unsuccessful. For instance, I doubt whether their motion today will

redeem them in the eyes of Simon Carr, who, following the debate on the original business motion, wrote a piece about all this in *The Independent*, entitled "Gordon's trickery backfires on him". He noted the Government's methodology for the Committee stage as follows:

"The Government's promises for unparalleled opportunity for parliamentary scrutiny were, frankly, demolished by both sides...Why was so much time being given to these nebulous themes and so little to amendments?"

Mr. Gummer: Will my hon. Friend be careful not to allow the Government to get away with the idea that they have misused the House's arrangements only in respect of the treaty of Lisbon to ensure that there is not proper debate of Bills? There has never been a time when legislation has been so ill-debated, so ill-argued and therefore so ill-produced as since the so-called modernisation that the Government have carried through.

Mr. Francois: My right hon. Friend has made a pertinent point, which I wish to reinforce. It is even worse when the Government constrain debate on a treaty to which this country would theoretically be committed for a very long time.

I doubt whether the Government's motion today will cut much ice with Michael White of *The Guardian*. On 22 February, he wrote in that newspaper, in an article entitled, "Lisbon debate rings hollow":

"Labour's chief whip has persuaded MP's to vote to overrule their own standing orders. Instead of line-by-line debate which explores changes to foreign policy procedures, EU co-operation on crime or energy, at least half of each day is devoted to a 'themed' discussion, with debate on specific amendments tacked on later. Does procedure matter? No one would be allowed to change the rules before a football match or criminal trial."

I also doubt that today's motion will impress Philip Johnston of *The Daily Telegraph*, who, in a piece on 11 February entitled "The debate on the Treaty of Lisbon is a scandal", argued about the procedure for debating treaties as follows:

"Conventionally, this is done by tabling amendments to specific clauses and debating them in fine detail. But this is not happening and it is a scandal."

He then went on to note:

"When Mr. Brown was challenged about this in the Commons last week, he said 'We are considering the European Union (Amendment) Bill day by day in the House of Commons in great detail.' Day by day, but not line by line. The cynicism is breathtaking."

Mrs. Dunwoody: In view of the unequivocal views quoted by the hon. Gentleman, can he explain why his Front Benchers lay down and allowed the Government to run right over them, and why the Liberals, who made their pathetic little mewling noise last week, have nevertheless continued to co-operate with the Government, who are determined that we should not debate the legislation as opposed to some of the ideas?

Mr. Francois: I thank the hon. Lady. We have not lain down at all—we opposed the Government's motion and voted against it; that is why I deliberately read into the record the comments of my right hon. Friend the Member for Suffolk, Coastal. *[Interruption.]*

Mr. Gummer: On a point of order, Mr. Deputy Speaker. Could you explain to *Hansard* how to put down in the record that last very important contribution by the hon. Member for Crewe and Nantwich (Mrs. Dunwoody)?

Mr. Deputy Speaker (Sir Michael Lord): I think that that is for the editors of *Hansard* to work out for themselves.

Mrs. Dunwoody: Could I just explain that I was waving genteelly in the direction of the hon. Member for Rayleigh (Mr. Francois)?

Mr. Deputy Speaker: I am sure that the editors of *Hansard* will be very grateful for those remarks.

Mr. Francois: I am grateful for the gentle wave. I am not accustomed to that from the hon. Lady, but I will take it in the spirit in which it was offered.

The truth is that this whole process has been rigged from the outset. First, we were promised a referendum on the treaty, and then that promise was broken. Then we were promised 20 days of debate, and that promise was broken too. We have been given only 14 days, which today's motion does not extend and which, according to the Library, represents less than half of the 29 days' debate in the Commons allocated to the treaty of Maastricht. That is why the Minister talks about Nice and Amsterdam but never makes the comparison with Maastricht. We were then promised an opportunity for line-by-line scrutiny of the treaty itself, and even that promise was broken, because the Government came up with a totally new way to debate treaties specifically designed to curtail the detailed scrutiny of the document that they tell the country they are so proud of.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Will my hon. Friend note, too, that a day is not a day in the sense that the public outside understand? It has been reduced to an hour and a half or two and a half hours, and we spent a total of 19 hours on clause 2, which is the guts of the Bill. That bears no comparison with any constitutional measure that we have had on the Floor of the House in the past, and questions the legitimacy of the process.

Mr. Francois: My hon. Friend, who has, as usual, followed these debates very closely, makes a powerful point. I reiterate: when the Government are comparing treaties, they never like to compare this with Maastricht because they know that that had twice as much debate. Indeed, in those days, a parliamentary day was usually much longer in terms of the time available for debate, so the disparity is even greater if one makes the comparison in hours, as my hon. Friend encourages me to.

Mr. Harper: Will my hon. Friend give way?

Mr. Francois: I will, but only briefly because I sense that other Members want to speak.

Mr. Harper: My hon. Friend is making a powerful case. Is it not worse than he suggests, because not only have all these promises been broken but the Government have not been completely transparent about how they have done it? They keep repeating that we are allegedly having line-by-line scrutiny, but very little of that time is devoted to looking at the treaty, as it is spent on debating these wide motions.

Mr. Francois: My hon. Friend is entirely right. In days of yore, there used to be an offence of breach of promise, and the Government are most definitely guilty of that now.

Mr. Cash: My hon. Friend will recall that on 20 June, the deceitful manner in which this process has been conducted was initiated by the revelation of the mandate, which is described as binding on all the member states. Furthermore, that mandate, as we shall discuss later, translates the word "Community" into the word "Union", provides a single legal personality, and replaces and succeeds the Community. What is happening during all of these proceedings is happening against the background of a binding mandate that is being imposed on this House, which is why the Government are behaving in the way that they are.

Mr. Francois: Again, my hon. Friend is entirely right, and I suspect that he will return to that point briefly later.

Ms Gisela Stuart: The hon. Gentleman may be making a powerful case, but it is also a completely pointless case. Unaccustomed as I am to being helpful to those on my Front Bench during these debates, if I consider the amendments that have been tabled during the limited time we have had, I find that the Opposition have not come up with any ideas, other than, "I don't like what's in the treaty". He should be a bit more positive in the next couple of days.

Mr. Francois: The hon. Lady is of course entitled to her view, but if we had had an opportunity to debate a number of those amendments, powerful cases would have been made. Because of the way in which the debate was structured, it was not possible to do so.

The Government's whole case against a referendum is based on the alternative of detailed parliamentary scrutiny. We have not had detailed parliamentary scrutiny. The Government do not deserve to get away with this, and on Wednesday, hon. and right hon. Members will have a vital opportunity to prevent them from doing so. I shall end, as I have taken quite a lot of interventions, with an editorial from *The Times* today, which is entitled "Let The People Speak". It says:

> "Institutional subterfuge, such as that in which the Government has engaged, will do great harm to the reputation of Parliament, will increase the contempt felt for the EU by much of the electorate and make a mockery of the 'new', more inclusive, politics which the Prime Minister insists that he favours."

We agree. We say that these debates have been rigged from start to finish for the Government's convenience. We say, "Let the people decide".

4.12 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): I shall speak very briefly. We should be quite clear about what is happening here. This legislation is being guillotined, not programmed. It is being cut short in a most brutal and unhelpful manner. Presumably, that is happening because we are frightened of debating in this Chamber every massive change to the way in which we organise our affairs. The House of Commons has always been jealous of its command of powers over the Government and of the way in which it proceeds through legislation.

What we are debating has enormously far-ranging implications, and because of the way in which the process has been managed, we are unable to discuss whole fields of affairs that are of enormous importance to our people. For instance, transport is not even mentioned under the arrangements for this so-called programme. The Government are foolish and unwise; they ought to have handled this matter better.

The thing that depresses me most is that neither the Front Benchers of the official Opposition, nor the unofficial hangers-on, have made the slightest attempt to wreck this legislation in the way that they should, or have been prepared to, despite the artificial noise. Until we do so, we are failing those who sent us here.

4.13 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I do not often agree with the hon. Member for Rayleigh (Mr. Francois), or the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), but I agree with their opposition to this motion. We disagreed with the original business motion because, as others have said, it curtailed time for this House, and we do not like the Government's overall approach. As the hon. Member for Rayleigh said, it is wrong that we have not had proper time to debate common defence and security policy. Many trenchant views are held in the House on that and it is wrong that we cannot debate it. Other matters, too, have had scant attention.

I say to the hon. Member for Crewe and Nantwich that we were not consulted on the business motion. My only discussions—formally and informally—with the Government have been to ask for more time.

Mr. Kenneth Clarke: I have long believed that, if we are to have timetabling, which apparently now applies to all Bills, it should essentially be for the Opposition parties to decide how best to use the time on the matters that most concern them. Does the hon. Gentleman agree that, if the Government had said to his Front Benchers and to my hon. Friend the Member for Rayleigh (Mr. Francois) that there were three days in which to cover the clauses that we are considering, and had allocated three generous timetables, the Conservatives, the Liberal Democrats and the nationalist parties could have reached agreement on how to divide them so that the most important amendments, in the opinion of critics, would take up our time? Instead, we have the Government's best offer of what seems to them to be most convenient and right in dividing up the available time.

Mr. Davey: I strongly agree with the right hon. and learned Gentleman. We often go through a charade and pretend that the House controls the Government when the Government railroad matters through. We should change the rules to allow the Opposition parties a much greater say. Perhaps we should consider other legislatures, which have business committees and do things differently—in my view, more democratically.

I made the point to the Minister that we should have extra time—at least an extra day—to debate especially common defence and security policy. If he has a chance to answer the debate, I hope that he will explain why he has been unable to provide that. Not doing so is wrong and undermines the process. As someone who is

pro-European and supports the Lisbon treaty, I stress that such actions do not help the Government's case. That is why they are misguided, and really should withdraw the motion and start again.

4.16 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): I shall be brief. In compensation for breaking a solemn manifesto pledge to hold a referendum, the Government—the Prime Minister himself—promised that the House would be given an opportunity to debate in Committee, line by line, the provisions of the Lisbon treaty, which effectively incorporates the constitutional treaty on which they promised us a referendum. We have not had that line-by-line consideration. The House has not had—and will not have, if the Government motion is passed—the opportunity to debate a single line of the numerous and important clauses in the treaty that affect immigration, asylum and border control, to consider a single amendment or to take a single vote. In other words, the Prime Minister will break a second promise if the business motion is passed. I find that disgraceful.

I find it appalling that a Minister who is personally so charming and agreeable can be party to such a duplicitous attempt to prevent the House from having what it was promised.

4.18 pm

Mr. John Gummer (Suffolk, Coastal) (Con): The Government must think again. There is no doubt that there is much in the Lisbon treaty to debate; there is no doubt that we have not debated it; and there is also no doubt that Oppositions always make that claim, but on this occasion the claim has very serious truth in it.

The Government promised us line-by-line scrutiny but they have not given us the same length of time as the previous Conservative Government gave the debate on Maastricht. They have made debate difficult with their novel procedure and they have wrongly accused my hon. Friend the Member for Rayleigh (Mr. Francois) of going along with that procedure when he manifestly did not. They have upset their own supporters, who see that the motion is utterly unfair, and have made Conservative Members who believe in the treaty of Lisbon extremely angry about the process that they have introduced. I hope very much that they will withdraw the motion.

4.19 pm

Mr. David Drew (Stroud) (Lab/Co-op): Views on the EU and the Lisbon treaty transcend the party political spectrum. There are a number of amendments tabled in my name and those of my hon. Friends who wish to discuss the implications for public services. We hope that the Chairman of Ways and Means will look on them preferentially, but it seems very unfair that our debate is again being shoehorned into a very short time. There is also the issue of the referendum. As I said in my earlier intervention, we are now, in effect, discussing two referendums. Again, it would be only right and proper—

It being forty-five minutes after commencement of proceedings on the motion, MR. DEPUTY SPEAKER *put forthwith the Question, pursuant to Order [28 January].*

The House divided: Ayes 276, Noes 198.

Division No. 107] **[4.20 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan

Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Spellar, rh Mr. John
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:

Mr. Wayne David and Siobhain McDonagh

NOES

Afriyie, Adam
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Dunwoody, Mrs. Gwyneth
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria

Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Williams, Hywel
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Mr. Nick Hurd and
Mr. John Baron

Question accordingly agreed to.

Orders of the Day

European Union (Amendment) Bill

[9TH ALLOTTED DAY]

(Clause 3, the Schedule and Clauses 4 and 5)

Further considered in Committee.

[SIR MICHAEL LORD *in the Chair.*]

Clause 3

CHANGES OF TERMINOLOGY

4.34 pm

Mr. David Heathcoat-Amory (Wells) (Con): I beg to move amendment No. 39, page 2, leave out lines 12 and 13 and insert—

'(c) may be made only if a draft of the order has been—
(i) laid before Parliament; and
(ii) approved by a resolution of each House'.

Clause 3 is, if one includes the schedule attached to it, the longest part of the Bill. Together they run to some three and a half pages. On that ground alone, it is worth studying in some detail.

The clause is headed "Changes of terminology", which rather implies that these are technical matters, but I shall, I hope, show that it deals with substantive matters of importance. For instance, the schedule attached to the clause makes nearly 50 amendments to the European Communities Act 1972, the founding Act that has governed our relationship to the European Union ever since that date. Clearly, those are matters of substance.

One of the purposes of clause 3 and its schedule is to delete references to "European Community" and replace them with "European Union". That is not a technical change; it is a matter of substance, because the two are not the same. To remind the Committee, when we joined the Common Market, as it was then called, there were three treaties: the European Coal and Steel Community treaty signed in 1951; the European Atomic Energy Community treaty, usually known as EURATOM; and the European Economic Community treaty, usually abbreviated to the EEC, set up by the treaty of Rome in 1957. Collectively, those treaties formed what were known as the European Communities.

Since that time, the coal and steel treaty has expired and is no more. EURATOM still exists but is only of marginal significance—that is not to say that the European Union will not legislate on energy and atomic power; under the additional sections in the treaty of Lisbon, I anticipate that it will pass a great deal more legislation on that, but not through EURATOM. For the purposes of this debate, therefore, we can ignore that treaty.

A separate treaty on the EU, the Maastricht treaty, renamed the EEC the EC, and crucially, added two intergovernmental pillars, the first dealing with common foreign and security policy, and the second with justice and home affairs. That was a critical and innovative solution, and in my view and that of many of my persuasion, the intergovernmental method of co-operation is to be preferred. It cuts out the monopoly of initiative

[Mr. David Heathcoat-Amory]

enjoyed by the European Commission, and does not come under the jurisdiction of the European Court. But it allows for extensive international co-ordination and co-operation in tackling matters of common interest.

Today, essentially, we have two treaties. We have the EC treaty, derived originally from the treaty of Rome, as then amended by the Single European Act, the Amsterdam treaty, the Nice treaty and so on. Separately, we have the EU treaty from Maastricht, covering the intergovernmental areas.

The current treaty abolishes the EC. Article 1 of the treaty states:

"The Union shall replace and succeed the European Community."

Crucially, however, the EU will also include those previous intergovernmental policy areas that I have described, such as the common foreign and security policy and parts of criminal justice and policing.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): My right hon. Friend has made an important point. Is he saying that the treaty, and clause 3 in particular, abolishes what was the European Community? Was it not precisely on the claim that the European constitution abolished the former structures and replaced them with a new one that the Government based their promise of a referendum? They said that this treaty did not do that, and that therefore we did not need a referendum. Now my right hon. Friend is saying that the treaty does do that—in which case, surely, the Government's promise of a referendum would have to be reinstated even if we believed in their rather bogus excuse for getting out of it.

Mr. Heathcoat-Amory: My right hon. Friend is spot on. This treaty does exactly the same as the constitutional treaty: it founds a Union that encapsulates and incorporates all the EC and EU treaties, and indeed establishes a single legal personality for the purpose.

Mr. William Cash (Stone) (Con): My right hon. Friend may not have heard some remarks I made during the last debate about the mandate which—as he knows very well, because he is a fellow member of the European Scrutiny Committee—was brought in through the back door, in deceitful circumstances, on 20 June last year. Does he agree that it had the effect not only of replacing the word "Community" with the word "Union"—with, as he said, a single legal personality replacing and succeeding the Community—but of collapsing many of the pillars that he mentioned earlier, thus undermining the whole constitutional basis on which the original arrangements were made? That fundamental change is the reason why we should now have a referendum.

Mr. Heathcoat-Amory *rose—*

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): Order. The right hon. Gentleman is being tempted to extend his remarks rather more widely than the amendment allows. It is quite narrowly drafted.

Mr. Heathcoat-Amory: I am well aware of the narrowness of the amendment, Sir Michael, but I wish to put it in the context of what is happening to the EC, as opposed to the EU. As you will see, a large part of clause 3 is concerned with replacing the EC with the EU. I agree with my hon. Friend the Member for Stone (Mr. Cash) that the two are not the same. Clause 3 attempts something of a three card trick, making what are apparently name changes but, in fact, changing the substance. The EU will now only replace the EC but include the formerly intergovernmental aspects of common foreign and security policy, criminal justice and policing. Moreover, subsections (4) and (5), which are the subject of my amendment, give the Secretary of State or the Treasury power to

"make other amendments of Acts or instruments".

That is quite a wide power. The amendments are not defined or limited, and the power obviously includes power to amend primary and secondary legislation. The amendments must "reflect changes in terminology", but are not limited to such changes.

We are not simply dealing with changes of name. Just as the change from EC to EU is a matter of substance, other matters of terminology could and, in my view, will entail substantive and material changes.

Kelvin Hopkins (Luton, North) (Lab): Terms are important, and people understand their significance. We have moved from a common market to a European Economic Community to a European Community to a European Union. Could it not be said that we are not far off becoming a Federated State of Europe?

Mr. Heathcoat-Amory: The hon. Gentleman is right. There has been a baffling series of name changes, all of them in the wrong direction. In the Convention on the Future of Europe, I—along with some other delegates—suggested yet another name change, but a change in the right direction. We proposed a Europe of democracies. We submitted a minority report to give effect to such a concept, which is essentially intergovernmental. I agree with the hon. Gentleman that names and terms are important. Whichever direction we take, it is vital that the House has the right to scrutinise and authorise the changes when they are made. I commend my rather modest amendment, which would ensure that so-called terminological changes are made by affirmative resolution, giving both Houses an express decision, replacing the negative resolution procedure whereby the changes are made unless they are emphatically blocked.

4.45 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I am genuinely trying to understand the right hon. Gentleman. Is he arguing that if we do not agree to his amendments to schedule 1 and to some of the name changes, the intergovernmental nature of some of the policy areas that the Government currently feel are protected will lose that protection because we are merging the Community into the Union, so making those policy areas vulnerable? Is that his key point?

Mr. Heathcoat-Amory: No, that is not my argument. The so-called innocuous change from EC to EU is not simply a change of terminology, because the EU incorporates not just the EC, but intergovernmental policy areas such as common foreign and security policy and criminal justice. In the same way, the other changes that the Government may propose to give

effect to the treaty in existing UK legislation will also encompass matters of substance and are not simply matters of terminology.

To demonstrate that, I need to pick up a number of themes that have emerged in the debates so far. The first point is that the treaty is almost the same as the European constitution, which failed at the hands of the French and Dutch electorates. That observation is now not seriously contested by Ministers. There are a few apologists from the Labour Back Benches who occasionally pretend that they are two different treaties but the Select Committee reports are decisive on this. When the Prime Minister says that the constitutional approach has been abandoned, he must know that that refers only to the form of the treaties rather than to their substance. The constitutional treaty brought the two treaties into a single document; the present one simply amends the two existing treaties without formally merging them. In substance and legal effect, however, the two treaties are the same.

Mr. John Gummer (Suffolk, Coastal) (Con): My right hon. Friend is making the case that the use of the word "Union" and the change in terminology have greater importance than they are given. At the same time, however, he is trying to make the case that it is not of great importance to cease to have a constitution and to have instead a treaty. I should have thought that he would agree that to have a treaty between sovereign nations rather than a constitution is a fundamental difference, even though I agree that the Government's promise on a referendum certainly did not contain that caveat.

Mr. Heathcoat-Amory: I judge treaties and constitutions by their substance and effect. It is now indisputable that the substance of the treaty of Lisbon is in almost all cases the same as that of the constitutional treaty. That was the conclusion of the European Scrutiny Committee and that of the Foreign Affairs Committee, in so far as it looked into the foreign policy implications of the treaty. That is good enough for me. It may be a coincidence that I serve on both of those Committees, but I did support their conclusions; both, of course, have Labour Chairmen and majorities. Therefore, it is beyond dispute that they are the same document in legal effect.

It follows from that that the many amendments that the Government tabled to the constitutional treaty during the Convention on the Future of Europe also apply to the treaty of Lisbon. As most of their amendments failed, it also follows that many unamended parts of the treaty are not to the Government's liking, and also that any changes that the Government might seek to make to existing United Kingdom laws by using this part of the Bill are not to their liking either as they were the subject of failed British Government amendments. That is an additional reason for them to be closely scrutinised by the Committee on a case-by-case basis according to the affirmative procedure.

My next theme is that this treaty is not a reform treaty, despite its earlier name. The Laeken declaration of December 2001 set in train a reform process. It recognised that decision making in the EU was remote, that the whole procedure had lost the confidence of the public, that the treaties were too complex and not democratic enough, and that the EU was interfering too minutely in the lives of ordinary citizens. Instead of following that reform instruction, the Convention on the Future of Europe consolidated more powers in the very institutions that were the cause of the disillusionment in the first place, and where reforming amendments were tabled, such as to the EU budget, they were ignored. It follows from that that the UK Bills to be amended in accordance with this clause will not reflect the reform process that the British Government supported. It is also worth noting that much of the UK legislation to be amended was passed some years ago when genuine reform of the EU was in prospect. Therefore, when the House passed provisions in those Bills referring to the European Union, it might have confidently expected that the relevant sections of the treaty concerned would be reformed, instead of which reform has been ignored and powers have been consolidated at the EU.

My next theme is, therefore, the failure of subsidiarity. Not only has the reform process taken more powers upwards, but the subsidiarity principle is not working. That principle dictates that the EU can act only if the objective or policy cannot be achieved adequately at national level. That has been in treaty law since 1993, but it has not been an effective check on the EU's activities. Examples have been given in previous debates of how even the exchange of best practice at EU level has been thought sufficient to justify EU action. Nor has the European Court of Justice been an effective check on subsidiarity. How could it be, as it is itself an EU institution? It is part of the project, and under the treaty of Lisbon matters will get worse as it will be required by treaty law to practise "mutual sincere cooperation" with the other institutions of the EU. Therefore, the subsidiarity check for national Parliaments, which is supposedly a new feature of the treaty of Lisbon, is something of a sham.

Mr. Cash: Does my right hon. Friend accept that the extension of exclusive or shared competences turns the whole question of subsidiarity inside out, because national Parliaments will not be able to legislate, by statutory instrument or otherwise, in the spheres in which those competences are being granted, and that this is therefore just a monumental con trick?

Mr. Heathcoat-Amory: My hon. Friend is right to say that if the treaty is ratified, subsidiarity will be overtaken by the new division of powers in the treaty. One of the reasons why the Lisbon treaty is a constitutional treaty is because it attempts a division of powers between member states and the EU institutions—that is inescapably a constitutional matter. Such a provision is found in the United States constitution, which enumerates states' rights as against those of the federal Government. The Lisbon treaty attempts to do exactly the same, in a way that is almost entirely in the EU's favour. The definition of "exclusive competence"—that list is longer—will completely prevent any legislation by member states in areas where it applies. Even the definition of a "shared competence" will prevent member states from legislating if the EU moves into the area where it applies. It is a funny definition of sharing, which in practice will simply allow member states a residual competence. The arrangement will overwhelm any attempt to enforce the subsidiarity principle.

Mr. James Clappison (Hertsmere) (Con): My right hon. Friend is making a powerful case. In his long experience of European matters, is he aware of any area in which the EU has evacuated a shared competence and handed it back to member states?

The Second Deputy Chairman: Order. Before the right hon. Gentleman responds, may I say to him that he is going wide of his quite tightly drawn amendment? I do not intend to stop him, but I trust that if he is making points that should be made during the clause stand part debate, he will not seek to make them again then.

Mr. Heathcoat-Amory: I can directly relate this matter to the amendment, Sir Michael, because the amendments permitted under subsections (4) and (5) will reflect the new division of powers and sharing of competences in the treaty. My hon. Friend the Member for Hertsmere (Mr. Clappison) was right: although the Laeken declaration suggested that some powers might be returned to member states, I can think of no example of where that has happened. Things have gone entirely in the opposite direction—the ratchet has operated upwards and never downwards—and it therefore follows that the amendments to "Acts or instruments" will reflect the new division of powers. We know that this House disapproves of that division; it was stated many times in debates leading up to the treaty that even the British Government were alarmed by the degree to which the powers and responsibilities were moving upwards and, in no sense, downwards.

We must also consider the general transfer of powers from member states to the EU illustrated in the new policy areas such as energy provision. That is a new competence provided for in the treaty. Given that it will be decided by qualified majority voting, it too is a transfer of authority in the wrong direction. We must also take into account the advances into criminal justice and policing, and immigration and asylum, and the new areas to be decided by QMV. I believe the Government have admitted to 51 such areas, which is a record; the Single European Act extended QMV into 12 new areas, but 51 is by far the most extensive advance of QMV in any treaty.

To give an example of where that can act against the interests of this House and this country, may I remind the Committee of the artist's resale right, which was granted in a directive some two years ago, against the British Government's wishes? It gives artists a percentage of the sale price of a work when it is resold, and has been a feature of French law since the 1920s. The British Government opposed it because they understood that it would drive business out of the United Kingdom to jurisdictions such as America where no such levy applies, and because the British art market, which is by far the biggest in Europe, stood to lose the most. Almost 50,000 people are employed in the British art market, and if it were eroded or business were to move to other art markets in the rest of the world, it would be a loss not just to Britain but to Europe. That was why the Government rightly opposed and voted against the directive. A recent study has shown that the fears raised at the time have been confirmed: the British art market has been damaged, and artists have not benefited. In any case, only the more successful artists stood to gain anything from the levy.

5 pm

That is an example of majority voting under existing treaties being detrimental to the interests of an important part of British business. The problem was seen by the House and the Government, but they could do nothing about it. The situation can only get worse under the treaty, because majority voting is to be extended to 51 new matters and will become the norm.

Amendments that may be made under the powers in the clause will include provisions reflecting the new reality of majority voting as contained in the treaty. I shall give examples of changes that may be in Ministers' minds. A clue comes from the European Union Bill of 2005, which had a Second Reading and would have given effect to the constitutional treaty but was abandoned when the French and Dutch electorates voted against the constitution.

Interestingly, that Bill contained a similar power to amend existing UK statutes and instruments to give effect to the constitution. In all major respects, the constitution was exactly the same as the treaty currently before the House, so the Bill's provisions are still relevant. It took a different approach from the present Bill: instead of giving Ministers a general power to make amendments to Acts or instruments, part 2 of schedule 2 to the Bill named specifically a great many statutes to which modifications and amendments would be required. Presumably—I hope that the Minister will confirm this—the Government still have it in mind to make the modifications listed. However, instead of setting them out in the schedule to the current Bill, they seek to give themselves a general amending power. That is a regressive move, which will further erode the House's ability to scrutinise the changes.

The list of Acts to which the 2005 Bill stated that modifications were required is interesting, and backs up the observations that I have made about the existing treaties. For instance, the Civil Jurisdiction and Judgments Act 1982 is listed as requiring the deletion of a reference to article 68 of the existing treaty and the insertion of a reference to an article in the constitutional treaty. Exactly the same modification is presumably required, except that not an article in the constitutional treaty but an article in the treaty of Lisbon will be required.

This is not simply a matter of terminology; it is a matter of substance. The reference to article 68 in the 1982 Act limits the jurisdiction of the European Court of Justice, whereas the replacement article in the existing treaty does things differently, as it has been substantially amended. We are not simply talking about a technical change; we are talking about a matter of substance, and I hope that the Minister can confirm that when he replies to the debate.

Amendments to the Government of Wales Act 1998 involve the deletion of the word "regulations" and the substitution of the phrase "any order, rules, regulations or scheme". Again, that is not simply a matter of terminology; it is a matter of substance.

I shall give another example. The Export Control Act 2002 was supposed to be modified. That is important because it gives the Government the power to control exports or the transfer of technology to other countries, possibly in line with the requirements of the common foreign and security policy. So the Act

would need to be amended to reflect the treaty of Lisbon. But—this is the point—the common foreign and security policy provisions in the treaty of Lisbon are substantially different and far greater in scope and power than those under the existing treaties. Again, this is not simply a technical change of terminology.

Another example is the Criminal Justice Act 2003. Again, the Act refers to articles 31 and 32 of the existing treaties, in which criminal justice is treated as an intergovernmental matter, whereas under the present treaty, as I have explained, it becomes a matter for the European Court of Justice and for qualified majority voting. In other words, that pillar of the existing European Union is collapsed and replaced by the normal Community method of decision making. So replacing those articles with the new articles in the existing treaty is not, again, a matter of terminology; it is a matter of substance.

Mr. Clappison: Is not the change of substance to the common area of justice and security that my right hon. Friend has rightly identified as far away as possible from the original conception of Governments meeting to co-operate on judicial, home affairs and criminal justice matters? We are now to have a common area—with harmonised rules, sometimes common criminal offences and common Eurojust and Europol systems—that is as far away from co-operation as it is possible to be.

Mr. Heathcoat-Amory: I agree with my hon. Friend, and the reason why criminal justice and policing were treated intergovernmentally is precisely that they are very important matters that the public feel must be dealt with in a Parliament to which they relate and, crucially, that can be changed after a general election if there is a change of Government. Indeed, I would go further: we obey the law because these are our laws in a sense, and they can be enacted, amended or repealed by our Parliament. Once they become enacted in a different jurisdiction that we do not control, that precious democratic link is fractured, with very serious consequences.

Mr. Cash: Does my right hon. Friend agree that a similar example relating to statutory instruments and the manner in which they can be introduced came up a couple of years ago in the Legislative and Regulatory Reform Bill, which has since been enacted? My proposal that Parliament assert its supremacy over the European Communities Act 1972 is the only way that my right hon. Friend's argument can be put into effect, because the reality is that, whether we are talking about Acts or statutory instruments, the decisions will be taken outside Parliament, unless the House asserts its right to legislate on behalf of the voters of this country.

Mr. Heathcoat-Amory: I agree with my hon. Friend, and I remember voting for his very good amendment to the Bill that he mentions. It follows from what he says that he would agree that when the Criminal Justice Act 2003 was enacted, and reference was made to articles 31 and 34 of the existing treaty, Parliament did not think that instead of the treaties, there would one day be the treaty of Lisbon, which would take criminal justice and policing out of the intergovernmental pillar and collapse it, and instead make the issues subject to the mainstream Community method, with all that that implies.

I hope that I have demonstrated that the Bill will give the Executive—specifically, the Secretary of State or the Treasury—a wide power to make amendments. Those amendments can cover primary, as well as secondary, legislation. I think it wrong in principle that the negative procedure should be used to amend primary legislation, unless there is good reason for doing so. I have shown that we are talking about matters of substance. I gave a number of examples, from a previous Act, of provisions that would have incorporated the constitutional treaty, if it had gone ahead. Those examples must endure as proposals that the Government identified as requiring amendment. I have shown that the Bill does not simply make technical adjustments; we are dealing with significant changes that touch on the powers of the European Court of Justice, the scope of, and powers under, the common foreign and security policy, and the collapse of the intergovernmental pillar governing criminal justice. Those are material changes, and they affect the powers of the House.

In conclusion, I repeat that the amendment would make a modest change. It is not a wrecking amendment. If it is made, it does not destroy, or even modify, the treaty; our other amendments do that. It simply concerns an internal matter to do with the powers of the House. I therefore commend it to hon. Members in all parts of the House.

Rob Marris (Wolverhampton, South-West) (Lab): The right hon. Gentleman is absolutely right that "European Communities" is different from "European Union", and that is partly what the treaty of Lisbon is about. He made an interesting speech but, with due respect, most of it was wholly irrelevant. I suggest that he has been misled by the maladroit wording of clause 3.

Mr. Heathcoat-Amory: Well, it's not my fault, is it?

Rob Marris: No, it is not; I agree with the right hon. Gentleman. I am referring to the clause heading on line 15 of page 1, which is "Changes of terminology". It should say "Changes of definition and terminology". I will return to that in a moment. Also, subsection (3), on lines 4 and 5 of page 2, says:

> "The Table in the Schedule to this Act sets out substitutions required to reflect terminology after the commencement of the Treaty of Lisbon."

That should read something like, "The table in the schedule to this Act sets out substitutions required to reflect the consequences of the commencement of the treaty of Lisbon." That returns us to one of the points made by the right hon. Gentleman with which I agree, which is that "European Communities" does not mean the same as "European Union".

Amendment No. 39 would amend clause 3(5), which sets out how the powers granted under subsection (4) will be exercised. Those powers are not, as the right hon. Gentleman suggested, "changes of definition". Subsection (1) contains the phrase:

> "In section 1(2) of the European Communities Act 1972 (interpretation) before the definition of 'the Communities' insert—".

The key word is "definition", which is why I said that the clause's title should be "Changes of definition and terminology".

5.15 pm

Mr. Cash: Amendment No. 39 concerns subsection (4), as applied by subsection (5), whereas subsection (1) is a stand-alone provision that amends section 1(2) of the European Communities Act 1972. Is the hon. Gentleman going to relate the questions about subsections (3) and (4) to a separate debate, or does he want to drift back to subsection (1)? Perhaps he has become confused.

Rob Marris: I have certainly not become confused. I have already adverted to amendment No. 39 and what it does. If the hon. Member for Stone (Mr. Cash) bears with me, he might see where I am going, so I urge patience.

As I have said, subsection (1) uses the word "definition", whereas subsection (4) refers to

"changes in terminology or numbering".

The power granted under subsection (4) relates to changes in terminology or numbering; it does not relate to definitions. For the particular benefit of the hon. Member for Stone, that is why I have said three times that the title of clause 3 is not helpful—I used the adjective "maladroit"—and drawn attention to the use of the word "definition" in subsection (1).

Mr. Cash *rose—*

Rob Marris: I will make some progress. I have urged patience on the hon. Gentleman, and I continue to do so.

Subsection (4) uses the word "terminology". The right hon. Member for Wells (Mr. Heathcoat-Amory) seemed to believe that subsection (4) included the word "definition" rather than the word "terminology". If the word "definition" were used in subsection (4) instead of the word "terminology", I would support his amendment. However, if the word "definition" had been used instead of the word "terminology", the Government would not have drafted subsection (5), which the right hon. Gentleman wants to amend, in its current form.

Mr. Cash *rose—*

Rob Marris: I will give way to the hon. Gentleman, but I urge patience.

I realise that amendment No. 39 relates to subsection (5), but it is important to discuss subsection (4), because subsection (5) concerns the exercise of powers granted under subsection (4). The second half qualifies the first half of subsection (4). The first half gives power to the Secretary of State or the Treasury; the second half specifies that over which the power may be exercised, just as subsection (5) specifies the way in which the power may be exercised. One has to read clause 3(4) completely to see that the second half—

"to reflect changes in terminology or numbering arising out of the Treaty of Lisbon"—

in a sense qualifies the first.

Mr. Cash: This is a complex matter, and I am not trying to disparage the hon. Gentleman's remarks in any way. He is trying to draw a distinction between definitions and terminology. If he looks at the schedule, he will see tables with "Provision of the European Communities Act 1972" at the head of one column, "Existing expression" at the head of the next and "Substituted expression" at the head of the third. There are three pages of substituted expressions.

To take one, crucial example, the words "Enforceable Community right" are turned into "Enforceable EU right". That is a substantive change, made by the substitution of expression. It is not simply a matter of terminology as such; there is a substantive effect. If the existing expression had been left, it would not be possible to implement the merger of the existing treaties.

Rob Marris: I apologise to the hon. Gentleman; clearly, I have not yet made myself crystal clear to him or perhaps the Committee. On at least two occasions in this speech, I have agreed that, as patiently set out by the right hon. Member for Wells, it is a substantive change to say that "European Communities" does not mean the same as "European Union". Today in the House we are discussing primary legislation, including whether we should vote that the schedule, which makes substantive changes, as the hon. Member for Stone has pointed out, should be in the Bill or not. The schedule is a substantive change, and I say to the hon. Member for Stone and other Members that that is precisely why at the beginning I described the heading of clause 3 as misleading to the right hon. Member for Wells and others because of its maladroit wording—it should say "Changes of definition and terminology".

Not only that, but I said that clause 3(3), which brings in the schedule, was badly worded because it contains the word "terminology", which should be left out. Perhaps the hon. Member for Stone missed that; I shall repeat what I said for his benefit. I said that clause 3(3) should read, "The Table in the Schedule to this Act sets out substitutions required to reflect the consequences of the commencement of the Treaty of Lisbon." That leaves out the misleading word "terminology", which should not have been included because it refers to the schedule, which is substantive because "European Union" does not mean the same as "European Communities".

Mr. Cash: I am glad that the hon. Gentleman ended on that note, because I have a feeling that although this discussion is about as turgid as it can get, it is important. The fact is that changing the expressions in that way has a different legal effect. Effectively, when we now refer to legal obligations there is a new kind of legal situation that is much more integrating than before and moves away, as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) said, from intergovernmental to Union parameters. It therefore has—and this is, in a nutshell, why I am pursuing the issue—highly significant constitutional implications. My point is simple: the changes have constitutional implications, and because of their scale they add up to another reason for holding a referendum.

Rob Marris: I agree that clause 3(3) has constitutional implications, but clause 3(4) does not. Subsection (4) uses the word "terminology" correctly, but subsection (3) does not. Subsection (4), which is absolutely germane to amendment No. 39, does not make a constitutional change—it says that substitutions should

"reflect changes in terminology or numbering".

That is clearly an incidental provision, not a substantive change.

Mr. Gummer: I rise to discuss this issue for two reasons: I do not agree with the amendment, but I agree with the fact that we are having the debate. The House should be having precisely this kind of debate on every aspect of the Bill, and its rather arcane nature—I think, Sir Michael, that your own interventions have shown that it is quite difficult to know exactly when we are or are not in order—does not make it any less important. The fact that we have enough time to talk about this underlines how little time we have had to talk about even more important issues. The argument that we are having is a kind of surrogate for the arguments that we should have had if the timetabling system had enabled us to do so.

I do not think that my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) is right in his concerns, but it is perfectly reasonable to debate the amendment in order to underline them. I do not think that the operation of what we are discussing enacts changes that are more serious than those that are part of the decision to accept the treaty of Lisbon. The treaty creates the terminological change from the European Communities to the European Union. For me, that is an admirable change that enables us to move forward rather than backwards, and I am pleased about that. However, it has come to something when we have to discuss an amendment of this kind in order to be able to talk about the changes that we would otherwise have been able to talk about in normal line-by-line discussion of the treaty. This is the first time that we have had time to discuss this very important treaty in such detail. It is clear, given those present in the Chamber, that we are likely to be able to discuss everything before us in the time that we have available, which is unique.

For those of us for whom there is no terror in this remarkably valuable treaty, the House's inability to debate and argue in order to show that it is much less difficult than how some would characterise it has proved to be a great loss. As we proceed, it has been noticeable that even the residual concerns that one might have had have evaporated when properly debated. I have been much cheered by the fact that at the end of many debates I have found that, in relation to certain problems that I had, the argument for the treaty has clearly been made. If one does not have time to have the argument, one cannot have it—that is why it is important that we have this discussion.

I say to my right hon. Friend the Member for Wells that it is true that we have to move forward, and it is true that we have qualified majority voting. He has gone from that to saying that we must have a rather more complex way to deal with the terminological changes involved. That is a mistaken argument, as is the argument against qualified majority voting. Speaking as one who has worked under that system, and the veto system, in the European Union, I always found it much easier to get my own way under QMV. Under the veto system, one is using what might be called an atomic bomb on every occasion, while under QMV, one is normally able to win if the issue is important.

5.30 pm

My right hon. Friend chose an example where Britain was entirely in the wrong, and I am pleased that at long last artists have a right that they should have had before. It is quite unacceptable that great works that are recognised as such later in their lifetime should be sold for huge and inflated amounts while the artist receives nothing. I have always thought that, and the fact that other nations outside the EU have not recognised it seems a pity. I am pleased that we lost that particular battle, but I shall come on to say why I think that QMV works.

Mr. Heathcoat-Amory: On a point of information, the artist will not receive the money because the work of art will be sold in another jurisdiction where the levy does not apply. Not only will the artist not get the money, but his gallery, the auctioneer, and all the restorers, packers, clerks and framers will lose business. The Government were right. It was a well-meaning measure, but it would not have been effective. That was shown conclusively by the independent study sponsored by the *Antiques Trade Gazette*, which I now take pleasure in handing to my right hon. Friend.

Mr. Gummer: I take much pleasure in receiving it. I think that I already have a copy of it, and the arguments in it take one side of the matter.

I have a curiously old-fashioned view, which is that if one wants to change something, one changes it and then tries to convince other people. My right hon. Friend is really arguing that we should never do anything in the United Kingdom, let alone the European Union, to which one cannot get everyone else to agree in the first place. I cannot go along with that because as an environmentalist, I am deeply concerned that the EU should do a range of things that the rest of the world is not doing. We have to set an example, and show that we are prepared to do something.

I disagree with my right hon. Friend on the issue in question, but even if he is right, he cannot argue that that is a reason for changing the clause through the amendment. The two do not hang together. The only reason I have spoken on it was that I thought it worthwhile maintaining that not everyone agreed with his view on QMV or on the issue that he raised.

The problem with the understanding expressed on QMV is that it fails to face the issue of what it means to co-operate. If co-operation is to be effective, when one shows willingness to do so, either under QMV or where there is a veto involved, it must stand so that it is something upon which others can depend. If it cannot stand, and we are merely considering a matter of part-time occasional agreement between Governments, there is no way in which the great efforts that we have to make in the EU can be made. Mrs. Thatcher understood that perfectly well when she insisted that the Single European Act, which changed more than anything else we have talked about, should not be subject to changes of Government or changes of attitude in Parliament.

Mr. Lilley: I am grateful to my right hon. Friend, who is eloquent and interesting, as always. He said that he found it easier to get his way through qualified majority voting than when he had a veto. Would he give us an example of an area of policy where he failed to get his way even though he had the veto?

Mr. Gummer: Of course, in any discussion, one does not always get everything one wants, and I would not dream of suggesting that I was always 100 per cent. successful.

Mr. Lilley: An example of one success?

Mr. Gummer: Against the background of qualified majority voting, everybody seeks not to push things that matter seriously to someone else because they do not want to be pushed in the opposite direction in some future discussion. A collegiate result, which is very effective, is therefore achieved. The trouble with vetoing is that one can rarely use it if one is to be successful in the collegiate attitude, and, in my experience, one gets one's way less. My right hon. Friend may have other experiences, but it is what I believe.

My right hon. Friend the Member for Wells said that QMV for energy matters means that we could tie ourselves to things that we want to change after the election. He is right. However, if we were to do as he suggests, we could not make long-term energy agreements in the European Union because we would have to allow 27 countries to sign up to agreements only after they had held general elections. Or do the British believe that somehow their Parliament has a different role to play? I would find that a difficult argument to present.

Mr. Heathcoat-Amory: Does my right hon. Friend seriously advance the proposition that co-operation on energy requires the treaty? The United Kingdom is party to thousands of policy agreements with other countries and organisations throughout the world on the basis of unanimity. Does he believe that we require the treaty, with QMV, to do what we have done for scores of years under existing procedures?

Mr. Gummer: No, not to do what we have done for scores of years but to achieve something more effective. We have not dealt with matters effectively and we therefore need a mechanism whereby we can do that over a long period. The point about the European Union is that it enables us to work with other colleagues in a context that people understand to be one in which we make decisions for the long term in a manner that enables us to give and take. My problem with my right hon. Friend's argument and that of all those who dislike the European Union or the treaty of Lisbon is that it fails to understand that the institutions that we need to deal with a globalised world are not the same institutions that we have used previously.

The great thing about the European Union is that it has grasped the fact that the countries of Europe must decide either that they will continue to play the game by the old method, and thereby remain outwith the genuine arguments, or that they will act together so that they are at the heart of major global decisions. Acting together demands the sort of institutional changes for which the treaty of Lisbon provides.

The wording of clause 3 is maladroit—the Government are, of course, known for their maladroitness in writing anything. Indeed, one of the reasons that I feel so passionately about what the Government have done to the House is that past Governments known for maladroitness were put right by the long period of debate and discussion in Committee. However, the Government, like a secretary who does not want a dictionary in case it proves that she cannot spell, have destroyed the dictionary. No one is therefore allowed to argue with the Government in a detailed way.

Although normally I would have allowed my right hon. Friend to continue with the view that he has, in his mind rightly, held for many years—I have always held the opposite view—on this occasion I thought it right to use the issue to show the House why a line-by-line debate on the treaty was not only what we were promised, but what would help the Government. Such a debate would enable them both to see whether things were less adroitly presented than they might wish them to be and—I am sure that the Minister will do this in his summing up—to promise the House that they would treat the provisions as though they had been properly written. Indeed, the Minister might even think of a slight amendment in the wording, but we shall see whether that is so.

Lastly, I am concerned about the proposed mechanism, for this reason. If I am right that we are talking about a matter of nomenclature—the hon. Member for Wolverhampton, South-West (Rob Marris) was right to say that it is perfectly possible to argue that the nomenclature reflects a big change in the treaty—one would certainly not want to make the change proposed in the amendment, because that would give people a much greater opportunity to stray beyond mere nomenclature. Were we to agree to the amendment, that would suggest that there was in fact an area in which the Government could stretch what they could do through such relatively easy mechanisms beyond that which would be reasonable.

I am therefore opposing the amendment that my right hon. Friend the Member for Wells has moved, partly—if I may put it so presumptuously—for his own good. Were he to gain what he seeks, he would be giving future Governments an excuse to move beyond the mere nomenclature to something greater.

Mr. Heathcoat-Amory: I hope that my right hon. Friend has not completely misunderstood the reason for my amendment. The reason is precisely to give the House a check, to ensure that in making such changes in future the Government were not, under the cover of making name changes, in fact making substantive changes. Surely he should join me in enhancing the power of the House to ensure adequate scrutiny of the Executive in implementing clause 3.

Mr. Gummer: But in my view the Government would not, in the relevant circumstances, have the power under the Bill to make changes other than those to mere nomenclature. I am concerned that placing before the House a system that my right hon. Friend knows to be limited in effect would not only encourage the widest interpretation, rather than the most narrow, but give people a belief that he had achieved something that, frankly, he would not have achieved. Neither of those are very suitable results; therefore I want neither of them.

However, my right hon. Friend is right that the treaty makes some substantial changes. I would merely argue that those changes add considerably to the power of the United Kingdom and give us greater influence in the world, which makes it possible for us to play a part

that we would not be able to play otherwise. I have confidence enough in the United Kingdom not to be worried that, working with colleagues in the rest of Europe, we cannot get our own way most of the time.

Jo Swinson (East Dunbartonshire) (LD): It is a delight to follow the right hon. Member for Suffolk, Coastal (Mr. Gummer). I have been enjoying his contributions to these debates very much, particularly the one last Wednesday, when he gave us a tour de force on the environment. I was also intrigued by the head-to-head exchange between the hon. Member for Wolverhampton, South-West (Rob Marris) and the right hon. Member for Wells (Mr. Heathcoat-Amory). The right hon. Gentleman has taken a keen interest in European affairs over many years and outlined in detail his concerns about clause 3.

I intend to restrict my comments to the amendment, which I hope will find favour. Given that I take a different view on Europe from that of the right hon. Gentleman, it will perhaps not surprise hon. Members to learn that I disagree with much of what he said, particularly about the huge impact that the proposed change in the wording could have. However, I am able to agree somewhat with the spirit of his amendment. My party is in favour of proper scrutiny in the House, which is why, during our deliberations on the programme motion, the Liberal Democrats joined the Conservatives to argue that more time be given for the House to discuss these matters in more detail.

5.45 pm

I believe that the changes proposed in the orders will be very technical. None the less, the amendment proposes the sensible change of moving from the negative to the affirmative resolution procedure. That would not be a huge burden on the House. Indeed, if the changes were purely technical, as I expect they would be, one could imagine the Statutory Instrument Committee dealing with them quite briefly—although perhaps not if some of the hon. Members present today were selected to serve on it. It is not as though the amendment were asking for an Act of Parliament to be passed whenever a change in terminology was proposed.

I have sat on many Statutory Instrument Committees discussing changes of an incredibly technical nature involving the change of certain words, and I do not think it would be a great problem to deal with such matters under the affirmative resolution procedure. It keeps Ministers on their toes more and ensures proper scrutiny. Given the lack of time that we have for the Committee stage of the Bill, it would be another way of ensuring that additional scrutiny could be undertaken. I therefore welcome the perhaps rare opportunity to support an amendment tabled by the right hon. Member for Wells, as it would enable us to have greater power to scrutinise various aspects of the Bill.

Mr. Cash: I want to take a close look at the impact of the extremely good amendment in relation to the way in which we legislate in the House. In particular, I want to focus on subsections (4) and (5), and to try to draw out the fact that I believe there to be somewhat more at the heart of this than seems to have been apparent so far.

I have alluded many times to the manner in which the whole of the legislation that leads us to this specific focus arose. It arose from a mandate. The proper discussion with the European Scrutiny Committee that usually takes place in these treaty-making arrangements did not take place this time, because the House and the European Scrutiny Committee were bounced when the German presidency put together a mandate, at extremely short notice, in order to wriggle out of the mess that the original constitutional treaty had got into.

I shall not trespass on your patience, Sir Michael, with respect to the relevance to the amendment of what I am going to say, but I want to make this point clearly. A vast amount of European legislation is made through statutory instruments—far more than Members of the House appreciate, and far more than is made by Acts of Parliament. Contrary to what the Liberal Democrat spokesman said just now, the powers that are given to enable those statutory instruments to be made in respect of European legislation have the character of Henry VIII clauses, because there is a power to use the statutory instrument procedure to modify Acts of Parliament under section 2 of the European Communities Act 1972. In other words, this is an explosive provision, because within it lies the power to generate amendments that could lead to amendments of Acts of Parliament. I think that the Minister, who I am sure has been properly briefed, will know exactly what I am saying. This is a huge Trojan horse and a very substantial incubus within which Acts of Parliament will be affected and amended.

This mandate is used to describe negotiations between member states' Governments with a view to amending those treaties—that is, all the existing treaties. As we have already heard, the transmutation of arrangements under the European Communities and their conversion into the Union is much bigger than it might seem at first sight. The power to make statutory instruments to modify existing Acts of Parliament in pursuance of sections 2 and 3 of the European Communities Act 1972 is mutually interdependent with the change that took place, as I shall explain.

The mandate suggests an amending treaty that would amend, but not replace, the EU and EC treaties. The latter treaty would be renamed the treaty on the functioning of the Union, as we discovered in previous debates, but the word "Community" would be replaced by the word "Union", with the Union having a single legal personality and replacing and succeeding the Community. That is one of the reasons, as I explained previously to the hon. Member for Wolverhampton, South-West (Rob Marris), why the treaty has a constitutional character. By replacing and succeeding the Community, as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) explained—I backed him up in my interventions—the pillars get changed, so there is a constitutional change. It is directly relevant to our discussion about affirmative or negative resolutions and directly relevant to the way in which the House legislates, as I shall explain more fully later.

The mandate argues that the amended treaties

"would not have a constitutional character".

However, the European Scrutiny Committee made the position absolutely clear through its expert legal adviser, to whom I pay tribute again for his work. For, as the Committee went on to say, "this could be misleading".

[Mr. William Cash]

If the effect of the changes is to bring about the collapse of the pillars, which we know it is, with established doctrines of Community law such as direct effect, exclusive external competence and a full jurisdiction for the European Court of Justice, the change is, as I said in previous debates over the past few weeks, substantial and constitutional. In other words, there is a substantial equivalence between the original constitution and the one that we are now debating, which would bring what is done intergovernmentally within the more supranational framework of the Community method. That poses an enormous constitutional question. It may sound difficult; it may even sound boring; it may be turgid; it may be arcane, as my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) mentioned; but it is significant.

I listened with fascination to the way in which the Government and Labour Members attempt to elide and slide over those questions. The reason for having a referendum is contained in this whole body of law that I have described, this Community method, this fundamental constitutional change in how we are governed—and its direct impact on the daily lives of our constituents who vote for policies and laws in general elections. Those people will find—and have already found by virtue of previous European legislation—that they are effectively excluded from the democratic process because they cannot change it subsequently.

For all that to be done by a statutory instrument is proof of the significance of what I am saying. People outside will not believe that legislation can be properly discussed in respect of the tens of thousands of statutory instruments or amended in respect of Acts of Parliament. If a statutory instrument has the power to modify Acts of Parliament as well, I am sure you would understand me, Sir Michael, if I said that the incubus whereby a statutory instrument effectively becomes an Act of Parliament is of immense constitutional significance. *[Interruption.]* I hear the hon. Member for Wolverhampton, South-West saying that it is not. I am always more than happy to give way and I would be delighted to hear his reasoning. When he hears what I have to say later, perhaps he will reflect on it, but I am happy to give way to him now.

Rob Marris: I am grateful to the hon. Gentleman for offering to give way before I had even indicated that it might be convenient. What the hon. Gentleman is doing is reading into clause 3(4) the word "modify". I recognise that the noun "amendments" is also there, but as I said earlier, that is qualified by the second half of the provision, which continues with the words

"to reflect changes in terminology or numbering arising out of the Treaty of Lisbon".

The hon. Gentleman talks about the surprise of members of the public, but I believe that they would be surprised if, when a provision needs renumbering, we have to have a debate on the Floor of the House to provide for it, which is what would happen if the amendment were passed.

Mr. Cash: I am extremely glad that the hon. Gentleman has walked into a trap, which I had not intended to set for him, but which he has created for himself. I was not referring to modification by reference to the Bill, but to modification that is inherent in the manner in which statutory instruments are made under section 2 of the European Communities Act 1972, as I shall explain.

Let me quote from Bradley and Ewing, one of the greatest constitutional authorities on this issue:

"However undesirable this might appear in principle, Parliament frequently delegates to ministers power to amend Acts of Parliament."

We need to bear in mind the fact that the European Communities Act 1972 sets these provisions, which emerged from the application of sections 2 and 3 of the 1972 Act, in concrete through the acquis communautaire and also provides for the ultimate arbiter—the papal infallibility of the European Union, we might say—the European Court of Justice, which is effectively unchallengeable. On the face of it and subject only to my new clause 9, which I hope the House will vote on in a couple of days' time, this provision will not be capable of repeal.

The great constitutional authorities say first that this might appear undesirable, but they go on to say:

"The term 'Henry VIII clause' is given to such provisions and numerous examples may be found in the Scotland Act 1998"

and often in other such constitutional measures—and we should note that it also applies to

"the Government of Wales Act 1998".

It continues:

"When the power in a new Act is restricted to amending earlier Acts that are directly affected by the new reforms, the power is less objectionable than when it extends to amending the very Act that contains the power."

That is what we are talking about here.

6 pm

The authorities go on to say:

"Three instances of delegated power to modify Acts of Parliament may be given."

The first—surprise, surprise—is the European Communities Act 1972, section 2(2)—the very provision that we are now discussing, because it is under that provision that the statutory instruments would be subject to annulment, which the amendment tabled by my right hon. Friend the Member for Wells seeks to change. My hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) and I agree with him—we have also put our names to the amendment—that at the very least the affirmative procedure should be used. I shall point out in a minute—I am afraid that it will not be a minute, Sir Michael, but a little longer—a serious contradiction between the Bill and the 1972 Act, certainly in spirit if not in precise effect.

Section 2(2) of the 1972 Act

"authorises the making of Orders in Council and ministerial regulations to implement Community obligations of the United Kingdom"—

under clause 3, that wording, "Community obligations", would be changed, through the schedule which the hon. Member for Wolverhampton, South-West and I were discussing earlier, to "EU obligations"—

"to enable rights under the European treaties to be exercised and 'for the purpose of dealing with matters arising out of or related to any such obligation or rights'".

Schedule 2 to the 1972 Act, on which the making of statutory instruments turns, throws up one or two interesting questions, because it

"excludes certain matters from the general power, including the imposition of taxes, retroactive legislation and the sub-delegation of legislative power (other than power to make rules

of procedure for any court or tribunal). Subject to these limitations, measures made under section 2(2)"—

the instruments made in pursuance of European treaty obligations—

"may make 'any such provision (of any such extent) as might be made by Act of Parliament'".

What we are dealing with, Mrs. Heal—I welcome you to the Chair—is a provision within section 2 of the European Communities Act, to be exercised through statutory instrument, which in turn has the same effect as any Act of Parliament.

My hon. Friend the Member for Rayleigh (Mr. Francois) might be interested to know why I am so concerned to ensure that we retain the supremacy of Parliament and the right to be able to redress things that can go wrong. It is to ensure that the courts do not apply the European legislation in such a way as to set it in concrete, and/or even, as in the case of Factortame and the Merchant Shipping Act 1988, to strike down Acts of Parliament. That might not be known to many people outside the House, because we tend to talk to one another. I hope that the BBC, under its charter, and others will ensure that people know that under the European Communities Act 1972, our ability to legislate is increasingly incapacitated.

Under those kinds of provisions, to be exercised through statutory instrument—as I shall describe in a moment, mere annulment on the Floor of the House is virtually no defence whatever—legislation is being imposed on the voters of this country in a manner that would horrify them if they knew that it was going on. What would they think if they also knew that it could not be repealed, on the assertions of the European Court, but not on my assertions or those of the House, if it properly considers such matters? Through a "notwithstanding" formula—notwithstanding the 1972 Act—we could ensure that nothing in the Act, including the provision related to the statutory instruments that can modify Acts of Parliament, shall be construed by any court of law as affecting the legislative supremacy of the United Kingdom Parliament. That is an essential safeguard. This contribution on the effect of statutory instruments and the vast amount of power that they contain, under the arrangements, complements my speech on supremacy last Wednesday.

The authorities continue:

"The intention in using such wide language must have been to exclude the possibility of judicial review on grounds of vires in the case of instruments made under section 2(2)."

Therefore, we are dealing not only with provisions that have the effect of being like Acts of Parliament, which cannot be amended because of the 1972 Act, but with judicial review being ruled out. That is pretty darn close, and is actually past the tipping point of an elected dictatorship—not even within the House, but going out into the European Union. In relation to thousands of statutory instruments, we are effectively being asked to hand over a power under section 2 that is virtually unchallengeable. In a moment, I shall deal with the minuscule, residual and meaningless opportunities for Members of the House to do anything about the instruments in question and their huge consequences. A power of annulment is a pathetic little block on the power that that provision gives to the European Union and Ministers.

It is truly said that the provisions of Community law that do not have direct effect were addressed in two ways by the 1972 Act: first, by making amendments to existing legislation to bring it into line with Community law; and secondly, by introducing a general power to make subordinate legislation—the matter that we are discussing—to cover future as well as present Community instruments.

According to the great commentators in their constitutional work,

"Although there was concern about the new power to make subordinate legislation, the government did not expect the power to be frequently used".

I believe that that refers to the Government of the late right hon. Edward Heath. I have to say that I have always had the gravest reservations about the way in which the 1972 Act was put through, and about the broken promises contained in it. As for the statement that

"the government did not expect the power to be frequently used",

perhaps they said that they hoped it would not be used. The authors of this great work then add

"an expectation which was clearly unfulfilled."

Under section 2(2) of the 1972 Act, regulations may be introduced by a designated Minister

"for the purpose of implementing any Community obligation".

Under the schedule, for "Community obligation" we must read "EU obligation", and for "EU obligation" we must read

"The Union shall replace and succeed the European Community."

That derives, in this context, from the unacceptable, deceitful mandate that was put through without reference—except on 20 June—to the European Scrutiny Committee, which is given the power and the right, on behalf of Members of Parliament, to report to the House about provisions that arise in relation to European legislation. The House has been conned by the German presidency and by the collusion of our own Government, who went along with it.

We cross-examined the Minister for Europe—who is sitting here today—and the Foreign Secretary, and asked them about the timing. I will not go into all of it now, but the bottom line is that the European Scrutiny Committee—a Labour-dominated Committee, I might add—was so appalled by what had gone on that its members, including our excellent Chairman, went on record in two reports proving the deceitful manner in which the thing had been done, and also stating that this constitution was substantially equivalent to the original constitutional treaty.

You will understand, Mrs. Heal, why I am linking the vast powers that the clause provides to the manner in which the whole process has been conducted. It is a thorough disgrace. It is completely outside the norms of parliamentary legislative processes. To my mind it is the equivalent of the dreadful provisions in the so-called Northern Rock Bill, but I need not go into that again today.

According to the great authorities whom I have been quoting, the Government said that they

"did not expect the power to be frequently used".

For the benefit of those who wish to see what was said at the time, a reference is given:

"HC Deb, 15 February 1972, col 282."

As I observed earlier, the Government may have merely said that they did not expect that to happen, but any such expectation "was clearly unfulfilled".

Section 2(2) of the 1972 Act, which enables powers to be introduced by a designated Minister for the purpose of implementing Community obligations, is subject to schedule 2, which provides that the regulations may not be used for the purposes that I mentioned earlier. As I said, one is retrospection and another is tax. A third is the creation of

"any new criminal offence punishable with imprisonment for more than two years or punishable on summary conviction with imprisonment for more than three months or with a fine"

amounting to more than level 5 on the standard scale. The power to make regulations under those provisions is exercisable by statutory instrument which—these words are important—

"if made without a draft having been approved by resolution of each House of Parliament, shall be subject to annulment in pursuance of a resolution of either House."

6.15 pm

The amendments would specifically remove the right to make the resolution subject to annulment, in line with what was, apparently, originally intended. They are extremely important, because they propose that, at the very least, the order should be subject to approval rather than—as clause 3 proposes—subject to annulment. However, that is said without prejudice to my other point, which is that the process should not take place in a way that would enable, by statutory instrument, the variation and modification of matters that should be dealt with by Act of Parliament.

These provisions are the European equivalent of a Henry VIII clause, which I should think would be a Charles V clause, a Frederick the Great clause or a Catherine the Great clause. This is another example of the change that is taking place in the way in which we legislate. It should be done, if at all—and I wish it were not done—by Act of Parliament, and not by any statutory arrangements of the kind that are being proposed. Fresh obligations under Community law continue to be implemented by both primary and secondary legislation, but, as I have said, it is not possible to amend these legislative arrangements, whether by primary legislation or by statutory instrument.

The constitutional commentators say:

"Although the power to make subordinate legislation has been widely construed, the government must indicate in clear terms what primary legislation is being repealed or amended when this procedure is invoked."

That is according to R (on the application of Orange Personal Communications Services Ltd) *v.* Secretary of State for Trade and Industry [2001].

We are dealing with matters that have been given a great deal of judicial notice, but the reality remains that under section 3 of the 1972 Act it is incumbent on courts to give effect to what the European Court of Justice decides. It is necessary to complete the process to give effect to European law, hence my new clause 9, which would give us the right to reassert and put into effect the "notwithstanding" formula to override the 1972 Act where necessary.

Lest anyone imagine that that has not been done before, I remind Members that two years ago, in May 2006, the Bill that became the Legislative and Regulatory Reform Act 2006 was debated in the House. It was all to do with burdens on business, a matter of huge importance given that Commissioner Verheugen has said that it is costing the European Union some £100 billion a year, or perhaps €100 billion a year—anyway, a vast amount. That is a European Commissioner saying that over-regulation has gone mad. I wrote a pamphlet called "The Strangulation of British Business" along the same lines. The statutory instruments made to give effect to this over-regulation are now based on the Legislative and Regulatory Reform Bill, in which there is an order-making power to give effect to, among other things, European regulatory reform legislation. They call it better regulation; I say it is much worse, because there is so much of it. The amount is secondary to the qualitative effect. The quantity is appalling, but the qualitative effect is vast, as Commissioner Verheugen has said. The provisions in the Bill that would be put through by annulment only must at the very minimum be made by way of affirmative resolution.

I proposed a "notwithstanding" formula to bypass the order-making power of the type referred to in clause 3. That formula, in the interests of economic competitiveness, was endorsed. The Whips asked if I would be good enough to allow them to take over the amendments. I said, "By all means, feel free." Lord Waddington, my good friend, took it through the House of Lords six weeks later. We did not win the vote but the Conservative party, here and in the Lords, endorsed the procedure, which would stop this nonsense taking place.

I now turn to the procedure that is to be followed. Irrespective of whether the matter is a European Community one or not, these are the parliamentary procedures prescribed for statutory instruments. I have here a helpful factsheet produced by the House of Commons Information Office. It is in good straightforward language and describes the nature of statutory instruments. It states that many laws in the UK pass through Parliament in the form of Bills, but:

"Often, Acts only contain a broad framework and SIs are used to provide the necessary detail that would be considered too complex to include in the body of an Act.

Secondary legislation can also be used to amend, update or enforce existing primary legislation. Statutory Instruments are just as much a part of the law of the land as an Act of parliament. The Courts can question whether a Minister, when issuing an SI, is using a power he has actually been given by the parent Act"—

that is the ultra vires question; is it within or beyond the powers of the Act?—

"but cannot question the validity of the Statutory Instrument for any other reason."

I have just pointed out that it was clearly intended that the method to be employed under section 2 of the European Communities Act 1972, to which these instruments relate, was designed to avoid questions of ultra vires being challengeable in the courts. The factsheet indicates that the process is not meant to be carried out in a way that would result in challenge in the courts, but we know that there has been a serious attempt to try to avoid European statutory instruments being challenged in the courts for lack of vires.

How do these statutory instruments get made? I was on the Joint Committee on Statutory Instruments for several years under the chairmanship of the late husband of the hon. Member for Keighley (Mrs. Cryer), Bob Cryer, a very good man and excellent cricketer, who captained the Yorkshire—

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. The cricketing skills of former Members of this House are not part of the amendment.

Mr. Cash: All I can say—the transcript will demonstrate this—is that although I am making a fairly substantial, some would say long, speech, every single word I have expressed is directly related to the instrument-making power and to the impact of the extension of EC law to modifying Acts of Parliament by statutory instruments, which is under no circumstances acceptable.

When I was on the Joint Committee, I suggested that against the title of every statutory instrument that came from the EU we should put a little "e" so that when people tried to judge whether or not the question of vires applied, they would know whether the instrument was related to a European Community obligation or not. I understand that once I left the Committee, that process was discontinued, which is a great shame. I hope it is to be brought back—someone suggested that there was talk of it—otherwise, one cannot track the extent to which European legislation has that overriding quality.

In relating this matter to the proposal from my right hon. Friend the Member for Wells that it should be subject to affirmative resolution, an interesting question arises from the procedure of negative resolutions. A negative resolution is a procedure for annulment.

Mr. Gummer: It sounds like something occult.

Mr. Cash: It is like "The Devil Rides Out", but the devil is in the detail. Instruments subject to negative resolution procedure become law unless there is an objection from the House. The instruments are laid in draft and cannot be made if the draft is disapproved within 40 days. That is significant because it is not possible under the 1972 Act to disapprove a draft; one is not allowed to as a result of the implications of sections 2 and 3 of that Act.

Clause 3(5) of the Bill states:

"An order under subsection (4)—

(a) may include incidental provision

(b) shall be made by statutory instrument, and

(c) shall be subject to annulment in pursuance of a resolution of either House of Parliament."

That is nonsense. It is quite clear that such an order cannot be made if the draft is disapproved within 40 days. It is not, however, possible for the House to disapprove it because of sections 2 and 3 of the 1972 Act, so this provision in the Bill is a complete nonsense. I would like the Minister to address that point. It has taken me quite a long time to reach it, but it must be right because I am referring to a House of Commons factsheet. It states that statutory instruments that are subject to the negative procedure

"cannot be made if the draft is disapproved within 40 days",

but there is no power to do that under the 1972 Act—which, incidentally, is part and parcel of the entire operation of the Lisbon treaty. Therefore, as I have said, this provision is complete nonsense.

6.30 pm

It would be preferable for the instruments to be subject to affirmative procedure, because under those arrangements instruments cannot become law unless they are approved by both Houses. I say with due deference to my right hon. Friend the Member for Wells that although I agree that it is important for us to have something better than the negative procedure, the reality is that even if we have the affirmative procedure and do not use primary legislation, we will run straight into the problems of the acquis communautaire and the 1972 Act. Furthermore, even primary legislation can be overridden—which is why I tabled new clause 9 on the supremacy of Parliament. Therefore, we are in a fine old mess, and I do not think it is possible for people to appreciate quite how much power has drained away from this House.

There is a body called the Joint Committee on Statutory Instruments; I have served on it. There is also a new Lords Committee on the Merits of Statutory Instruments. It was first appointed in December 2003, and it complements the work of the Joint Committee. The Merits Committee's task is to consider the policy implications of statutory instruments and to decide whether a statutory instrument should be drawn to the House of Lords' attention on certain grounds, including

"that it is politically or legally important or gives rise to issues of public policy likely to be of interest to the House"

and

"that it inappropriately implements EU legislation".

Therefore, in relation to the provisions under clause 3, it can ask whether any instruments inappropriately implement EU legislation. I do not, however, believe that it will ever say that any instrument does do so inappropriately. I dispute the primacy of European law, as do many of my colleagues—more than 40 Members have signed my amendment on supremacy, and many others of all parties agree. The arrangements stipulated in relation to the primacy of European law—asserted by the European Court of Justice and weakly accepted by our Government and other Governments—even assert powers over our constitutional rights. They must be rebutted.

I regret having had to explain this situation at some length, but it is important to understand that my speech has not been just a European filibuster or a Eurosceptic rant. It is about the way we legislate under the procedures prescribed in clause 3, the inadequacy of the control that we have over them, and the inability to be able to deal with European legislation in many instances because of sections 2 and 3 of the 1972 Act. It is therefore necessary for us to reassert in practical terms—not just as a matter of general principles or abstractions, or in theological dissertations—how we can ensure that where negotiations have failed, we legislate on behalf of the voters of this country, so as, in relation to burdens on business for example, to guarantee economic competitiveness in the manner suggested by the current leader of the Conservative party.

Mr. Clappison: It is a great pleasure to follow my hon. Friend the Member for Stone (Mr. Cash). I do not pretend to have anything like his mastery of the detail of this matter, but what shone forth from his analysis was the same underlying point as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) made in opening the debate: the need for transparency, and to ensure that points of significance are not disguised by terminology and that matters of substance are there for all to see. I think that we can make common cause on the fact that there has not been as much transparency as we would have liked in these proceedings, and in the process that led up to the intergovernmental conference mandate and then the IGC itself. It cannot be pretended that this has been a transparent process. I wonder whether the Minister can stand up and say that the process that led up to the IGC mandate in particular, which was little changed after the IGC itself, was as transparent as the Government would have wished it to be. I do not think anybody could say that it was transparent. My hon. Friend put forward one point of view and my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) properly and honourably put forward another, although I certainly do not agree entirely with his different conception of Europe, but we can make common cause on the fact that there has not been the amount of transparency that there should have been.

My right hon. Friend the Member for Wells was entirely right to set all of this within the context of the overall changes that the Bill and treaty are making. We must begin by referring to the pillar structure, which we obtained from the Maastricht treaty. We were told at the time that that would be the settlement for Europe. It was said that the Maastricht treaty was the high point of European federalism: that it would put that beyond doubt and that in future matters involving our relationship with Europe would be contained within the system of the three pillars—the Community pillar and the intergovernmental pillars of justice and home affairs and common foreign and security policy. However, through the current treaty we have now seen the collapsing of those pillars. Instead we have, in effect, one treaty divided into two parts, which is why transparency is so important.

My hon. Friend and my right hon. Friend the Member for Wells were right to draw attention to the unifying effect of the treaty. It is there in article 1; we have gone from the three pillars to what is contained at the beginning of the treaty, which is there for all to see and which is a change from the treaty of Nice. We are told under title 1, article 1:

"The Union shall be founded on the present Treaty and on the Treaty on the Functioning of the European Union (hereinafter referred to as "the Treaties"). Those two Treaties shall have the same legal value. The Union shall replace and succeed the European Community."

The First Deputy Chairman: Order. I ask the hon. Gentleman to relate his concerns to the amendment under discussion.

Mr. Clappison: As my right hon. Friend made clear in his opening speech, when there are further changes in terminology within the structure we should have the opportunity to debate them in the House under the provisions of clause 3(5), and we should have the appropriate procedures so we know exactly what is taking place when, for example, there is a change in the treaty on the functioning of the European Union and the area of common justice, freedom and security, or a change in the common foreign and security policy which takes place within the treaty on European Union.

The terminology should be clear, because we need transparency as to what is taking place. My hon. Friend was right to set this in the context of what took place in the lead-up to the IGC mandate, because terminology is so important in that regard.

I think it is commonly agreed that we did not have the opportunity to scrutinise the proposals that the Government discussed at the IGC mandate Council meeting in June. The previous Foreign Secretary told the European Scrutiny Committee at the beginning of June that no negotiations or discussions had been taking place, yet on 19 June the IGC mandate was produced, 48 hours and 30 minutes later the Council opened and two days later, on 23 June, an agreement was reached. This country agreed to the IGC mandate and, as the Minister for Europe can confirm, it was not changed very much in substance by November's subsequent IGC.

We had no opportunity to scrutinise the terminology or the substance. That is so important as far as terminology is concerned because we know that the Government received a questionnaire from the German presidency in the period leading up to June's IGC mandate Council meeting. The Government told us that no discussions or negotiations had been taking place, yet we know they received a questionnaire from the German presidency last April, or thereabouts, asking them how terminology could be used in relation to the substance of the proposals being discussed.

Question 3 of that questionnaire asked:

"How do you assess the proposal made by some Member States using a different terminology without changing the legal substance, for example with regard to the title of the treaty, the denomination of EU legal acts and the Union's Minister for Foreign Affairs?"

Terminology is so important because we are debating how we are to scrutinise such matters in future and we must ensure that we have the right type of scrutiny.

Question 1 asked:

"How do you assess the proposal made by some Member States not to repeal the existing treaties but to return to the classical method of treaty changes while preserving the single legal personality and overcoming the pillar structure of the EU?"

This is exactly what is happening in this treaty and what was contained in the original European constitution, which we all know was rejected. Perish the thought that the thinking behind the German questionnaire was how the states concerned were going to get off the hook, disguise the fact that they wanted the constitution and change the terminology in order to do so—perish the thought that that was the process.

We know that the German questionnaire was sent to member states, including to our Government, only because it was leaked—again, no transparency. Our Government have yet properly to admit even that they have received it. The then Foreign Secretary was asked about it in Foreign Office questions last May by my right hon. Friend. The substance of her reply was that she barely knew about it and she would take no notice of it. I do not think that that is doing her a disservice,

because she said that there had been no negotiations and she seemed not to have known much about the questionnaire. We certainly know that we have not seen what our Government said in response to the questionnaire.

The First Deputy Chairman: Order. Perhaps the hon. Gentleman could relate his concern over the questionnaire to the amendment that we are discussing.

6.45 pm

Mr. Clappison: Although you are right to ask me that, Mrs. Heal, I am spot on the case because we need to know that this House will have the opportunity to debate terminology to ensure that substance is not being disguised behind it, as happened in the very process by which this treaty was brought into being.

The Minister could go a long way towards answering our concerns by telling us why the Government are so reluctant to publish their response to the German questionnaire—it is not too late, but I do not suppose they will do so. The Minister looks a bit concerned about that, but if we are to accept that the Government are being transparent, we need to know what their response was. The questionnaire's wording makes it evident that proposals had been made by member states, so while he is at it perhaps he could tell us whether the Government made any proposals to the German presidency before it came up with this questionnaire.

Rob Marris: *rose—*

The First Deputy Chairman: Order. Perhaps we can move away from the German questionnaire.

Mr. Clappison: I hope to come back to the hon. Gentleman, because I know that he is very interested in this matter.

I agree with the analysis, although not the conclusions, of my right hon. Friend the Member for Suffolk, Coastal on this matter. We also need transparency because of the extension of qualified majority voting. We will have a debate on that later, but transparency is important because the treaty marks a sea change on QMV and several of its provisions will make it much easier for the Community to move to QMV. The treaty was designed by those who negotiated it with that view in mind. Such provisions can only be in place to make it easier to move to QMV. Whether one agrees with QMV or whether, as I am, one is reluctant about it and thinks that it should be handled extremely carefully because it involves a significant movement of sovereignty—

The First Deputy Chairman: Order. We have a debate tomorrow on qualified majority voting, in which I look forward to hearing from the hon. Gentleman.

Mr. Clappison: Indeed, and I hope that I will catch your eye, or the eye of whoever is in the Chair at that time, Mrs. Heal. This is just a little preface of future remarks. We have been short of time in these debates and Back Benchers have often not had the opportunity to contribute, so we might not get a chance to hear them later. We need transparency, given what has taken place and what I suspect is in store for us—future incremental constitutional change, which this treaty embodies.

Mr. Mark Francois (Rayleigh) (Con): Amendment No. 39, which was ably introduced by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), would allow for all orders made under clause 3 to be subject to the affirmative resolution procedure rather than the negative resolution procedure, as the Government wish. It would thus improve the Bill by compelling the Government to lay all orders made under subsection (4) before Parliament and by instructing that such orders should all be positively approved by resolutions of both Houses. The amendment would thus improve parliamentary oversight of the implementation of the treaty's details into UK law without, for better or worse, wrecking the Bill in the process.

I hope that hon. Members from all parties, including the Liberal Democrats, who have expressed the wish to strengthen Parliament when outside this place, will join us in supporting the amendment. I understand that the hon. Member for East Dunbartonshire (Jo Swinson) said as much—

Jo Swinson: You missed that.

Mr. Francois: I apologise to the hon. Lady; I had to nip out of the Chamber for a few minutes, so I missed her contribution. I am grateful for her commitment that the Liberal Democrats would vote with us on the amendment, and we look forward to that being honoured when the Bell rings.

My hon. Friend the Member for Stone (Mr. Cash) also touched on the amendment briefly—for three quarters of an hour.

Mr. Cash: It was 50 minutes.

Mr. Francois: I have short-changed my hon. Friend—it was 50 minutes. He discussed the amendment knowledgeably. It specifically relates to the operation of orders made under subsection (4).

As my right hon. Friend the Member for Wells and others explained, the clause puts into United Kingdom law the terminological changes necessary to reflect the fact that the Lisbon treaty merges the existing EU entities, save the atomic energy body, into one legal entity, just as the original constitution attempted to do. The EU's three-pillar structure is largely abolished. Justice and home affairs are totally absorbed into what has hitherto been called the European Community, which is a fundamental change. The distinction in name and legal personality between the intergovernmental second pillar on foreign and security policy and the European Community is also done away with.

Those technical changes actually signify profound changes in the EU's structure, purpose and powers, belying the ridiculous claim that Lisbon is merely an amending treaty of little real importance, as the Government would have the House and the country believe. In the place of three distinct agreements, if the Bill is passed, we will have one new all-encompassing legal personality, swallowing up the distinct activities that come under the EU mantle. If the treaty is ratified, the European Union, which until now has existed only as an umbrella term encompassing the various European agreements, will become less of a temple and more of a monolith, with a unified legal identity in its own right.

[Mr. Francois]

The Minister is fond of saying that the constitutional concept has been abandoned, but whatever the Government's sophistry about the treaty, its outcome will be almost exactly the same as that of the old constitution: the collapse of the pillar structure, which until now has safeguarded sensitive parts of our sovereignty as intergovernmental, and the merging of the EU into one legal entity.

Mr. Cash: There is one point that we have not covered. Does my hon. Friend know why there are references in the clause to both the Secretary of State and the Treasury? If he does not, perhaps the Minister will tell us. There is a reason for it, and it would be interesting to know what it is.

Mr. Francois: I suspect that my hon. Friend is asking the Minister a question through me. I am sure that the Minister has heard it, and along with my hon. Friend, I look forward to hearing his reply.

The Minister for Europe (Mr. Jim Murphy) *indicated assent.*

Mr. Francois: He has obviously clocked it, and we shall hear his response in a moment.

The amendment would mean that changes such as I have described would be scrutinised by Parliament, and it would therefore improve the Bill. We were promised line-by-line scrutiny, but, as we heard earlier, that has not happened. If the amendment is accepted, we can at least scrutinise further changes to the terminology of the treaty, which, as we have heard in detail, could be of wide-ranging significance. It would not wreck the Bill, but would improve it. It will be supported by the Opposition and by the Liberal Democrats, and it would be nice to hear that the Government have decided to support it as well.

Mr. Jim Murphy: It is a delight to follow the hon. Member for Rayleigh (Mr. Francois), as always, and to have the opportunity to respond to the debate on the rather narrow amendment No. 39, which has been wide ranging and always in order. We have heard from a number of right hon. and hon. Members, including the hon. Member for Stone (Mr. Cash) in a speech that was 46 minutes short.

Mr. Cash: It was 50.

Mr. Murphy: I made it 46, but perhaps it was nearer 50. The hon. Gentleman said that he had been accused of a Eurosceptic rant or filibuster, but I hope that he accepts that at no point have I suggested anything of the sort. While listening to his reflections on the cricketing skills of the late Mr. Cryer, who was a Labour Member, I appreciated why the House had previously taken a view in principle on the timetabling of certain Government business. We were denied the opportunity to hear even more on the apparently great cricketing skills of my friend Mr. Cryer.

I shall respond to the specific, wide-ranging points that hon. Members made. I do not wish to go into detail on all of them, and the Committee would not thank me for doing so, because we have other amendments to reflect upon. A number of right hon. and hon. Members asked me about legal personality. We have been round the houses about it previously and are well versed in the arguments: having a legal personality is not new for the European Community or the European Union. The EC has had a legal personality since the treaty of Rome in 1957, and the EU has a functional legal personality that has enabled it to conclude 100 or so agreements in its name over the years.

Several right hon. and hon. Members mentioned competence. The Law Society guide to the treaty, which was published earlier this year, states:

> "There are five areas in which the UK and other EU countries have agreed that the EU alone may pass new laws. None of these is new to the Treaty of Lisbon."

I have made the point before that the Law Society is not some foreign construct aimed at undermining the established will of the United Kingdom; it has offered a considered opinion on EU competence.

Qualified majority voting was mentioned by the hon. Member for Hertsmere (Mr. Clappison), the right hon. Member for Suffolk, Coastal (Mr. Gummer) and others. In principle, the Government are in favour of its extension. I disagree with the right hon. Gentleman about some of his points about the handling of the Bill, but I understand why he made them. However, he was correct about the important dynamic that qualified majority voting creates for the United Kingdom in its negotiations with the EU. As the Committee is aware, the proposed move from qualified majority voting to double majority voting will increase the UK's share of the vote by 50 per cent. The change will improve the position of the UK and strengthen our bargaining position, as was pointed out by the author of a report by the London School of Economics.

Mr. Cash: The Minister is going through the points made in the debate, and I understand the formality of that, but I asked a number of substantive questions and I hope that he will come to them. Does he deny that the new arrangements will effectively give power to modify Acts of Parliament, and does he think that that is the right thing to do?

Mr. Murphy: I will, of course, get to the points that the hon. Gentleman made in his 46 or 50-minute speech.

Mr. Clappison: The Minister will know that in the White Paper leading up to the 2003 negotiation, the Government vehemently opposed the extension of qualified majority voting, because they said it would undermine the role of national Parliaments. So that we can scrutinise how much name changing will happen, will the Minister tell us why he thinks the Union is so keen to have qualified majority voting on, for example, foreign affairs? Under those provisions, apart from what we might do ourselves, such matters would not come before the national Parliaments of member states. Why is the Union so keen to move to qualified majority voting that it has a special—

The First Deputy Chairman: Order. I reminded the hon. Gentleman during his own contribution that the debate on qualified majority voting is tomorrow. I know that the Minister has made some reference to it. I hope that he will make a brief comment at most, and then we can move on.

Mr. Murphy: Of course, as usual, I will abide by your strictures, Mrs. Heal, and we may, of course, have the opportunity to debate that in tomorrow's proceedings.

Amendment No. 39, which stands in the name of the right hon. Member for Wells and is supported by the hon. Members for Stone and for Rayleigh, among others, is intended to make it more difficult for the Government to make changes to terminology or numbering in other UK laws that result from the Lisbon treaty. The Bill contains a power for the Government to update terminology and numbering in existing legislation. That is a power to make purely technical changes. For example, the article numbers in the treaties will change on the entry into force of the Lisbon treaty, and the co-decision procedure is renamed as the ordinary legislative procedure. Those are not changes in substance, but UK law may need to be updated to reflect such changes in terminology.

Again, I disagree with the conclusions reached by the hon. Member for Stone, but the Committee would generally agree that he made a thoughtful contribution. I hope that he will not mind my saying that his assertion was a criticism of section 2(2) of the European Communities Act 1972. It is commonly acknowledged that subsections (2)(a) and (2)(b) contain relatively wide-ranging powers.

7 pm

Mr. Cash: There are one or two points to make on that. First, it is clear from the authority that I cited that, despite what was said in February 1970 during the passage of that Bill, people did not expect the provisions to be used as they have been. Secondly, they had not anticipated the question of trying to exclude judicial review. Lastly, do not these provisions contain deeming arrangements that would be retrospective?

Mr. Murphy: The hon. Gentleman makes an assertion in respect of section 2(2), rather than section 1(2) of the 1972 Act.

Mr. Cash *rose—*

Mr. Murphy: If the hon. Gentleman will allow me to make a little progress and if time allows and the Committee's patience bears it, I will, of course, give way to him if he so wishes.

This reflects the powers and definitions in the general provisions in section 1(2) of the 1972 Act, contrary to the hon. Gentleman's assertion, which was a criticism of the much wider power that relates to the general implementation of treaties under section 2(2).

Mr. Cash: Surely, if a mistake was made in the 1972 Act that was apparently not expected at the time, as I have explained, this is the time to put it right, not to compound the problem, when all the treaties are amalgamated into the Lisbon treaty.

Mr. Murphy: I hope, rather than expect, to reassure the hon. Gentleman that a much narrower, more clearly defined power is being sought, and it relates to section 1(2) of the 1972 Act, rather than the more widely drawn section 2(2). The changes that we envisage will not involve any change of substance in existing UK legislation. This is purely a technical, updating exercise. Clause 3(4) makes it clear that the powers to update references in existing legislation is limited to reflecting

"changes in terminology or numbering arising out of the Treaty of Lisbon."

That is a narrowly defined power.

Rob Marris: My hon. Friend will have heard me remark that clause 3 would be better drafted if the word "definition" were included in its title and if the word "terminology" were removed from subsection (3). That would lead to greater understanding of subsection (4), on which the amendment has a direct bearing. Does my hon. Friend agree? If so, will such amendments be tabled in another place? If he does not agree, perhaps he will briefly explain why?

Mr. Murphy: Of course, I will happily do so. My hon. Friend has paid assiduous attention to every twist and turn of the Bill almost every day, and the Committee should give him the credit that he is fully entitled to. I listened with great care to the points that he made, and my view is that it would be unnecessary to make the changes that he suggests. Clause 3 will amend section 1(2) of the 1972 Act, which, of course, as the Committee will be aware, lists the definitions contained in that Act. Amendment of the 1972 Act is required only to reflect changes of terminology, which is what clause 3 is all about.

Let me make some progress on the argument. The Government need to ensure that all existing references to the European Community are updated and that other technical changes are made—for instance, reference to the numbers of treaty articles or the names of instruments and procedures. We need to be sure that that is done thoroughly, to ensure legal certainty.

There is no point in progressing along the lines suggested by the right hon. Member for Wells in respect of the affirmative procedure. The Government have referred in the Bill to both the House of Commons and the House of Lords. Subsection (5)(c) contains the words:

"subject to annulment in pursuance of a resolution of either House of Parliament."

That is the better way to progress. Under amendment No. 39, we would have to return to the House for each and every minor change of terminology, on the many hundreds of occasions that that may be necessary. The Bill will avoid that exercise, and it is clearly provided that any order will be subject to annulment in pursuance of a resolution. If the treaty is ratified and we do not update the terminology in our legislation, confusion and uncertainty could arise.

Finally, the powers are very closely defined in clause 3(4), and those narrow powers are reflected in the schedule. With those words, I hope that I have persuaded the Committee to oppose amendment No. 39.

Mr. Heathcoat-Amory: I am grateful for the support for my amendment expressed in several quarters, particularly by my hon. Friends the Members for Stone (Mr. Cash) and for Hertsmere (Mr. Clappison) and, slightly unexpectedly, by the Liberal Democrats, who support my amendment, although, as usual, for the wrong reasons. I must also mention the contribution of my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer).

[Mr. Heathcoat-Amory]

Although we disagree about the substance of the treaty, his contribution to the debate certainly helped to analyse the issue, and his point was a good one: this is one of the very few occasions in these debates when we have been able to devote sufficient attention to one aspect of the Bill. The line-by-line scrutiny that we were promised has been comprehensively forgotten and that promise broken, but today at least we have been able to ventilate these issues at some length.

The key point in my amendment is simply that clause 3(4) and (5) will give a power to the Secretary of State or the Treasury to make amendments to existing United Kingdom laws and statutory instruments, and some of those laws have been on the statute book for many years. That is supposedly to reflect changes in terminology, but it is quite clear from the way the clause has been drafted that it is not limiting. It does not strictly confine such amendments to the making of technical name changes, as suggested by the Minister. If such changes were strictly confined to making differences of name or number, that would have been stated in the Bill. However, those amendments simply have to reflect changes in terminology.

At the start of the debate, I gave examples of where apparent changes in terminology in fact make substantive changes. The change from EC to EU is not simply a technical change, because the EU will include not simply all those matters in the existing EC treaty, but all the intergovernmental matters in foreign and security policy and in justice and home affairs. I gave some other examples, to which the Minister has completely failed to respond.

I instanced specific statutory modifications that we know the Government want to make because they are listed in the previous Bill, which was introduced in 2005 to give effect to the constitutional treaty. Those modifications include amendments to the Export Control Act 2002 that will bring into British law provisions and obligations in the common foreign policy that prevent people from exporting goods and making technology transfers. The modifications also include alterations to the Criminal Justice Act 2003 that completely change it by including reference not to the intergovernmental method of deciding criminal justice matters, but to the new measures in the treaty of Lisbon, which collapse the intergovernmental pillar and make criminal justice matters subject to the European Court of Justice and normal decision making through majority voting.

The Minister owed us an explanation and a response to the detailed questions that I asked him about the amendments to British and UK law that we know the Government want to make—amendments that are not simply technical, but involve matters of substance. In view of the Minister's poor response, I shall press my amendment to a Division.

Question put, That the amendment be made:—

The Committee divided: Ayes 189, Noes 291.

Division No. 108] **[7.11**

AYES

Afriyie, Adam
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant

Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. John Baron and
Mr. Nick Hurd

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Kean, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan

Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Ms Diana R. Johnson

Question accordingly negatived.

Mr. Cash: I beg to move amendment No. 55, page 2, line 14, leave out subsection (6).

The First Deputy Chairman: With this it will be convenient to discuss the following amendments:

No. 56, page 2, line 14, leave out 'or instrument made under an Act'.

No. 57, page 2, line 15, leave out 'or instrument'.

Mr. Cash: Amendment No. 55 concerns the way in which Acts of Parliament or statutory instruments made under Acts of Parliament will be treated as referring to the European Union rather than to the Community, which is a similar issue to that covered in the previous debate. I do not intend to speak for more than a short time, because I raised most of the issues that I want to address in the previous debate. Furthermore, I encapsulated the fundamental question about the merger of the treaties in the speech that I made about an hour ago.

Clause 3(6) does not specifically refer to "Changes of terminology", but to

"an Act or instrument made under an Act",

which is very wide. It refers to all Acts, including the European Communities Act 1972, so it is not confined to any one Act.

Subsection (6) also contains the phrase:

"a reference to all or any of the Communities",

which relates to my point about the merger of the existing treaties. I objected to, remain concerned about and would oppose again, if I had the opportunity to do so, the intergovernmental arrangements under the Maastricht treaty, because they provide for European government rather than European trade. Irrespective of the question whether there is intergovernmentalism, the collapse of the pillars and the fact that the existing treaties will be merged into a Union and will overtake the Community, my fundamental objection to the way in which the whole of the European Union is being relentlessly integrated is that the arrangements involve European government rather than European trade. I am in favour of an association of nation states—as a matter of fact, I would prefer to return to the European Free Trade Association.

Subsection (6) states:

"In an Act or instrument made under an Act a reference to all or any of the Communities shall, in the application of the enactment or instrument after the passing of this Act, be treated as being or including (as the context requires) a reference to the EU."

That is a deeming arrangement, and it is effectively a retrospective arrangement. For both those reasons, I take exception to it, which is why I want it left out. It does include the European Communities Act 1972. As people pay more attention to the issue in future, as and when it arises, they will find that unexpected things will be done under the arrangements which will have consequences that people do not at present anticipate. My objection is that the provision is not only about terminology—it has certain substantial consequences. The issue links back to the merger of the treaties, to which I object, and relates to a deeming or retrospective provision, to which I take exception.

7.30 pm

Stewart Hosie (Dundee, East) (SNP): In arguing that subsection (6) should be amended, is the hon. Gentleman not going through the same arguments as those on the previous group of amendments? Subsection (6) is a consequence of the treaty and this Bill. Although some of the hon. Gentleman's arguments may be right and he may be opposed in principle, is he not arguing about a consequence of the treaty and the Bill, and no more than that?

Mr. Cash: I do not wholly disagree with the hon. Gentleman, but the issue is different in respect of the arrangements under the earlier subsections. In discussing those, we were dealing exclusively with terminology; now, we are dealing with the deeming of an Act. The idea is that there is a retrospective deeming of the wording and that that involves more than terminology because it has constitutional implications. However, frankly, although it is objectionable, I do not think that the issue is of the same order of concern as the previous proposals relating to whether there should be an affirmative or negative procedure and the whole question of the modification of Acts of Parliament through statutory instruments. That is as much as I need to say on the provision so I shall sit down.

Mr. Francois: Amendment No. 55 seeks to delete subsection (6) from clause 3. As we have seen from our discussion of amendment No. 39, clause 3 gives legal force in domestic United Kingdom law to the Lisbon treaty's collapse of the separate European Community pillars, which include among other things the single market and the common agricultural policy, into the European Union's new unitary legal identity, which will also incorporate the currently legally distinct common foreign and security policy and co-operation in police and criminal justice matters.

On the international level, terminological changes flowing from and supporting that fundamental change are made to existing European Community CFSP and police and criminal justice Acts brought in under the current treaties by article 5(3) of the Lisbon treaty. The laws will continue to have force until they are amended or repealed under the new treaty provisions. Article 5(3) of the Lisbon treaty provides that all existing references in those laws to the titles, sections and numbering of the treaties will be automatically understood to refer to the titles, sections and numbering of the treaties as amended by the Lisbon treaty.

Clause 3 seeks to amend UK legislation to keep it in line with those changes at EU level. To that end, subsection (6) seeks to provide for a blanket change in how terminology in existing UK law will thereafter be understood. Specifically, it says that any instance of "European Communities" shall be treated as a reference to the "European Union".

As we have seen, those changes can have wide-ranging importance due to the fact that the new EU will be far wider than the existing European Community. In particular, the change in the meaning of all UK law currently referring to the European Communities could, depending on the UK laws in question, give domestic legal effect to common foreign and security policy provisions, despite the fact that the Bill excludes the CFSP from the definition given to the EU treaties in the 1972 Act. That is because the term "EU" alone is not restricted to the 1972 Act's definition of the EU treaties—as provided in clause 3(1) of the Bill, it includes everything under the EU exactly as it is provided for in the treaty on European Union at international level. That means the common foreign and security policy as well.

Our key objection to subsection (6) is that it is such a blanket provision, the true consequences of which we cannot know without examining every individual change that it would make to each of the affected EU laws. For that reason, the subsection is not only potentially somewhat dangerous but unnecessary because, as we saw during our debate on the previous group of amendments, clause 3(4) and (5) already give the Government the power to make orders to vary the terminology of any references in UK law that have not already been provided in the schedule to the Bill.

We have already stated that we believe that orders made under subsections (4) and (5) should be made only by the affirmative procedure so that we can better scrutinise the effect that each would have. I am disappointed that the House did not see fit to agree to that amendment, but the argument was nevertheless put and debated. Clause 3(6) is also a potential problem, as changes made under that provision are not even subject to the negative procedure.

Under clause 3, the changes in each instance are automatic and outside the scope of parliamentary scrutiny and are therefore unwelcome. Amendment No. 55 will improve the Bill without wrecking it, by allowing for all terminological changes in UK legislation following the Lisbon treaty, were it to be ratified, to be brought before Parliament for scrutiny, to ensure that the changes were really only terminological and were otherwise acceptable to the legislature.

Mr. Cash: I want only to make reference to my hon. Friend's point that my amendment would improve the Bill without wrecking it; I would be extremely glad for the Bill to be wrecked.

Mr. Francois: My hon. Friend and I have both opposed the Bill from the outset. However, it is important to make it clear to the House, should we divide, that amendment No. 55 is a procedural one that would not wreck the treaty, although it would, for the reasons that he—and I, pretty much in agreement with him—have outlined, strengthen parliamentary scrutiny. The amendment would not wreck the Bill per se, but strengthen the House's powers in relation to the treaty.

Stewart Hosie: Will the hon. Gentleman give way?

Mr. Francois: May I go on to make a point about amendment No. 56? Modestly, my hon. Friend mentioned amendment No. 55, but did not go into detail about amendments Nos. 56 and 57. At the risk of infringing his copyright, I want to say a brief word about those amendments, which also stand in his name. Those amendments seek to improve clause 3(6) by limiting its blanket changes in terminology to those of Acts only. Like amendment No. 55, they would improve the Bill by limiting its unforeseen consequences, so we think that they also deserve support.

Clause 3(6) contains a blanket change to the terminology of wide swathes of domestic UK legislation without any detailed parliamentary scrutiny at all. Those alterations in terminology could have substantive effects. Amendment No. 55, which we on the Conservative Front Bench are minded to support should my hon. Friend wish to press it to a Division, seeks to remedy the situation by deleting subsection (6) in a way that would not wreck the Bill in its entirety. If the amendment is agreed to, important changes in British law could be brought before Parliament for specific approval. That would improve the Bill and deserves our support.

Mr. Clappison: I echo the opening remarks of my hon. Friend the Member for Stone (Mr. Cash). This does not seem to be as important as the previous provision as regards transparency, but there are still one or two questions in my mind. In the light of what my hon. Friend said, could the Minister give us a list of the types of Communities that are referred to in subsection (6)? We know about the European Coal and Steel Community and Euratom, but since it refers to

"all or any of the Communities",

can he tell us which particular ones?

Will the Minister give us a sense of where this sits in the whole constitutional debate? Part of the purpose of the original constitution was to bring the same terminology into play throughout the various legal provisions relating to the European Community as it was, or the European Union, as it is now.

When the Minister made his original winding-up speech, I did not hear him reply to my question about the German questionnaire, which is also relevant in this context.

Mr. Cash: There are those of us who believe that the German questionnaire is only part of the German question.

Mr. Clappison: My hon. Friend makes a very important point, as always.

Do the Government have any plans to publish that, and if not, why not?

Mr. Jim Murphy: I am delighted, and modestly surprised, to be responding to this debate so early in our proceedings, but glad that I have prepared a couple of hours in response.

I am not sure whether the amendments tabled by the hon. Member for Stone (Mr. Cash) were intended to wreck the Bill, as he suggests—I think that he is being unfair on his amendments—but I acknowledge his avowed intention to wreck the Bill, and therefore the treaty.

Let me turn to the specific points that the hon. Gentleman raised in respect of amendment No. 55; he mentioned amendments Nos. 56 and 57 only in passing, although the hon. Member for Rayleigh (Mr. Francois) eloquently and pre-emptively amplified the unspoken sentiment behind them. The amendments attack the reality of the situation—that the Lisbon treaty replaces the Community with the Union. If the UK, with Parliament's approval, ratified the treaty, it would be senseless to seek to deny that reality.

As we heard in the previous debate, clause 3 deals with the changes in terminology and numbering resulting from the Lisbon treaty.

Stewart Hosie: The Minister is talking about changes to terminology and numbering. However, the argument in favour of the amendments to subsection (6) appeared to be that if we rename the Communities as the Union, that will somehow give authority or precedence to the EU, particularly in relation to the common foreign and security policy. That would make it constitutional and would therefore raise certain issues. What is the Minister's view on this matter, and does he believe that this change would, even on a single occasion, give precedence to EU law on common foreign and security policy matters?

Mr. Murphy: I am delighted to see the hon. Gentleman in his place and playing such an active part in our proceedings. I could not often say this: on occasion during this debate, the SNP's showing has been as large as, if not larger than, the official Opposition's Back-Bench showing. At the moment, it is half the number of Conservative Back Benchers, but half of two is one, and we are nevertheless delighted to see him.

As I am sure that the hon. Gentleman is aware, the CFSP is intergovernmental and does not apply directly in UK law; it already falls under the auspices of the EU, not the Communities. He can therefore be reassured on that point.

Mr. Clappison: Can the Minister tell us what would be the legal position in the Communities under the provisions of these treaties if the Union seized on a foreign policy issue and was determined, by unanimity or by the procedures involving qualified majority voting, to take a particular course? Can the United Kingdom then legally take a different course under the provisions of these treaties?

7.45 pm

Mr. Murphy: I will not be tempted to stray too far down that path, Mrs. Heal, because you would rightly prevent me from doing so. On the specific point, that issue would not arise because strategic decision making on foreign policy is by unanimity. We would not need to block such changes through a legal procedure, but we would do so politically by not giving our agreement in a unanimous process.

Amendment No. 55 focuses on clause 3. The hon. Member for Stone was fair enough to say that this is an anodyne version of our previous debate—that was not his exact phrase, but—

Mr. Cash: I said that there were aspects of the other debate that I did not want to replicate in this one, but that does not mean that I thought it was anodyne, and I will tell the Minister why. The explanatory memorandum, which gives the Government's explanation of all this, says:

"Article 1(2)(b) of the Treaty of Lisbon inserts in Article 1 of the Treaty on the European Union (TEU) a new third paragraph as follows:

'The [European] Union shall be founded on the present Treaty and on the Treaty on the Functioning of the European Union...Those two Treaties shall have the same legal value. The Union shall replace and succeed the European Community.'"

To the extent that once that point is—

The First Deputy Chairman: Order. I appreciate the hon. Gentleman's comments, but they are rather lengthy for an intervention. He will have an opportunity shortly to wind up the debate and explain his point further.

Mr. Murphy: This evening we have had the hon. Gentleman's shortest speech and longest intervention.

The provision that is the focus of amendment No. 55 is, as the hon. Gentleman acknowledges, perhaps not anodyne, but less significant than what we discussed earlier. Clause 3 provides that after the passing of the Bill references to the Communities in UK law should be read as references to the Union. That is a purely technical change. In response to the hon. Member for Hertsmere (Mr. Clappison) as regards subsection (6), the Lisbon treaty replaces the European Community with the European Union, so all existing legislation that refers to the European Community, to the Community or to the Communities needs to be updated to reflect the changes in terminology, and that is clearly the intention of the subsection. Amendment No. 55 would delete that provision altogether. In the light of what I just explained to the House about the purpose and effect of clause 3(6), I cannot see that the amendment makes any sense whatsoever.

Amendments Nos. 56 and 57, taken together, would mean that while the type of consequential change that clause 3(6) makes could be made in respect of primary law—that is, Acts of Parliament—they could not be made in respect of secondary law, which is the bread and butter of much European business.

Mr. Cash: If the Minister thinks that this is such a bad amendment, he should recall what I said in the previous debate about the impact on the secondary legislation that he mentioned. Those statutory

instruments can modify Acts of Parliament, exclude judicial review and address a whole range of other matters, including constitutional issues. If I were the Minister, I would be a bit careful about asserting that the use of the word "instrument" in this case is as unimportant as he is making it out to be, because it contains within it a Henry VIII clause-type arrangement.

Mr. Murphy: The hon. Gentleman and I have spent long enough together in this Chamber during the past few weeks for him to know that I am always careful when making my case on such matters—as is he.

The changes proposed will not make any changes of substance to existing legislation. If the treaty is ratified and we do not update the terminology of our legislation, there will be considerable legal confusion and uncertainty. Getting rid of the entirely sensible provisions in the clause will merely make life more complicated in a legal sense and create uncertainty. There are literally hundreds of Acts and statutory instruments that make reference to the European Communities, which would be affected by the amendment. If the amendment were accepted, technical changes would have to be made one by one. For example, the Potatoes Originating in Egypt (England) Regulations 2004 or the Food (Peanuts from China) (Emergency Control) (England) (No. 2) (Amendment) Regulations 2003 would have to be individually changed.

We can all take different views on such important matters, but to deny the legislative reality of the ratification of the treaty and the passing of the Bill by frustrating the workings of the House to ensure that individual changes had to be made to many hundreds of existing provisions, just two of which I cited for the House's enjoyment, would not be a sensible way to progress. On that basis, while continuing to respect the motivation behind the amendment moved by the hon. Member for Stone, I invite the House to reject it if he wishes to press it to a Division.

Mr. Cash: I certainly will press the amendment to a Division, not least because, as the Minister just said, the provisions affect hundreds of enactments. It is all very well to say, "It is just a matter of terminology; it is only a matter of words." But, almost by admission, the Minister has suggested that he does not know what impact the provision will have. I am totally unconvinced by his arguments for that reason. If he does not know why he is doing something, that is a good reason for us to challenge the basis on which it is done.

I shall press the amendment to a Division, but before I do so, I refer to the explanatory notes, which state:

> "Those two Treaties shall have the same legal value. The Union shall replace and succeed the European Community."

The question that remains unanswered is what impact that will have. I believe that the clause will have constitutional implications. It merges the treaties. This is not just a matter of terminology, but a matter of substance and constitutional importance. Therefore, I am determined to press the amendment to a Division.

Question put, That the amendment be made:—

The Committee divided: Ayes 141, Noes 317.

Division No. 109] **[7.53**

AYES

Afriyie, Adam	Key, Robert
Ancram, rh Mr. Michael	Kirkbride, Miss Julie
Arbuthnot, rh Mr. James	Knight, rh Mr. Greg
Atkinson, Mr. Peter	Laing, Mrs. Eleanor
Bacon, Mr. Richard	Lait, Mrs. Jacqui
Baldry, Tony	Lansley, Mr. Andrew
Bellingham, Mr. Henry	Letwin, rh Mr. Oliver
Benyon, Mr. Richard	Lewis, Dr. Julian
Bercow, John	Liddell-Grainger, Mr. Ian
Beresford, Sir Paul	Lidington, Mr. David
Binley, Mr. Brian	Lilley, rh Mr. Peter
Bottomley, Peter	Loughton, Tim
Brady, Mr. Graham	Luff, Peter
Brazier, Mr. Julian	Mackay, rh Mr. Andrew
Brokenshire, James	Maclean, rh David
Browning, Angela	Main, Anne
Burns, Mr. Simon	Mates, rh Mr. Michael
Burrowes, Mr. David	Maude, rh Mr. Francis
Burt, Alistair	May, rh Mrs. Theresa
Butterfill, Sir John	McIntosh, Miss Anne
Carswell, Mr. Douglas	Miller, Mrs. Maria
Cash, Mr. William	Milton, Anne
Chope, Mr. Christopher	Mitchell, Mr. Andrew
Clappison, Mr. James	Moss, Mr. Malcolm
Clark, Greg	Murrison, Dr. Andrew
Clifton-Brown, Mr. Geoffrey	Neill, Robert
Cox, Mr. Geoffrey	O'Brien, Mr. Stephen
Crabb, Mr. Stephen	Ottaway, Richard
Davies, Philip	Paice, Mr. James
Djanogly, Mr. Jonathan	Paterson, Mr. Owen
Dorries, Mrs. Nadine	Penning, Mike
Duddridge, James	Penrose, John
Duncan Smith, rh Mr. Iain	Prisk, Mr. Mark
Dunne, Mr. Philip	Pritchard, Mark
Ellwood, Mr. Tobias	Randall, Mr. John
Evennett, Mr. David	Redwood, rh Mr. John
Fallon, Mr. Michael	Robathan, Mr. Andrew
Field, Mr. Mark	Robertson, Hugh
Fox, Dr. Liam	Robertson, Mr. Laurence
Francois, Mr. Mark	Rosindell, Andrew
Fraser, Christopher	Scott, Mr. Lee
Gale, Mr. Roger	Selous, Andrew
Garnier, Mr. Edward	Shapps, Grant
Gauke, Mr. David	Shepherd, Mr. Richard
Gibb, Mr. Nick	Simmonds, Mark
Goodwill, Mr. Robert	Simpson, Mr. Keith
Gray, Mr. James	Soames, Mr. Nicholas
Grayling, Chris	Spicer, Sir Michael
Green, Damian	Spink, Bob
Greening, Justine	Stanley, rh Sir John
Hague, rh Mr. William	Streeter, Mr. Gary
Hammond, Mr. Philip	Stuart, Mr. Graham
Hammond, Stephen	Swayne, Mr. Desmond
Hayes, Mr. John	Syms, Mr. Robert
Heald, Mr. Oliver	Tapsell, Sir Peter
Hendry, Charles	Taylor, Dr. Richard
Herbert, Nick	Turner, Mr. Andrew
Hoban, Mr. Mark	Tyrie, Mr. Andrew
Hollobone, Mr. Philip	Vaizey, Mr. Edward
Holloway, Mr. Adam	Vara, Mr. Shailesh
Horam, Mr. John	Viggers, Peter
Howarth, Mr. Gerald	Walker, Mr. Charles
Hunt, Mr. Jeremy	Wallace, Mr. Ben
Jackson, Mr. Stewart	Waterson, Mr. Nigel
Jenkin, Mr. Bernard	Watkinson, Angela
Jones, Mr. David	Whittingdale, Mr. John
Kawczynski, Daniel	Wiggin, Bill

Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. John Baron and
Mr. Nick Hurd

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harris, Mr. Tom
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laws, Mr. David
Laxton, Mr. Bob
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui

Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Mr. Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and
Mr. Alan Campbell

Question accordingly negatived.

Question proposed. That the clause stand part of the Bill.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): With this we may discuss whether the schedule be the schedule to the Bill.

Mr. Jim Murphy: As I said earlier, clause 3 does two things. First, it makes technical changes to the terminology in UK law to reflect the Lisbon treaty. Secondly, it provides a power for a Secretary of State to make orders to amend primary or secondary legislation to reflect other technical changes in terminology or numbering that arise from the Lisbon treaty. The changes are technical and should be uncontroversial. Nevertheless, they are necessary.

The clause ensures continuity and consistency in new and existing domestic legislation. It also gives power to make similar technical changes by order, which will not mean a change of substance to existing UK legislation. There is no point in the suggested alternative approach of making consequential amendments in definitions to change "EC" to "EU". If clause 3 were removed, we would be left with legal confusion about important legislation that refers to the "European Communities", such as clause 24 of the European Parliamentary Elections Act 2002, which establishes in UK law the way in which elections to the European Parliament work in the UK. It sets the boundaries of electoral regions and determines how our voting system should work for those elections.

We have had a good general debate on the clause. Without it, Parliament would have to amend each of the hundreds of Acts, regulations and statutory instruments that refer to "European Communities".

The schedule is standard and clearly sets out the nomenclature changes to the 1972 Act. The Bill is designed to amend the 1972 Act and, as Conservative Members know, it provides for changes to the horizontal Act for interpreting UK law—the Interpretation Act 1978. Those changes obviously and clearly follow from the treaty.

Mr. Francois: I wish to argue to the contrary: that clause 3 should not stand part of the Bill. Our discussions on amendments Nos. 39, 55, 56 and 57 have shown that the clause tries to include in UK domestic law the changes in terminology that effect the virtual collapse of the EU's existing pillar system. As we all know, the EU is currently only an umbrella term for three distinct areas of activity, usually called "pillars". The three pillars are: the European Communities, the main part of which is the European Community, which includes the single market and the common agricultural policy; the common foreign and security policy; and police, justice and home affairs.

Under the treaty, the existing pillars will be virtually abolished. The European Community has merged with the European Union into a single unitary legal personality, incorporating all activity undertaken under the EU treaties, although Euratom would admittedly remain separate, as was pointed out earlier. Police and criminal justice matters are also subsumed into the same institutional provisions and decision-making processes that applied in what was the European Community.

The common foreign and security policy, although remaining subject to distinct procedures, as was largely the case under the original EU constitution, is also brought under the same single EU legal personality. All this will have important effects on the respective rights of the member states and the EU to conclude agreements with third countries and will of course interact with the new provision on implied competence in the article on exclusive competence. The changes in terminology set out in the clause reflect those profound changes and give them legal force in domestic United Kingdom legislation. Among other things, the clause changes, almost automatically as it were, all references in UK law to any or all of the "European Communities" to the "European Union".

As we heard in our discussion on amendment No. 39, changes in terminology might sound dull to the external observer, but they matter—in fact, they matter quite a lot. My right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) pointed to examples of where changes in the references to the EU treaties made by United Kingdom laws could lead to substantive alterations in the effect of UK laws. He detailed, at some length, a number of examples that I do not intend to reprise again, but they will all be in *Hansard*. I reiterate that there is a particular concern where a current domestic law gives effect in the UK only to European Community obligations, but where, following a change in the terminology to "European Union", it gives domestic effect to additional provisions, too.

As my right hon. Friend also highlighted, the Government seemed to be far more forthcoming about the sorts of changes that they were seeking in their Bill to ratify the original EU constitution, allowing at least some parliamentary scrutiny of those changes as part of the passage of that Bill. That leaves a burning question. Why have the Government been so coy about what the supposed terminological changes will entail in this Bill? Might the reason be that they are trying to hide the fact that some of the changes to UK law resulting from the Lisbon treaty are in fact important,

[Mr. Francois]

seeking, in effect, to park them behind the old façade of a "tidying-up exercise", which they have sought to use all the way through, to disguise the important transfers of power being made from this House to the European Union?

Mr. Clappison: Does my hon. Friend agree that our suspicions that the process that he describes is in play are increased by the fact that it was what the German questionnaire specifically suggested the Government would do? Does he share my curiosity about why the Government refuse to publish their response to the German questionnaire?

Mr. Francois: My understanding is that the Government have had the German questionnaire for some considerable time. Even with all the problems in our postal service, I would have thought that they could have sent back something by now. One would also have expected them to be in a position to publish their response.

Alistair Burt (North-East Bedfordshire) (Con): Perhaps they have lost it.

Mr. Francois: That is possible if the Government put their response on two discs.

If we assume that the Government did not do that, however, my hon. Friend the Member for Hertsmere (Mr. Clappison), who serves on the European Scrutiny Committee, has made an important point. When we were debating amendments, the Minister twice ducked his question about why the Government's response had not been published. Perhaps we can put the Minister on the spot in this slighter broader stand part debate and ask him why the response has not been published and when the Government propose to publish it. I thank my hon. Friend for reminding me about that question, which I am sure the Minister will now feel morally obliged to answer.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I listened with great interest to my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), who made a very good speech, and to my hon. Friend the Member for Stone (Mr. Cash) discussing their amendments, which dealt with questions that were never answered. Does my hon. Friend agree that the clause gets to the heart of the matter, because it is a "trust me" clause? The Government are essentially saying, "Don't worry about all this stuff. We'll tidy this up and get on with it in due course. You don't need to worry your pretty little heads any more about the European Union treaty. We'll deal with it." Is there any reason at all why we should trust Governments on that, when we were given a constitutional guarantee at Maastricht that the pillar system would remain?

8.15 pm

Mr. Francois: My right hon. Friend makes a good point. He homes in on the issue of trust. The Government have broken their word so many times throughout this process—on the referendum and on the promise that we would have 20 days' debate and line-by-line scrutiny. Their word has been undermined so many times that for them to come to the Committee and say, as my right hon. Friend put it, "Trust me," rings extremely hollow. His point is very well made.

Mr. Cash: Has my hon. Friend also noted that subsection (1) inserts a definition of the EU into section 1(2) of the European Communities Act 1972, referring to the European Union by reference to the treaty of Maastricht, which established it? I do not invite my hon. Friend to go too far, but he might understand why I am so opposed to the proposals. Regrettably, had other counsel prevailed at the time, we would not be in our current position, because it is the European Union that creates European government. It is the amendments that we are discussing that have caused so much constitutional difficulty.

Mr. Francois: I am prepared to make a small wager that my hon. Friend will make a speech of his own in this stand part debate—I will not get odds on the wager, but I am prepared to make it. If he indeed makes a contribution, I suspect that he will develop that point at great length.

To return to the point that my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) made, we can all agree that for the Government to come to the Committee and say, in effect, "Trust us," will simply not wash.

Stewart Hosie: There is no doubt that the treaty is basically the constitution. As we have heard over the past few weeks, there are elements of the proposals that are definitely constitutional in nature, which is why we will back a referendum. However, I have yet to hear a single example of how anything in the clause or the terminological changes in the schedule would cause UK law to be usurped by EU law, and I would therefore be grateful to hear one.

Mr. Francois: I think that the hon. Gentleman was here in the earlier debate, when my right hon. Friend the Member for Wells gave quite an extensive list of when that would happen—I see a number of heads nodding in the Chamber. Was the hon. Gentleman here then?

Stewart Hosie: I fear that I was.

Mr. Francois: In that case, the hon. Gentleman will know that a list was given, and he can read it in *Hansard* if he wants to. I have already given one example of how the provisions can interact with the common foreign and security policy, so I hope that that satisfies him. However, if he wants more detail, the nice people in *Hansard* will print the debate out and he can read it over his breakfast in the morning.

Mr. Cash: I may be able to help my hon. Friend on that point, so will he be kind enough to give way?

Mr. Francois: My late mother was Italian, so I understand the concept of "an offer you can't refuse".

Mr. Cash: The point that the hon. Member for Dundee, East (Stewart Hosie) raised was answered by the Minister, who said that there were hundreds of Acts of Parliament that require changes. Therefore, it follows by definition that the Government themselves are admitting that the whole issue is replete with changes.

Mr. Francois: I thank my hon. Friend for his help.

I think that we have, by now, made the point that a large number of changes would go through almost automatically if clause 3 were allowed to stand part of the Bill. As we have also heard, as a result of the clause as drafted—which, unfortunately, we have been unable to amend—many changes to United Kingdom law would overwhelmingly go through under the negative resolution procedure. That would make it easier for the Government to put through that large number of changes than would be the case under the affirmative resolution procedure, and more difficult for Parliament to scrutinise them effectively.

Amendment No. 39 would have improved the Bill by compelling the Government to bring the orders before Parliament, so that we could examine whether the changes were as innocuous as the Government claimed. We have also discussed amendments Nos. 55, 56 and 57. They would have taken out subsection (6), which allows for a blanket change in the terminology of our domestic legislation without any specific discussion at all. This part of the Bill could make wide-ranging changes, yet, for the most part, the Government have not really explained the extent of the potential alterations. They have attempted to give the impression that clause 3 is a tidying-up exercise to keep things neat and tidy. They have not explained adequately the range and extent of the changes that could take place if clause 3 were to stand part of the Bill.

The clause sets out wide-ranging changes to the terminology of our domestic legislation. As we have seen, the Government will be given powers to make further orders under the clause by negative resolution. Those orders, as well as the blanket power given under clause 3 (6), could have wide-ranging effects on the obligations that our citizens are under, and they should therefore be scrutinised in greater detail by Parliament. Given that clause 3 would lead to such changes being made with very little scrutiny, I propose, in response to the Minister's comments, that clause 3 should not stand part of the Bill.

Mr. Edward Davey (Kingston and Surbiton) (LD): It has given me great pleasure to be able to support the hon. Member for Rayleigh (Mr. Francois) and some of his colleagues in the votes tonight, be they on the procedure motion, or on amendment No. 39. I disagree, however, with his position on clause 3 stand part. I do not believe that it is a stalking horse or that it contains all the risks that he outlined. I have looked at it, and it seems to be very much an issue of terminology qua terminology, rather than the behind-the-scenes creator of major constitutional change that he fears.

As the hon. Gentleman knows, the Maastricht treaty introduced the European Union and its pillar system. It is clear that that system is collapsing somewhat under Lisbon, although not quite as clear as he and some of his colleagues have suggested. That is particularly the case in respect of the UK. Justice and home affairs are being merged into pillar one for all member states, but that will not affect the UK in the same way, because of the UK's opt-ins. We debated this matter when we looked at justice and home affairs, and we really carried the day during that debate. An extraordinary aspect of the Lisbon treaty is the fact that the Government negotiated not only opt-ins for new areas of justice and home affairs such as police and criminal justice co-operation, but new opt-ins for areas of justice and home affairs in respect of which powers had already been given away in previous treaties, particularly Maastricht and Rome.

Mr. Cash: The thing that is increasingly troubling me about the Liberals' position on this is that, although they are prepared to make minor forays into supporting us on the less important amendments, they will not support us on clause stand part. I would be grateful if the hon. Gentleman could deal with this point, because I get the impression that they are doing that because they want their election addresses to make it appear that they had opposed some aspects of the treaty. They want it to look as though they did not really want it, but that they went along with it because they are in favour of a federal Europe in principle.

Mr. Davey: That is quite extraordinary. The fact is that we all voted for the Bill on Second Reading. In my party, we are all pro-European, unlike the hon. Gentleman. It is no secret that we disagree with him on almost every aspect of European Union policy. That is not something that we attempt to hide.

Mr. Francois: I hope that the hon. Gentleman will correct me if I am wrong on this, but I believe that 13 Liberal Democrat MPs abstained on Second Reading. Is that right?

Mr. Davey: Well—[HON. MEMBERS: "Ah!"] Whether they abstained because they were not here or because they deliberately did not like it—*[Interruption.]* I have to say to the hon. Gentleman that I noticed quite a lot of his colleagues voting for the treaty, which was completely against his Front-Bench position, so he ought to be very careful when talking about which way different parties' MPs voted on Second Reading.

There is a danger that I am going to be diverted from the issue. I just want to finish my point on justice and home affairs and the way that that relates to clause 3. I want to quote Michael Dougan, an academic at Liverpool university, who has talked about how the justice and home affairs issues will be changed under the Lisbon treaty. He has said:

> "The combined effect of those provisions would be that the UK participates in the Area of Freedom, Security and Justice to a lesser degree under the Lisbon Treaty than it does under the existing treaties."

Observations such as those give the lie to some of the concerns that people, particularly those on the Conservative Benches, have raised. It is simply not the case that we would be giving away all the UK's powers in justice and home affairs—quite the contrary.

Kelvin Hopkins: Like so many others of his view, the hon. Gentleman constantly refers to Europe, rather than to the European Union. He says that his party is "pro-European". Well, I am very pro-Europe, but I am not in favour of the imposition of the European Union on the majority of the states of Europe. That is a serious distinction that he ought to bear in mind.

Mr. Davey: If the hon. Gentleman wants to imagine a Europe without the European Union, I am sure that he, and others around the House, will do so. I would suggest, however, that it would be a land of fantasy because he would not be able to build a Europe without the European Union.

My final point is on the way in which the common foreign and security policy relates to the pillar system. Although I do not seek to deny that the pillar system is collapsing, as envisaged under Maastricht, it is hard to deny that the common foreign and security policy remains intergovernmental. There is total unanimity on those issues. Indeed, we have debated the matter at length. Clause 2 of the Bill will add the Lisbon treaty to UK law. It will do so, however,

"excluding any provision that relates to, or in so far as it relates to or could be applied in relation to, the Common Foreign and Security Policy".

That is a pretty watertight exclusion.

I do not believe that clause 3 will present the problems that have been envisaged. It seems genuinely to be a tidying-up measure. If other colleagues wish to press the matter to a vote, we will therefore support its standing part of the Bill.

Mr. Douglas Carswell (Harwich) (Con): I am arguing that clause 3 should not stand part of the Bill. I believe that, as my hon. Friend the Member for Rayleigh (Mr. Francois) said, the treaty would merge the separate pillars into a unified system and a unified entity. In so doing, it would hand more power over to remote EU officials. It would put power over consumer protection, criminal sanctions and judicial matters in the hands of remote and unaccountable EU officialdom. That process of aggrandising EU officialdom is deeply flawed.

Some honestly argue that we should pass these powers to remote officials and that doing so is a good thing, but I do not see how it can possibly be argued that handing more power to remote EU officials can be a good thing, given how badly those officials have exercised such powers as they already have. Before we could justify giving EU officials more power, we need to ask why such officials, who lack proper democratic accountability, have been so disastrous at managing such things as the common fisheries policy and so disastrous at regulating our economy, thereby subjecting our small businesses to so much additional regulation.

8.30 pm

It is often suggested that the treaty somehow democratises the EU. For example, the idea has been put about that it will give some sort of right of initiative, which will somehow make EU institutions more democratically accountable. That is very far-fetched. Far from making the EU more democratic, it makes it a technocracy, in which decisions are in the hands of unaccountable officials. If people are so convinced that the treaty will improve the EU and make it so much more democratic, surely we should have a referendum on it and let the people decide.

We recently saw how private polling in referendums held in a number of constituencies showed an extraordinarily high number of ordinary people wanting a referendum and being very opposed to this treaty. It is precisely because of provisions such as clause 3, which are about the aggrandisement of power among EU institutions, that people feel so alienated and hostile to the Bill. It strikes me as extraordinary that in many constituencies, more people should oppose the treaty in these referendums than bothered to vote in the last set of European elections.

I conclude my comments by saying that in the two or three short years that I have been an MP, I have noticed how the alienation and contempt of voters for the entire Westminster political process is growing. It is difficult for Members, if they are honest, to overlook or ignore the fact that politicians are increasingly held in contempt. The political process is more and more detached from the people it is meant to serve.

There are two reasons for that. The first is the immediate reason that about 90 per cent. of hon. Members in this Chamber promised the electorate a referendum on this treaty, so it looks as if we have reneged on that promise—*[Interruption.]*—I am saying that it looks as if the majority of MPs has collectively reneged on it. More profoundly, as the House has handed away its decision-making powers and as we have given EU officials more and more responsibility over decisions that affect everyday life, people have increasingly come to see the occupants of this House as parasitical. It matters not, they think, who they vote for, because the key decisions that affect their lives are taken by remote officialdom.

If we wish to restore people's trust in politics and their belief that by voting for us they can materially improve public services, their lives and the country as a whole, we must restore decision-making powers to this House. The clause does not do that; it moves power upwards rather than downwards, pushing power in the wrong direction. That is why we should oppose the clause and the Bill.

Mr. Lilley: There are three reasons why the clause should not be allowed to stand part of the Bill. The first relates to the importance of the clause. My right hon. and hon. Friends have demonstrated that it will have a more substantive impact than first meets the eye. In many respects, the impact may be indirect, but Conservative Members have spelled out at length why the consequences will be quite substantial.

I accept, however, that the clause is manifestly less important than many of the clauses that relate to issues that the House has not debated at all. We spent a whole day debating carbon trading, but only six words of the existing European Union treaties were being changed. Now we have just a part of today to debate this particular clause, which has a multiple of that number of words and probably far greater ramifications. The clause is also manifestly less important than all the treaty provisions relating to immigration, border controls and asylum, which we have not debated at all.

We should not let this clause stand part unless and until we have debated at length, properly and fully those other issues, under other clauses, which have so far passed undebated, and which the Minister intends shall not be debated at all. Precisely because this issue is less important than others, we should not let it get on to the statute book until those more important issues are debated, or we are given a promise that they will be debated.

Secondly, the clause should not stand part because of its opacity. At the very least, it is difficult to understand what it is about and what its impact will be. That is not just because it is necessarily difficult and complex, but because it and the whole structure of the treaty and the Bill are deliberately opaque. Our European partners decided to make the treaty opaque because it had to look different from the constitution, which had been rejected by the electors in France and Holland. Therefore, they deliberately opted for a procedure that would make it difficult for ordinary people, on immediate perusal of such clauses, to understand what is going on. That made it possible for them to say that the treaty is different from the constitution.

Under the law of this country and other countries in Europe, there were two possible routes to implement the constitution. The first was to say, "Let us sweep away the existing treaties and replace them with the constitution, incorporating all the powers of the existing treaties plus several others." That was the original approach adopted—clear-cut and obvious. It was so obvious to the people of France and Holland that they decided that they did not want it, and rejected it.

The Government then went along with their partners, who said, in terms, "Let us achieve the same result through an opaque approach. Instead of saying that we will replace the existing laws with the constitution, let us change the existing treaties clause by clause, bit by bit and word by word until we arrive at a form of words that is exactly equivalent to the constitution." The Government have adopted that route. That is the reason for clause 3, and the pages and pages of changes that it will enact, through its annexes or appendixes.

Philip Davies (Shipley) (Con): Does my right hon. Friend agree that the best argument that the Liberal Democrats could seem to muster was that they could not see anything wrong with the clause? They could not say anything positive about it either. We happen to think that some problems might be lurking within it. Given that there is nothing positive to be said about it, does he agree that we should have a precautionary approach and vote against it?

Mr. Lilley: My hon. Friend anticipates my third reason for rejecting the clause—that it is open-ended. It gives the Government power to make changes that they have not yet recognised will be necessary, but that they recognise may be necessary. They do not understand the full ramifications and implications of the clause. That is why it contains subsections that provide the Government with an open-ended power to change the wording of any legislation, as they see fit, to bring it into conformity with the treaty. We should not give them open-ended powers to do things that they cannot tell us about now, in this House, if necessary in a lengthy clause or amendment.

For those three reasons, we should not allow the clause to stand part. It is manifestly less important than other aspects of the treaty that will pass undebated, and we should not allow it to stand part unless and until they are debated. The clause is deliberately opaque, reflecting the duplicitous nature of the whole operation—the introduction of a so-called reforming treaty, which is actually the constitution, lock, stock and barrel. We should not allow the clause because it is open-ended, and the Government themselves do not know the implications that will flow from it.

Mike Penning (Hemel Hempstead) (Con): I shall not detain the Committee for long, but I want to say something about trust, which was mentioned a moment ago by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith). We are asking the House and the British public to trust a treaty that is a constitution in all but name. In the narrower context of our debate on whether clause 3 should stand part of the Bill, there are three aspects that I do not think either the Minister or the Liberal Democrat spokesman, the hon. Member for Kingston and Surbiton (Mr. Davey), has addressed correctly.

The debate on the Maastricht Bill was long drawn out, and very divisive for most parties in the House. One of the key aspects of the Maastricht treaty, however, was the existence of the pillars. We were promised that the pillars were safe, and would prevent the European Union from developing into a super-Union. Now here we are this evening, being told by the Liberal Democrat spokesman that the pillars have partially collapsed but "Trust us, it will all be okay."

The British public will not trust Parliament or the Government over the pillars. They will understand from the debates that have been allowed here, and from what has been said in the press, that the breakdown of the pillars means more and more open-ended powers for the European Union, as was said a moment ago. It is hugely dangerous to tamper with pillars that prevent civil servants, and those in the system within Europe, from developing the sort of Europe that they want but the people of the country almost certainly do not.

The other promise made to us—here I make my point about trust even more strongly—was that we would be allowed to take part in line-by-line scrutiny of this huge document, which runs to 328 pages excluding the amendments and annexes. If any members of the general public were willing to pay £30-odd for it, most of them would not understand it. Indeed, the purpose is for the British public not to understand it. It is not open, honest and frank, as we would expect a document dealt with by a British parliamentary Chamber to be; it is massively complicated. It is fundamentally wrong that the Government are forcing it through without our being able to debate it in full, and without fulfilling the promise of all three major parliamentary parties that there would be a referendum on the constitution—which is what this document is.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I have sat through a number of these debates. I wonder whether the hon. Gentleman—who has obviously taken the trouble to read the treaty, as I have—could identify a specific section that his constituents have raised with him, and to which they wish him to object.

Mike Penning: What my constituents have raised with me is the question of why the Government promised them a referendum on that document in front of him, and have now firmly refused to give them one. I will take no lectures about what was promised and what my constituents are concerned about. What my

[Mike Penning]

constituents are concerned about is the country losing its sovereignty, and ceding it to another institution.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Will the hon. Gentleman give way?

Mike Penning: No, I am going to press on. *[Interruption.]* The answer is no, just as it is when it comes to the referendum that the country was promised.

The position is quite simple. We are being asked to pass a clause many parts of which would mean—as my hon. Friend the Member for Rayleigh (Mr. Francois) said earlier—that more and more legislation would be forced through the House by affirmative resolution, without the debate that is needed, and less and less would be subject to the negative procedure. Why are we doing this? Why is the House not sitting for longer? We are not short of time in which to debate matters such as this. The House does not sit for half as long as it should. My constituents believe that it should sit for much longer, and I happen to agree. Why are we forcing through predictive legislation on which we can have no debate whatsoever? That is fundamentally wrong.

Mr. Hendrick *rose—*

Mike Penning: I told the hon. Member that I would not give way. If he wants to speak, he can stand up and make a speech.

The Second Deputy Chairman: Order. I realise that these issues arouse emotions, but I think it would be a good idea for us to debate them a little more calmly.

Mike Penning: If hon. Members want to make speeches in this House, Sir Michael, they can catch your eye rather than making silly party political points.

Mr. Hendrick: On a point of order, Sir Michael. Is it in order for a Member to call at length for a debate and then not allow an intervention—

The Second Deputy Chairman: Order. That is not a point of order for the Chair. The debate so far today has been conducted in a very sensible, thoughtful and orderly way. I suggest we continue in that vein.

8.45 pm

Mike Penning: I could not agree with you more, Sir Michael, and it is such a shame that silly comments have come from the Labour Benches.

I have been inundated with constituents' concerns about the future defence of this country and the effect the treaty will have on our armed forces and our commitments to the European army that the EU is trying to set up. We are not able to debate that, sadly, which is enormously undemocratic. When Labour Members bother to stand up to speak later, they will talk about the defence of this nation, something about which my constituents are particularly concerned.

I hope that we will vote against stand part because the clause is such an undemocratic part of the treaty and we should have a referendum on the whole thing.

Mr. Duncan Smith: I had not intended to speak to this clause, but I shall do so as I was unable to speak in the earlier debates.

Today is the first time that I have felt that the Chamber has done its job. It has interrogated the Minister—an old footballing friend whom I congratulate on his courtesy—and we have been able to get to the nub of the issue. I listened to two excellent speeches; one from my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) and the other from my hon. Friend the Member for Stone (Mr. Cash), who made two telling points on fine detail, which is critical.

I agree with my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) that the clause is not necessarily the most important element in the Bill. None the less, we must oppose it for two reasons. First, I agree with my right hon. Friend that previously we have not had the opportunity to undertake the level of scrutiny that was promised to us. I was stupid enough to believe the Prime Minister when he said that we would have line-by-line scrutiny. I did not realise that he meant "line-by-line" to mean two lines, rather than every single line of the Bill. I now know what he meant: we would discuss the title and the end of the Bill, and that would be good enough. I never agreed with the nonsense of the Second Reading debate at the beginning of every day and I refused to speak in them because they have ripped the heart out of what the House is about. I came to speak to amendments on defence to which I had attached my name but I was unable to do so.

One of the important reasons why we should oppose this and every clause is that none of them so far has had enough debate and scrutiny to allow us to give the right attention to detail. Detail is what we do in this place. I have heard it called petty or trivial detail; the truth is that the House is about detail, and the grandstanding speeches that have been made are less important and less relevant to how the treaty will affect our legislation.

The second point was that the clause gives form to a substantial element of change in the treaty: the partial collapse of the pillars, as the Liberal Democrats put it. It seems to me that when a house collapses, it collapses; it can partially collapse or fully collapse, but try living in it afterwards. In this so-called partial collapse, we have collapsed a huge undertaking made at the time of the Maastricht debates. I never believed the Government on the EU anyway, whether Conservative or Labour. I stand by that even today. I think that I was right about this matter. Undertakings were made at the time about what would happen to us subsequently: we were given undertakings that because of the new pillar construct, we would be protected thereafter from any further incursions—the tide had been stemmed and all would be reversed. That cannot honestly be said to be what has happened. Those pillars were pillars not just of the whole process of the EU, but of an argument that said, "We have reached the high point and thereafter all will be changed." We should therefore oppose the clause because it breaks a previous Government's commitment on the EU treaties. The change from the European Community to the European Union is not a minor one; to be fair, Labour Members have not pretended that it was. It is not just a terminological change, but a major change to how everything flows and the legal context.

We should also oppose the clause as it is based on the idea that all that flows from it will come from a kindly Government who will only ever do the right things and make the right changes. I and hon. Friends tabled an amendment to strike out clause 3(6) for that very reason—because the extent of this is almost limitless. Of course the Government will say to us, as all Governments have always said to us, "You can trust us as we have the best interests of the British nation at heart." I am sure that all Governments believe that. I do not think for one moment that the Minister would try to sell the country down the river; he believes that what he is doing is right and that the Government would resist any change. The problem is that there is a natural dimension to this: this whole process of change from within the European Community—now the European Union—has a dimension that overcomes Government resistance. In due course, more and more will change and flow from this, and Governments will go along with it. In fact, we get so casual with secondary legislation that it flows through this place like a river in spate. There is so little that we ever do about it. We nod through measures that we should never nod through. Admittedly, there are good Select Committees that try to pinpoint things that go wrong. The hon. Member for Linlithgow and East Falkirk (Michael Connarty), the Chairman of one such Committee, is present, and I congratulate him. They are, however, like the little boy with his finger in the dyke. The truth is that we will be overcome—in fact, we are overcome. More and more power is taken away from Members of this House and put into the hands of the Government, and exercised in due course on behalf of the EU. Therefore, I do not trust Governments either of my own persuasion or of the other political persuasion when they say, "Trust me."

This House should never trust Governments. That is what we are here for. Why do we sit on these Benches if all we want to do is give way to the Government? We should never trust them for one simple reason. Our history over hundreds of years is bound up in this clause, because it is about us not trusting them; it is about us fighting to take back powers, not about giving them to another body to be exercised via the Government. That is why I feel strongly about the clause, and why we should resist it. It is alien to the entire way we believe we should operate. We were elected here not to trust, but to spell out. Our trust should be placed in the words in front of us, not in what a Government say might be their meaning in 10 years. If we do not believe what their meaning is said to be, but instead believe that they would allow a Government to extend things beyond and far into the future, we should say no. Even if that does not happen, we should say no because that is a power we have no right to give them.

Michael Connarty: I am pleased to follow the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) even though I think he accused me—or Select Committees in general, perhaps—of giving the finger to the Government. I deny the charge, even though I do not deny the temptation.

I recall that the right hon. Gentleman received an award at the end of last year, and that I received one on the same day. I said something then that, funnily enough, he has stolen; I said that I was not a Eurosceptic, but a Government sceptic. That is a healthy thing to be on the Government Benches as well as on the Opposition Benches.

The problem with a lot of these debates is that people make arguments for parliamentary democracy at the highest level—the right hon. Gentleman made a good speech about that—while also saying that we should abandon it and let people have a referendum run by the tabloid press and certain prejudiced people who have such power in this land because of their ownership of multimedia. Such people would distort anything and take things away from parliamentary democracy, which is why I am pleased that we have had so many days of debate on the treaty.

Hon. Members keep coming back to simplified speeches that they can doubtless make to their constituents, but I ask them to read the consolidated treaty, a copy of which I have here. It shows how the treaty on the functioning of the European Union will work. If they did that, they would not be opposed to allowing clause 3 to stand part of the Bill.

I commend the right hon. Member for Wells (Mr. Heathcoat-Amory) for his thoughtful amendment. I also commend some of the speeches made about it. We heard discussions about how the Government should bring to the Floor of the House a procedure that would give confidence that Parliament would be engaged in deciding not only whether the right terminology is being used—for example, ensuring that "EC" becomes "EU"—but whether a power should be given away by an opt-in or a decision to opt out. I have put that matter again and again to my Front-Bench team from these Benches and in my Committee's report, and the point has been echoed by contributions by members of the Public Administration Committee. I hope that before the Government finish this procedure they will lay before us clear regulations that we can approve.

Let us consider the origin of much of clause 3. Paragraph 42 of the European Scrutiny Committee's 35th report of Session 2006-07 states:

> "The White Paper…refers to…'simplified treaty revision'".

It also mentioned a simplified revision procedure, which should be the substance of our concern. We detailed how the original

> "articles IV-444 and 445 of the Constitutional Treaty"

provided for that "simplified revision procedure". We called it a constitutional treaty, but it was the treaty for a constitution.

The Committee went on to say:

> "The simplified revision procedure would allow a change from unanimity to QMV (except in relation to decisions with military implications or in the area of defence)."

I must point that out to hon. Members who were worried about defence. Neither the treaty for a constitution nor this treaty intended to hand over defence to anything other than a unanimity procedure; there was no intention to go to QMV, and that position remains firm.

I found it strange that the hon. Member for North Essex (Mr. Jenkin) spoke about defence, because I had expected him to discuss institutions. The Chair was open to letting him speak. He argued, incorrectly—I tried to intervene on him, but he would not let me—that defence was going to be compromised by this treaty.

Mr. Bernard Jenkin (North Essex) (Con) *rose*—

Michael Connarty: I shall give way when I have put some specific quotes on to the record. The Committee's report stated:

> "The same simplified procedure may be used to amend all or part of the provisions of Part Three of the Treaty on the Functioning of the Union".

Our concern was that there was no intention to have an IGC to do that, so it would just be done by arrangements with Governments. We said that we were

> "concerned that these provisions could allow substantial changes to be made without convening an IGC and so lead to even less transparency in the way the EU is governed, and less accountability of governments to their national parliaments. We ask the Government to outline what safeguards they would put in place to prevent this further erosion of transparency and accountability."

As a result of that conclusion and our interrogating the Minister and the Foreign Secretary, they secured a series of agreements in the protocols on how this Government, and perhaps the Polish and Irish Governments, would have the right to opt-in after a matter was transposed and a clear procedure whereby if we did not like an amendment to something that had been agreed to—in other words, when we had already opted in—we would have the right to opt out or opt in to that amendment.

There were consequences to that. There could have been financial penalties, because the countries that remained in the agreement could have decided that any costs incurred in pursuing an amendment that they had agreed should fall on the UK. We were assured by the Foreign Secretary and his officials that they could never see such a measure being enacted, but the European Scrutiny Committee was concerned that the decision to impose such penalties would be taken by qualified majority voting of the remaining countries, without the UK being allowed to participate. In other words, it would be a court at which we could not make our case.

9 pm

We summed up the situation as the law of unintended consequences. The Foreign Secretary—and his officials, whom I met separately—argued strongly that we had worked out the deal, that the amendments were to our advantage and that they would lay out a proper timetable for opting in and out. I have asked the Minister about the matter several times in the House. I know that he is burdened down with dealing with these debates, but I hope that someone in the Foreign Office is working on a set of procedures that show how the provisions will be enacted. If that does not happen, we will be taking a leap in the dark, although I believe that clause 3 should stand part of the Bill.

Mr. Francois: I shall not praise the Chairman of the European Scrutiny Committee, as I have on previous occasions, because I do not want to get him in trouble with his own party. He has touched on an extremely important point, and it shows that his Committee is doing exactly its job of holding the Government to account on points of detail. He has pressed the Minister on the important point of whether we might be fined and I hope that he will give us a definitive answer when he replies to the debate, because the question is fundamental.

Michael Connarty: I thank the hon. Gentleman. I know that, in trying to help me, he is trying to help the Committee. He is probably not helping me, but he might be helping some Members who do not believe such questions should be asked. I do not expect the Minister to give us a definitive answer this evening, but as I said in a debate last week, I hope that the Government are giving the matter serious thought and will give us a clearly defined answer in regulations. They must give Members on both sides of the House the confidence that in the next five years, every time an opt-in is considered that will change a relationship set out in the agreement, it will be brought to the Floor of the House.

Mr. Jenkin: I thank the hon. Gentleman for giving way. He is very generous. In my defence, the reason I did not give way to him on the previous occasion was that I was closing my remarks and we were short of time. We have more time this evening.

I point out to the hon. Gentleman that the European Defence Agency has its statute established by qualified majority voting. That statute empowers its steering board to vote by qualified majority voting. Furthermore, the Council, when establishing permanent structured co-operation, votes by qualified majority voting and can remove a reluctant member of the permanent structured co-operation in that way. My submission is simple: that the qualified majority voting arrangements in defence will inevitably put pressure on member states to agree with things with which they might otherwise not agree. That is an erosion of the veto on EU defence policy.

Michael Connarty: It is very interesting that the hon. Gentleman picked that example; we have looked at it in great detail, but I am sure that he and all other hon. Members will agree that it has nothing at all to do with the treaty. That agreement already exists under the current treaties: the European Defence Agency is up and running, and we regularly receive reports from it. My understanding—I think that this was what I would have said in the intervention on the hon. Gentleman—is that only where a group of countries decide to act together and one member wishes to leave that arrangement because it finds it too burdensome can the agency decide by qualified majority voting to let that country leave. It is not a matter of expelling someone. I am very clear about this fact; we have studied it in some detail. When a country wishes to leave, it can be given permission to leave by qualified majority voting. That is an arrangement not for all 27 countries, but only for those countries that have already agreed to act together on specific defence-related policies.

Mr. Jenkin *rose—*

Michael Connarty: I am not going to get into a dialogue.

Mr. Clappison: Has the hon. Gentleman seen the report of the Foreign Affairs Committee in which it found that the treaty contains five significant changes in defence, including permanent structured co-operation, to which my hon. Friend the Member for North Essex (Mr. Jenkin) has just referred? The Select Committee found that there was a change.

Michael Connarty: I think that the Foreign Affairs Committee concluded that any such amendment should be made by primary legislation.

Later, we shall debate a number of passerelles—a procedure whereby a decision can be taken by unanimity to adopt qualified majority voting—but that is not what we are talking about at the moment; we are talking about clause 3, which is not a matter of passerelles.

Philip Davies: I want to bring the hon. Gentleman back to the point that he made earlier. I could not quite follow what he was saying, but I seemed to agree with him that clause 3 involved taking a leap in the dark—I think that he used that phrase—and that he hoped that the Minister would return with some clarification. Is the hon. Gentleman really saying that he will vote for clause 3 without that clarification, even though he accepts that we are taking a leap in the dark?

Michael Connarty: The hon. Gentleman did not follow what I was saying. I was referring to matters where qualified majority voting would result if we opted into any provision using the normal Community method, which is qualified majority voting, or when an amendment is made to something that we have already agreed to. In that case, we have the option to opt in or opt out. I have already said several times that those procedures should be explained quite clearly, so that people know how we as the Parliament, rather than the Government, will be involved in making the decisions.

My concern is not so much that such things will be done by statutory instrument—at least that would be something—but that they will be done in Council and all we will get is a report of the deed when it is done, which is often the case at the moment. That is what I am talking about. I do not find the change in terminology in the least bit offensive or difficult; it is a consequence of signing up for the treaty. I believe that the treaty is good for the UK and the people whom I represent, and even the right hon. Member for Chingford and Woodford Green said that this minor consequence is not the most important thing, but it raises the question of procedures—something that the right hon. Member for Wells did very well—and that is what I am concerned about.

Mr. Jenkin: I must first take issue with the hon. Member for Linlithgow and East Falkirk (Michael Connarty) about the European Defence Agency. He is correct that no member state can be thrown out of the agency, but there is no need to throw out a single member state, because the agency will operate on the basis of qualified majority voting. If there are dissenting voices that represent less than a qualified minority, their views can be disregarded and overridden. That creates a very large thick end of a thickening wedge in European defence. The hon. Gentleman says that the European Defence Agency is not a new institution, but it is now enshrined in the new treaty as an institution of the European Community. The high representative for foreign affairs has a leading role in the agency, according to the statute. Of course, the high representative for foreign affairs is also a member of the European Commission, thus attacking the agency's intergovernmental nature once again.

The European Commission has long had an ambition to create a single market in defence goods, and fundamental to clause 3 is the elimination of the obvious distinction between those matters that exist under the treaty of European Union and those that exist under the treaty establishing the European Communities. The idea that that is a technical change, as the Minister put it, is likely to be misleading—although perhaps not deliberately misleading—to those who wonder how the treaties will affect the lives of citizens in the member states.

I remind the House of what paragraph 2(b) of article 1 of the new treaty says:

"The Union shall be founded on the present Treaty and on the Treaty on the Functioning of the European Union"—

that is the new name of the treaty establishing the European Community—

"(hereinafter referred to as "the Treaties"). Those two Treaties shall have the same legal value."

That was simply not the case under the previous arrangements. We will now rely on the provisions of the treaty in order to separate matters that were traditionally covered by the treaty establishing the European Community—including the single market, the common agricultural policy and the common fisheries policy—from matters such as the common foreign, security and defence policy. Hon. Members will be surprised to hear that the provisions of the treaty are subject only to the interpretation of the European Court of Justice.

Mr. Duncan Smith: My hon. Friend and I have debated such issues together many times, so he will recall that the key to the European Union's dynamic force lies in the Court, because the Court takes control of elements and, through judicial activism, reinterprets issues and always moves things on in a single direction.

Mr. Jenkin: That is exactly right. I remember debating those matters with my right hon. Friend many years ago when the House debated the treaty on European Union, as it then was. The point is that it is impossible to foretell what matters will come before the Court. It is impossible to forecast what issues and disputes will arise on a subject as massively complex and broad as the treaties. We now rely entirely on short exclusions that are written into the treaties. Let me elaborate on that point. The hon. Member for Linlithgow and East Falkirk, the Chairman of the European Scrutiny Committee, exhorted us to read the treaties, so let me say that the exclusion concerned is in article 275 of the consolidated texts. I must say that I find the business of using the treaty of Lisbon numbering very confusing, because when people read this debate once the treaty is in force, if they open the consolidated texts they will not be able to marry up the debate that took place in the House with the treaty that is in force. I hope the House will forgive me if on this occasion I use the numbering as it would be if the treaty were ratified.

Mr. Lilley: The constitution.

Mr. Jenkin: Yes, I hear my right hon. Friend saying that the treaty is near to being the constitution. It is worth pointing out that the abolition of the term "European Community", and its replacement with "European Union"

[Mr. Jenkin]

throughout the treaties, was the main innovation in the constitution. That underlines one of the European Scrutiny Committee's fundamental conclusions, which is that we are talking about a distinction that amounts to no substantive difference.

Article 275 says:

"The Court of Justice of the European Union shall not have jurisdiction with respect to the provisions relating to the common foreign and security policy nor with respect to acts adopted on the basis of those provisions."

The problem is that the treaty does not define "common foreign and security policy". The only definition is included in the provisions on foreign and security policy.

9.15 pm

The treaty continues:

"However, the Court shall have jurisdiction to monitor compliance with Article 40 of the Treaty on European Union and to rule on proceedings, brought in accordance with the conditions laid down in the fourth paragraph of Article 263 of this Treaty."

If hon. Members have become confused it is understandable, because the matter is complex. Article 40 of the treaty on European Union—the European Scrutiny Committee Chairman told us to read the treaty, and I am enjoying reading it—states:

"The implementation of the common foreign and security policy shall not affect the application of the procedures and the extent of the powers of the institutions laid down by the Treaties for the exercise of the Union competences referred to in Articles 3 to 6 of the Treaty on the Functioning of the European Union."

Notwithstanding the exclusion of the European Court of Justice from common foreign and security policy, anything that is included in the treaty on the function of the European Union that overlaps with common foreign and security policy is included in the jurisdiction of the Court. That includes matters such as trade, aid and, as my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) has said from a sedentary position, competition.

Article 270 on the European Court of Justice refers to the terms and conditions of employees of the European Union, and the boundaries will get blurred. Members of the External Action Service of the European Union will presumably be employees of the European Union, so that aspect of foreign policy will inevitably be tangled up with the European Court of Justice—for example, there could be an international dispute that turns on the employment conditions of an employee of the European Union in the form of the External Action Service. That is one area in which blurring is likely to take place.

Let us remember how the jurisprudence of the Supreme Court of the United States developed on matters such as tax, trade and agriculture. The Supreme Court of the United States has no explicit powers to regulate tax. There is no federal power in the United States constitution that grants taxation powers to the Federal Government, and such powers were obtained by extrapolating the right to regulate trade between the states of the United States of America. On agricultural quantities, for example, there is no federal power in the United States constitution to regulate quantitative restrictions within a state of the United States of America. However, because a court has argued that what is produced in one state affects trade in another, trade provisions have been used to get into another area of the law, which is how the United States became the modern federation that it is today.

The exclusions in these treaties have been expressly drafted to prevent such leakage of jurisdiction upwards to the federal institutions of the European Union, but I fear that it will be difficult to prevent that. Returning to the European Defence Agency, it is clear that many supporters of the EDA dream of creating a single market for defence manufacturers in the European Union. There are specific exclusions that exclude defence from the single market in the existing treaties, which will be carried forward into the new treaties. However, let us face it: what constitutes a defence good as opposed to an ordinary civil good? Let me give an example.

We export Land Rovers throughout the world, and a Land Rover can be a civilian or military vehicle. Many of the parts used for the civilian versions are also used for the military versions. One of the exclusions from the European Court of Justice is trade. I always thought that the application of sanctions against a third country was an act of foreign policy, but the European Union does not count it as such—the application of sanctions is a trade matter, which falls under qualified majority voting and is included in the jurisdiction of the European Court of Justice and enforceable by the Court.

Let us suppose that we had a dispute with our European partners about a major defence contract and they wanted to stop us having an arrangement with a third country. Given the provisions that international sanctions be subject to qualified majority voting, that issue could be included. Civilian parts of the order could be included, even if they were included as military hardware.

I should like to ask the Minister a question, if he will give me his attention. When there are disputes about the treaties, they are routinely referred to the European Court of Justice for resolution except in so far as they are excluded. Yet it is illegal to refer any dispute about the treaties to any body outside the European Union. By rule of the treaties, there are matters of international law that cannot be referred to the European Court of Justice, nor to any other international jurisdiction.

How would such a dispute be resolved? In the end, it is inconceivable that a dispute within the EU about the treaties would not eventually and somehow be resolved by the European Court of Justice. The Court might well exclude itself from jurisdiction, but we would be relying on that self-exclusion. In the boundary areas in which foreign and defence policy overlaps with policy on trade, aid or other issues included in the existing treaty establishing the European Community, it is easy to see how the jurisdiction of the Court could be incrementally enlarged, case by case, as we have seen it operate year after year.

Finally, I wish to return to the question of permanent structured co-operation, given that I was provoked by the Chairman of the European Scrutiny Committee. Qualified majority voting also erodes the intergovernmental character of what has traditionally been dealt with under the treaty on European Union. Permanent structured co-operation is created by a qualified majority vote of the European Council. A

member state can be removed from the permanent structured co-operation under article 28E, paragraph 4—I am going back to the other numbering, which shows how confusing it is. The article states:

"If a participating Member State no longer fulfils the criteria or is no longer able to meet the commitments referred to in Articles 1 and 2 of the Protocol on permanent structured cooperation, the Council may adopt a decision suspending the participation of the Member State concerned."

It goes on to say that such a decision will be taken by qualified majority voting.

Michael Connarty: Will the hon. Gentleman admit that these voluntary arrangements from which people wish to withdraw may not include all countries of the 27 but those that wish to become involved in such arrangements, and that if some of them then wish to withdraw from those arrangements because they do not have sufficient capacity to meet the required criteria, that is when the provision that he mentioned comes into action? This is not a question of 27 members agreeing to do something together or then being compelled to remain bound by such an agreement or being expelled if they fail to meet the necessary criteria—it is a system to allow people to withdraw from an arrangement when they do not have the support of their Parliament or Government or the resources to participate in the arrangement they had previously agreed. No one can be forced by qualified majority voting to take part in any of the actions that he is outlining.

Mr. Jenkin: The point is that a member state that chooses to exclude itself from the permanent structured co-operation or is excluded because it fails to satisfy the criteria to the satisfaction of other members ceases to have a veto—*[Interruption.]* The hon. Member for Linlithgow and East Falkirk is interrupting me—

The Second Deputy Chairman: Order. Perhaps I could say at this juncture that we are discussing clause 3 stand part; it might be useful if I reminded the hon. Gentleman of that.

Mr. Jenkin: I am most grateful for your clarification, Sir Michael.

In clause 3, the distinction between the European Community and the European Union is verbally destroyed, so the natural distinction that the Court, or any institution of the European Union, would make between the European Community and the European Union no longer exists, as they become the same organisation.

Mr. Clappison: In mitigation towards the Chairman of the European Scrutiny Committee, will my hon. Friend join me in understanding the frustration clearly felt by the hon. Gentleman and by other hon. Members about the fact that in debating this clause, which is just about names, we are trying to have the detailed scrutiny of defence matters that we have been prevented from having in relation to the rest of the Bill? We feel frustrated because we are not doing our duty.

Mr. Jenkin: I absolutely agree. I am fumbling in my treaties to try to find the relevant protocol relating to this very important matter.

Mr. Duncan Smith: While my hon. Friend is busy with his documents, does he agree that we have been through this stuff many times over? I would reiterate this point to the Chairman of the European Scrutiny Committee. The moment that the distinction between the two institutions was broken and the courts were therefore brought in on this, we could not, as politicians, assume anything about the future direction. The point that my hon. Friend is making so well is that now, when the Government say, "Trust us", they have no idea how the courts will rule when it comes to a clash over on which side of the argument they should fall.

Mr. Jenkin: My right hon. Friend is exactly right.

The conditions for taking part in structural co-operations are very onerous. Article 2 of the protocol says that to achieve the objectives laid down, participating member states shall undertake to

"bring their defence apparatus into line with each other as far as possible, particularly by harmonising the identification of their military needs, by pooling and, where appropriate, specialising their defence means and capabilities"

and to

"take concrete measures to enhance the availability, interoperability, flexibility and deployability of their forces, in particular by identifying common objectives regarding the commitment of forces".

If a member state in the permanent structured co-operation does not want to go along with some European policy that is being decided by the European Defence Agency on qualified majority voting, or has decided to exclude itself from a set of decisions that result in the European Union making it its policy to harmonise certain defence policies, it loses the veto, because unless it goes along with that policy, it is not complying with the terms of the permanent structured co-operation and can be excluded from it anyway.

Mr. Duncan Smith: As my hon. Friend said previously, what this House constantly fails to realise, because it has never been the nature of the way in which law is made in this country, is that the European Court of Justice constantly refers back to the protocol. That gives it its sense of direction when a clash occurs, and it will always find its way to that direction. It may temporarily halt, but it will always find that direction. That is why the momentum of the European Union has been guaranteed by the Court of Justice. Those Europeans who legislate say that the protocols are critical. We think that they are general; they say that they provide the sense of direction, and they are right.

9.30 pm

Mr. Jenkin: My right hon. Friend, again, is exactly right.

Mr. Davey: Will the hon. Gentleman say which part of defence policy he believes that the Court has jurisdiction over?

Mr. Jenkin: I have explained how the Court of Justice already has jurisdiction over sanctions policy. It already has jurisdiction over the single market, and it—

Mr. Davey *indicated dissent.*

Mr. Jenkin: I am going to explain it to the hon. Gentleman. The European Court of Justice has the responsibility to adjudicate on what is purely a single market matter, and what is military. Those boundaries will be adjudicated by the Court of Justice and it is only a matter of time before the Court finds the means to regulate what the Commission has long wanted to be able to regulate: the edges of the defence market. I have explained how the protocol also creates a political imperative on member states participating in a permanent structure of co-operation to harmonise their defence policies for fear of being compulsorily excluded from the permanent structured co-operation. These are arrangements—

Mr. Hendrick: Will the hon. Gentleman give way?

Mr. Jenkin: I am going to make a simple, last point—

Mr. Hendrick *rose—*

Mr. Jenkin: Okay, I will give way to the hon. Gentleman as I have not given way to him before.

Mr. Hendrick: We may have our differences about the virtues of the European Court of Justice, and I think that the example the hon. Gentleman gives about trade policy—whether something is a civil or defence issue—is quite obscure and tenuous, but leaving that aside, does he accept that not all 27 member states have to be members of the European Defence Agency? Those who join the agency do so because they wish to, and not everyone is obliged to take part. If a member state wishes to leave, or other member states think that that state is not playing ball on the objectives, why should it have a veto?

Mr. Jenkin: If a member state chooses not to participate in the defence agency or in the permanent structured co-operation, it is nevertheless bound by the policy decisions of those two bodies, which become the policy of the Union. Under article 11, that state is bound to support the policies of the Union actively and unreservedly in that area. That amounts to the loss of the veto.

Mr. Hendrick: Will the hon. Gentleman give way?

Mr. Jenkin: Does the hon. Gentleman want another go? I have flattened him once.

Mr. Hendrick: It would be significant if all 27 member states were members of the European Defence Agency, which will not be the case, as the hon. Gentleman well knows. Secondly, the fact is that if other member states in the defence agency do not agree, a member state can withdraw or be thrown out. Whether or not that member state has a veto in an organisation that does not have to have 27 members is neither here nor there.

Mr. Jenkin: I invite the hon. Gentleman to read article 11, which says—I know it off by heart—that member states shall refrain from any action that is likely to disrupt the policies of the European Union. If the policy of the European Union is decided by six or eight members, that is its policy. Those self-excluded or compulsorily excluded members have no control—

Mr. Hendrick *rose—*

Philip Davies *rose—*

Mr. Jenkin: Do I really need to give way to the hon. Member for Preston (Mr. Hendrick) again? [HON. MEMBERS: "No."] I give way to my hon. Friend.

Philip Davies: Clause 3 concerns changes of terminology. Is it not another example of how the European Union has run rings round this country time after time? It tries to pretend that these changes in terminology mean nothing, and that they are just technical changes, and Ministers swallow it every time. But it knows why the changes are so important, which is why it insists that such changes are in these treaties, and it uses them in the way referred to by my hon. Friend.

Mr. Jenkin: My hon. Friend is absolutely right, and we know that there is a clear agenda behind the changes. Those who created the European constitution, which the Government admitted represented a fundamental change in our relationship with our European partners, have designed this treaty so that it will have virtually the same effect as the constitution, but under the disguise of an intergovernmental arrangement.

Michael Connarty *rose—*

Mr. Jenkin: I shall give way to the hon. Gentleman again, but what I have just said is pretty much what his Committee told the House.

Michael Connarty: The hon. Gentleman has tried to make the same point in several speeches. He tries to delude those outside that people must be involved in the permanent structured co-operation, that they can expelled from it but that somehow they have no control over it. Article 1 of the protocol from which the hon. Gentleman quoted selectively states:

> "The permanent structured cooperation referred to in Article 42(6) of the Treaty on European Union shall be open to any Member State which undertakes, from the date of entry into force of the Treaty of Lisbon, to:"

It then lists the provisions. It reads "shall be open to", not "shall be compelled to be part of". Will the hon. Gentleman please desist from claiming that people must join the organisation, that they can be thrown out of it and that, somehow, they have lost all control? The protocol makes it clear that permanent structured co-operation will not contradict any country's priorities in defence policy or undermine people's right to act through NATO for their common defence. It cannot be described as compulsory. If the hon. Gentleman puts that on record now, I shall let him fantasise as much as he likes thereafter.

Mr. Jenkin: The hon. Gentleman is guilty of a partial reading of the treaty. The permanent structured co-operation in article 1 of the protocol to which he refers is governed by another article under title V. I shall not repeat it, but permanent structured co-operation is created by a qualified majority vote of the Council. Moreover, such a vote can remove a member that no longer satisfies the criteria that the protocol lays down. The protocol's obligations, which I read out earlier, are onerous.

Michael Connarty: Are they voluntary?

Mr. Jenkin: No, they are not voluntary. *[Interruption.]*

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. The hon. Member for Linlithgow and East Falkirk (Michael Connarty) knows how to make an intervention if he wishes to do so.

Mr. Jenkin: The hon. Gentleman is right that there is no obligation to be part of a permanent structured co-operation, but that is not the question. The European Union's policy will be decided by those in the permanent structured co-operation. A member state that is in the permanent structured co-operation can participate in the discussion but be outvoted, and a member state that is not in it has no say in what becomes the European Union's policy.

Michael Connarty: If a member state does not want to be part of that co-operation and any agreement of the European Union to take part in an action outwith it, why should that member state be bothered? In that case, the member state has decided not to commit troops or be involved.

Mr. Jenkin: I have never claimed that the article would be a means of deploying troops from a member state that is not in the permanent structured co-operation. I have never said that. However, let us suppose that it became the policy of a permanent structured co-operation to send a new force to a new theatre of war. Let us suppose that a member state in the permanent structured co-operation did wish to do that. The member state either has a veto over the operation or, if it had already been excluded for other reasons, no say over the European Union's making a military deployment in its name. What could be clearer than that? Why do the arrangements exist if they are not to enable the EU to make more decisions without single member states being able to obstruct them with their vetoes? That is the reason for including the protocol.

Mr. Hendrick: Does the hon. Gentleman believe that it would be reasonable for, for example, Luxembourg to be a member of the European Defence Agency and have the power to veto the wishes of many other member states that are members of that agency?

The First Deputy Chairman: Order. We should be discussing clause 3 stand part, not the detail into which we are now going.

Mr. Jenkin: I will certainly respect your injunction, Mrs. Heal, but your injunction underlines how lamentably short is the time that we have been given to discuss the defence aspects of the treaty. Indeed, the defence amendments were never discussed at all. We have relied on your good offices and those of your colleagues to be allowed to discuss such matters at all, but we have never had proper time to do so.

The fact is that clause 3 is about establishing a clear direction of travel for the European Union. It is not about decentralising or giving more powers to member states; it is about taking powers away from member states and establishing institutions that will continue to remove policy discretion from member states and give it to the institutions of the European Union. That is why I oppose clause 3.

Mr. Roger Gale (North Thanet) (Con): I came into the Chamber earlier—it seems like quite a long time ago now—to make a brief contribution based on my personal experience in the House, which I believe is directly relevant to clause 3, curious though that may seem. Before that, however—and before you took the Chair, Mrs. Heal—the hon. Member for Linlithgow and East Falkirk (Michael Connarty) threw down the gauntlet to my hon. Friend the Member for Hemel Hempstead (Mike Penning), which I would like briefly to pick up.

The hon. Gentleman held aloft the treaty, asked, "Have you read this?" and challenged us to say which of the items in it our constituents had written to us about. Hon. Members will be pleased to hear that I do not propose to go through the entire litany, but back in the autumn I sent out 35,000 cards to my constituents, 3,500 of which were returned, which by my miserable maths makes 10 per cent., which is about 10 times more than we usually receive when we send things without a reply paid envelope. In addition, I collected 3,500 signatures for a petition calling for a referendum on the constitution, which is what the treaty is. Those people writing to me made their views very clear. They were concerned about defence, about European foreign policy, about an extension of presidential powers and, most particularly, about the loss of the veto in a whole raft of areas.

The hon. Gentleman held up the document and asked, "Have you read this?" As you will remember, Mrs. Heal, before the summer recess we did not have access to even the draft treaty in English, so I—poor, sad soul that I am—got a copy in French and tried to read it. It was, dare I say, pretty obscure. My right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) said that the document was "opaque". I would say that it is obscure. When the draft treaty came out in English, I heaved a sigh of relief and grabbed it, giving up on my miserable French, only to discover that it was just as obscure in English as it was in French—to me, at least.

One thing shines through clause 3, however. You have sat in the Chair on numerous Committees considering various pieces of legislation, Mrs. Heal, as have I. In your years in the House, you will have experienced, as I have experienced, under—I have to say with shame—successive Governments, not just this one, a weakening of parliamentary draftsmanship. It has reached the point where increasingly lazy draftsmen write secondary powers into Bills saying that the Minister will have the right to do this or that thing by secondary legislation. There is a whole raft of potential secondary legislation that is not contained in very many of the Bills that we pass through the House. I see clause 3 as the European version of that writ large.

Clause 3 is not about giving nation states a right to do as they see fit; it is about a right of the European Union to tell us in Parliament what we will do and enact by secondary legislation. If I am right—the Minister will no doubt clarify this when he winds up, but I believe that I am—we have failed to grasp one salient fact, as was mentioned earlier. In these Houses of Parliament, the law is the last resort and Parliament is sovereign. In many European jurisdictions, the legislature is bound up with the legal process—they are

[Mr. Roger Gale]

part and parcel of the same thing. If clause 3 goes through, we will find the European Court dictating to European legislators what we as United Kingdom legislators will then have to push through as secondary legislation. We shall find that we have no say over what we are enacting in many areas that are now the responsibility of this House.

With great respect to my right hon. Friends the Members for Hitchin and Harpenden (Mr. Lilley) and for Chingford and Woodford Green, who have said otherwise, clause 3 is not unimportant. It is not the most important clause in the Bill, but it is not unimportant. It is tantamount to a Trojan horse. If it goes through, inside it and on the back of it will come whole rafts of changes that we shall have no power to resist. That is why it must not, cannot and should not stand part of the Bill.

9.45 pm

Mr. Clappison: I shall oppose the clause standing part of the Bill. We have had more chance to debate this matter than many other aspects of the Bill but, even so, the clause is tainted by the way in which the Government have sought to manipulate terminology or nomenclature, all the way through the process to try to disguise what is taking place. The way in which we describe something is important.

The hon. Member for Kingston and Surbiton (Mr. Davey), speaking for the Liberal Democrats—we know that they have their problems at the moment—referred to the collapse of the pillars as being only a partial collapse. I think that that was in response to my hon. Friend the Member for Hemel Hempstead (Mike Penning), who used to be a fireman in his previous career. I do not know what a householder would have said to him if, attending a call and finding that the roof had blown off, he had said to that householder, "Never mind. You've only had a partial collapse. Your garden shed is still standing."

The Liberal Democrats have to face up to the seriousness of what is taking place here. I know that the hon. Gentleman has had his problems on this matter, but he has to face up to the fact that major changes in foreign policy have taken place and that that pillar has been completely collapsed. There is qualified majority voting on foreign policy and, increasingly, incrementally, we are going to have a European Union-determined foreign policy.

The same will apply to justice and home affairs. What the hon. Gentleman said about the opt-in arrangements was true, but we also heard from the hon. Member for Linlithgow and East Falkirk (Michael Connarty) about all the problems surrounding the opt-in provisions on home affairs, and about the penalty clauses that this country will face if we seek to exercise those opt-in proposals. I am not even sure that it is not the Liberal Democrats' policy to sign up wholesale to the so-called area of freedom, justice and security without an opt-in. They are not even clear on that.

These are important matters. The problem for the Government is that this process has been tainted by the way in which they have conducted the negotiations, by the lack of opportunity that we had to scrutinise the proposals before the intergovernmental conference mandate was agreed, and by the way in which that negotiation was carried out by the former Prime Minister, as virtually his last act in office. Thereafter, we were saddled with the intergovernmental conference mandate, which was enacted almost wholesale at the intergovernmental conference in November, save for the provisions that were disadvantageous to the United Kingdom, which gave us penalty clauses in respect of the opt-in. That was a real triumph of negotiation for the Government.

As I said earlier, what really astounds me in all this is the lack of transparency that taints this clause. I can do no better than to quote from the agreed conclusions of the European Scrutiny Committee—which is chaired by the hon. Gentleman—on the way in which the process had been tainted. It states in, I think, its most recent report, the third one of this Session, that

> "we reiterate our earlier comment that the process could not have been better designed to marginalise the role of national parliaments and to curtail public debate, until it has become too late for such debate to have any effect on the agreements which have been reached."

Our suspicions on this matter go back to before last June, because we know that a plan was set out for the Government in the questionnaire that came from the German presidency, when exactly the course that we have seen being followed was being suggested to the Government, even though they denied having received the questionnaire. The questionnaire talked about using terminology and presentational change to disguise the fact that the former constitution was being enacted. It even went so far as to ask:

> "How do you assess the proposal made by some Member States concerning possible improvements/clarifications on issues related to new challenges facing the EU, for instance in the fields of energy/climate change or illegal immigration?"

Was it a coincidence, Mrs. Heal, that we spent a whole day debating the subject of climate change, which is a very important subject in itself, when there was not even a proposal about climate change in the original constitution? We find that this was put forward by the German presidency as a way of tarting up the constitution to make it more acceptable to public opinion, disguising what was really going on. The process was tainted, as I said, from beginning to end and it is a disgrace to the House in every conceivable way, as we have had no proper scrutiny on matters of such substantial importance. We cannot allow any part of this to go unchallenged, because the Government simply do not deserve our trust.

Mr. Francois: We heard quite a number of contributions from my right hon. and hon. Friends, but I hope that they will forgive me if, for the sake of time, I do not comment on every speech. I must say that I was particularly struck by the passionate—that is the appropriate word—contribution of my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith). He spoke very forcefully on these matters and I see the Minister nodding in agreement. My hon. Friend the Member for North Thanet (Mr. Gale) also spoke passionately about the threat posed by clause 3. My hon. Friend the Member for North Essex (Mr. Jenkin) was not to be outdone by the fact that the defence amendments had not been debated. In my view, he kept just on the right side of order, Mrs. Heal, introducing a number of concerns

through that methodology. We have thus heard quite a few speeches explaining why clause 3 should not stand part of the Bill.

At the risk of really dropping him in it, I must also refer to the hon. Member for Linlithgow and East Falkirk (Michael Connarty), the Chairman of the European Scrutiny Committee. The reason for doing so is that he asked a very important question of the Minister, when he pressed him on whether we could be fined under the treaty in certain circumstances. In a sense, he gave the Minister an excuse for not answering that question tonight, because he said that it was a complicated matter that officials were looking into, so it might not be possible to produce an immediate answer. I hope that, for the sake of the hon. Gentleman's career, the Government Whip took notice of that point. However, the Government have had months to prepare for debates on that subject. They have been negotiating through the European Convention for years, so they should by now be able to tell us definitively whether or not we could be fined and under what circumstances a fine would apply. I press the Minister to answer that question tonight, because we are not prepared to accept the get-out that he was given by the Chairman of the European Scrutiny Committee. We would like to have that question, so helpfully raised by the hon. Member for Linlithgow and East Falkirk, answered. With that, I hope that I have not completely wrecked the hon. Gentleman's further advancement!

If I may say so, Mrs. Heal, the Government's argument on clause 3 basically boiled down to "Trust us". The provisions are technical and tidying, we were told, so there is nothing to worry about. In a sense, that has been the Government's argument all the way through our debate on the treaty—that it is a tidying and amending treaty, in respect of which there is really nothing to worry about. Well, there are three reasons for not taking their word for it.

First, the Government said, "Trust us, and you can have a referendum", but they broke that commitment. Secondly, they said that the House of Commons could have 20 days to debate the provisions in detail, but they broke that commitment. Thirdly, they promised line-by-line scrutiny of the treaty, but they broke that commitment, too. When we debated climate change, we spent the best part of a day on it, yet as my hon. Friend the Member for Hertsmere (Mr. Clappison) said, only six words in the treaty related to that subject and no new powers whatever were proposed that were not already provided for in the existing treaty base. It is a sign of how bad the Government's argument was that day that the Secretary of State for Environment, Food and Rural Affairs, who moved the Government's motion, attempted to argue that—

The First Deputy Chairman: Order. I am sure that the hon. Gentleman will recall that we are supposed to be debating clause 3 stand part, rather than matters that were not debated in full earlier.

Mr. Francois: You are absolutely right, Mrs. Heal. My point was about clause 3 and scrutiny, and I was simply about to say that the argument of the Secretary of State for Environment, Food and Rural Affairs was that an amendment proposed by Conservative Front Benchers deleted the words from the treaty, when in fact it did not. That amendment was proposed by a Back Bencher and we did not support it. Not only did the Government fail to scrutinise the Bill; they did not even scrutinise the Order Paper properly, which is even more embarrassing. Therefore, I have given three reasons that the clause should not stand part of the Bill. There is another.

Earlier, we tabled amendments that would have made the clause less dangerous. In particular, amendment No. 39, ably introduced by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), would have made all the changes subject to the affirmative, rather than the negative, procedure. Had the Government been prepared to accept that amendment, we would have had greater reassurance about how clause 3 would have worked in practice. As they resisted that amendment, and the related amendments Nos. 55, 56 and 57 tabled by my hon. Friend the Member for Stone (Mr. Cash), and did not allow the House to improve the clause, the Opposition are not prepared to trust the Government on the basis of their record to date. We continue to oppose the clause standing part of the Bill.

Mr. Jim Murphy: Some time ago, when I moved that clause 3 should stand part of the Bill, I had not expected to have the opportunity and privilege to respond to such a wide-ranging debate. Some parts of the debate have referred to clause 3 more obviously than others, but all have, of course, been in order, as you, Mrs. Heal, and Sir Michael have guided.

We have heard contributions from the hon. Member for North Thanet (Mr. Gale), the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) and my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty). All that I would say to the hon. Member for Rayleigh (Mr. Francois) is that my hon. Friend the Member for Linlithgow and East Falkirk does not need the hon. Gentleman to get him into trouble; he is more than capable, as he is well aware, of doing it of his own accord, and sometimes he does it intentionally. I shall try to make relatively short responses, as I have already spoken on clause 3, and am mindful of your strictures to remain in order, Mrs. Heal.

The right hon. Member for Chingford and Wood Green—[Hon. Members: "Woodford."] I am sorry. The right hon. Member for Chingford and Woodford—[Hon. Members: "Green."] I am sorry. The right hon. Member for Chingford was generous—I am not sure that he wishes to be so now—in his observations of the tone that I have tried to adopt for the debate. Although we continue to disagree about the substance, it is important that the debate is conducted in a certain tone, and I have sought to do that. By all accounts, from both sides of the House, he made a remarkably impassioned speech in respect of the role of opposition, particularly with regard to the European Union. I am used to his tough tackling on the football pitch, to which he alluded, but he has been as passionate in this evening's debate as he is a tough tackler on the football field.

My hon. Friend the Member for Linlithgow and East Falkirk reflected on pillar collapses in justice and home affairs issues. I will seek to stay within the terms of the perhaps more narrowly defined clause 3, Mrs. Heal. He is right to assert, however, that our negotiated position has ensured the right to opt in or out on any amending

[Mr. Jim Murphy]

measure, Schengen-building measures and transitional measures. Whenever there is a transition from former pillar three to the new pillar one Community method, in the new democratic architecture, we have a chance to opt in on each proposal. At the end of the five-year transitionary period, we have the right to opt out en bloc, en masse, and can then apply to opt back in to each and every new measure.

My hon. Friend is right that if our decision had financial consequences, for example, if there were a common IT system to support some of the mechanisms currently in pillar three, or if UK staff were deployed in the management and support of such a mechanism, it would be appropriate for us to meet the costs of making those staff redundant and returning them to the UK if they were based elsewhere, geographically, in the EU. That is the type of issue that is being discussed, but we cannot take a view on the structure of the arrangement until we have taken a view on each and every proposal. However, I give my hon. Friend the assurance that I have given to him before: we will take a view on the financial consequences in detail as we examine the details of each individual measure.

Mr. Francois: Was not the point made by the hon. Member for Linlithgow and East Falkirk (Michael Connarty) that the decision on the amount of any such payment could be made at a meeting from which the United Kingdom was excluded?

Mr. Murphy: If we have left the governance of an area of justice and home affairs, we have left it, and when decisions about costs are made we will no longer be part of the process. I have made that clear before, and I make it clear again now.

10 pm

As for common foreign and security policy and defence policy, I do not wish to go into all the detail, but the Foreign Affairs Committee concluded that

"the simplification of the nomenclature for Common Foreign and Security Policy decisions introduced by the Lisbon Treaty represents an improvement on the current situation."

Permanent structured co-operation is clearly in the United Kingdom's interest, and is sensitive to and supportive of NATO's capacity and ambitions within the European Union. We are strongly in favour of it.

Article 275 makes absolutely clear the definitions relating to common foreign and security policy and the jurisdiction of the courts. The hon. Member for North Essex (Mr. Jenkin) asked about the complication presented by the consolidated treaty texts. The fact is that they were produced after a request from the European Union Committee in the House of Lords. Incidentally, a similar request was made at the time of the passing of the Maastricht Bill, and the Government of the day did no such thing. We thought that producing the texts was a way of informing the debate, and I am sorry that the hon. Gentleman did not find it as helpful as the Committee expected it to be.

The decision on common foreign and security policy and permanent structured co-operation was a deliberate decision in line with United Kingdom objectives to make PSC easier to set up, easier for member states to join, and easier for them to be suspended from if they no longer fulfil the requirements.

Mr. Jenkin: Why did the right hon. Member for Neath (Mr. Hain) oppose permanent structured co-operation when it was first proposed in 2003?

Mr. Murphy: In the interim there was a period of discussion, negotiation and agreement, confirming the participation of a member state that subsequently wishes to participate in qualified majority voting among members of the Council that are already participating in permanent structured co-operation. That was made very clear.

Mr. Francois: Is it now the Government's policy that if the Lisbon treaty is ratified, we should participate in permanent structured co-operation on defence? Yes or no?

Mr. Murphy: We strongly support permanent structured co-operation, whose genesis lies in a United Kingdom-French initiative. We and the French have strongly supported it in the past because of its capacity to deliver in such places as the Congo. [Hon. Members: "Yes or no?"] I have made it very clear that we strongly support permanent structured co-operation. I cannot make it any clearer.

The provisions in subsections (1) to (6) are also very clear. They establish a power to make purely technical changes. For example, the article numbers in the treaties will change when the Lisbon treaty comes into force. The co-decision procedure will be renamed the ordinary legislative procedure. There will be no change in substance in the United Kingdom as a consequence of clause 3, because, as subsection (4) makes clear, it concerns

"changes in terminology or numbering arising out of the Treaty of Lisbon."

Mr. John Redwood (Wokingham) (Con): Does the Minister agree that the terminology is changing because there is a big further transfer of power to the EU? Is that not why the names and the way in which the clauses in the treaty are numbered are being changed? He should come clean with the British public, who want a vote on this issue, that he is giving power away.

Mr. Murphy: That is just not the case at all. It is legitimate for the right hon. Gentleman to oppose the policies and the content of the Lisbon treaty. But to seek, as he does, to prevent Parliament in the future effectively from making terminological changes and changes in numbering arising from the Lisbon treaty is nothing short of ludicrous. I remind the House that we are speaking of the issues set out in the schedule. The terminological and numbering changes apply to regulations such as the Potatoes Originating in Egypt (England) Regulations 2004 and the Food (Peanuts from China) (Emergency Control) (England) (No. 2) (Amendment) Regulations 2003. To suggest that changes in the terminology and numbering of such regulations necessary as a consequence of the introduction of the Lisbon treaty into law cannot be made is nothing short of ludicrous.

These amendments are about frustrating the passage of the Bill and, as the hon. Member for Stone said earlier, about wrecking the Bill and preventing the Lisbon treaty from entering into force in the UK. I urge my hon. Friends to support clause 3 stand part.

Question put:—

The Committee divided: Ayes 326, Noes 148.

Division No. 110] **[10.07 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabern, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laws, Mr. David
Laxton, Mr. Bob
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*

Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and Steve McCabe

NOES

Afriyie, Adam
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davidson, Mr. Ian
Davies, Philip
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Heald, Mr. Oliver
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
Mcintosh, Miss Anne
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Mr. John Baron and Nick Herbert

Question accordingly agreed to.

Clause 3 ordered to stand part of the Bill.

Schedule agreed to.

Clause 4

INCREASE OF POWERS OF EUROPEAN PARLIAMENT

Question proposed, That the clause stand part of the Bill.

Mr. Jim Murphy: I am delighted to rise in support of clause 4. It does not so much

"secure for the workers by hand or by brain",

but it does secure increased powers for the European Parliament. Although that may be one and the same thing. *[Laughter.]*

Clause 4 fulfils the statutory requirement that any increases in the powers of the European Parliament must be approved by Act of Parliament. I am delighted to have the opportunity to speak to this clause and to pay tribute to the work undertaken by the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) and the close attention that he has paid to the issue over recent months.

The European Parliamentary Elections Act 2002, which amended the original 1978 Act, requires that:

"No treaty which provides for any increase in the powers of the European Parliament is to be ratified by the United Kingdom unless it has been approved by an Act of Parliament".

Clause 4 therefore meets the requirements of the 2002 Act.

Mr. Redwood: Will the Minister remind the House how the powers are being strengthened?

Mr. Murphy: The powers of the European Parliament are being strengthened in a positive way. There are 40 extensions to co-decision in the European Parliament, 30 of which apply to the UK. The other 10 will apply to the UK should we choose for them to do so. It is an important set of reforms that enshrines additional responsibilities on the European Parliament, although some of the debates in this House suggest a collective denial of the fact that European parliamentarians, including those from this nation, are elected by a democratic process. It is a step in the direction of improving the co-decision making of the European Parliament.

It is right that we make provision in primary legislation recognising that the Lisbon Treaty increases the powers of the European Parliament. These changes are intended to strengthen the co-decision extensions. Experience suggests that co-decision leads to better legislation—the registration, evaluation and authorisation of chemicals regulation, or REACH, is a good example. The co-decision powers will not be extended everywhere, and will not apply to key strategic policy areas—such as foreign and defence policy.

Of course, some Conservative Members will oppose clause 4 and the extension of co-decision, but I am sure that in private, reflective moments they will recall that the principle was introduced by the Maastricht treaty, which made the European Parliament a true joint decision-making body for the first time. The Maastricht treaty introduced co-decision procedures in 15 separate articles, on issues such as the free movement of workers, services, internal market, education, public health, consumer protection and environmental policy. All those co-decision arrangements were introduced by the Maastricht treaty.

Of course, the Lisbon treaty also caps the number of Members of the European Parliament at 751—down from 785 at present—and we welcome that smaller European Parliament as well. The European Parliament will elect the president of the Commission. Under new article 9d, the European Council will have to take account of the political complexion of the European Parliament when nominating a new Commission president, and MEPs will gain separate votes on the Commission president and on the college of Commissioners. Of course, that is not a new change in substance. The European Parliament's approval, which it delivers by a vote, is required now to appoint a new Commission. The new wording reflects the procedure followed during the appointment of the Barroso Commission in 2004.

I sense from the mood of the House that hon. Members would like me to bring my comments to a conclusion—*[Interruption]*—but we still have nine minutes or so of the debate left before hon. Members perhaps seek to divide the House. I wish to give the hon. Member for Rayleigh (Mr. Francois) the opportunity to respond. I think that it is fair for me to conclude my remarks, except to say that we believe that these extensions of co-decision to the democratically elected European Parliament are an important reform. These reforms are supported by political parties across the EU. They are supported by the Governments and the main Opposition parties in all 27 countries of the EU. It would be a shame if, in the UK alone, one major political party opposed these extensions as they are now proposed as a consequence of the Lisbon treaty. With those comments, I suggest that clause 4 remain part of the Bill. *[Interruption.]*

The First Deputy Chairman: Order. Far too many private conversations are going on in the Chamber. The Committee must come to order.

Mr. Francois: To mirror the Minister, I am equally delighted to propose that clause 4 should be deleted from the Bill. This clause 4 allows the increases in power given to the European Parliament that result from the treaty of Lisbon to be approved for the purposes of section 12 of the European Parliamentary Elections Act 2002. Section 12 of that Act specifically states:

> "No treaty which provides for any increase in the powers of the European Parliament is to be ratified by the United Kingdom unless it has been approved by an Act of Parliament."

Before deciding whether to approve those clauses that increase the power of the European Parliament and in the seven minutes that I now have left, I want first to set out very briefly what powers the treaty gives to the European Parliament and, secondly, to make at least a few remarks on the Parliament itself and whether any improvement should be made to its functioning before it is granted these additional powers. It makes sense that, before increasing the powers of an institution, its ability to use those new powers should be analysed.

What new powers will the European Parliament gain? Under the treaty, the power of the European Parliament will be increased by a move to co-decision with the Council in up to 40 new areas, including such controversial things as financial regulation, the laws on police co-operation, Eurojust's structure and operation, laws that relate to the implementation of the common agricultural policy and laws on the mutual recognition of criminal judgments, to name but a few.

As the Committee will know, co-decision, which is sometimes known as the article 251 procedure, is a method of decision making between the European Council and Parliament that requires those two institutions to agree. If I had more time, I would develop that further, but suffice it to say that the Lisbon treaty represents a major transfer of power by extending co-decision in the direction of the European Parliament.

Mr. Redwood: Did my hon. Friend notice that when I asked the Minister to name a single one of the 40 powers being transferred, he would not do so because there is not enough time to discuss those wide-ranging matters? I am grateful to my hon. Friend for mentioning a few of them. Is it not a disgrace that we do not have time to talk about all the ones that we want to discuss?

10.30 pm

Mr. Francois: My right hon. Friend refers to the disgrace of the timing; we have five minutes left in which to debate clause 4, and we will have no time at all to debate clause 5. We will not even reach it because of the way in which the Government have rigged the debate on the treaty, time and again.

[Mr. Francois]

I want to make some quick points about the need for better regulation on the part of the European Parliament. It is a problem that the European Parliament's structure and machinery are entirely dedicated to processing new legislation. Conservatives have long pressed for that Parliament to have instead mechanisms to monitor implementation of existing legislation, and to be able to propose the repeal of legislation, but those proposals have never been actively taken up by the Government. The European Parliament has a string of legislative committees, but no deregulation committee. I ask the Minister—when I have his attention—to consider that proposal in the context of tonight's debate, and any avenues that there might be for pressing it forward.

There is one other matter that I have to mention: the farce of the two seats. The European Parliament spends £120 million annually commuting, for one week a month, to Strasbourg from Brussels. In 2006, more than 1 million people signed an online petition calling for an end to Parliament meetings in Strasbourg. Independent studies have calculated that the Strasbourg commute, as it is known, generates 20,000 tonnes of additional carbon dioxide emissions a year, yet far from acknowledging that the situation is clearly unsustainable, the European Parliament is currently negotiating to buy its buildings in Strasbourg from the French Government at a cost to the taxpayer of many hundreds of millions of euros.

The decision to abandon Strasbourg can be taken only by EU Governments, but the UK Government have repeatedly refused to raise the issue proactively at European Union meetings. It cannot be right that the European Parliament continues to commute from Strasbourg to Brussels, and Brussels to Strasbourg, at a massive cost to the taxpayer, and a great cost to the environment. That should have been put right many years ago. We are debating the European Parliament now, but why have the Government remained so completely silent on the matter? They have been in power for 10 years; why have they not done something about it?

Let me conclude by saying that it is a shame that more Members of the House will not be able to air their views on clause 4 and on the operation of the European Parliament. In fairness, that is not the fault of the European Parliament or the UK Parliament, but of the Government, who have rigged the debate so that such issues cannot adequately be discussed. They have timetabled debate on the treaty in a way that does not give us the line-by-line scrutiny that we were promised. In lieu of that, they should be held accountable by the British people, and should give them the referendum that they promised.

Mr. Davey: The Liberal Democrats totally support clause 4, mainly for a reason that the Conservatives have not touched on: increasing democracy in the European Union has to be a good thing. It seems quite extraordinary—

It being six hours after the commencement of proceedings in Committee, THE CHAIRMAN *put forthwith the Question already proposed from the Chair, pursuant to Orders [28 January and this day].*

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 324, Noes 152.

Division No. 111] **[10.34 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David

Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hosie, Stewart
Howarth, David
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laws, Mr. David
Laxton, Mr. Bob
Leech, Mr. John
Leppet, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lhwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Stephen
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and Steve McCabe

NOES

Afriyie, Adam
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davidson, Mr. Ian
Davies, Philip
Dianogly, Mr. Jonathan
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hopkins, Kelvin
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy

Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Mr. John Baron and
Mr. Nick Hurd

Question accordingly agreed to.

Clause 4 ordered to stand part of the Bill.

THE CHAIRMAN *then put the remaining Question necessary to dispose of the business to be concluded at that hour.*

Clause 5 ordered to stand part of the Bill.

To report progress and ask leave to sit again.—*[Mr. Watts.]*

Committee report progress; to sit again tomorrow.

ESTIMATES

Motion made, and Question put forthwith, pursuant to Standing Order No. 145 (3) (Liaison Committee),

That this House agrees with the Report [26th February] from the Liaison Committee.—*[Mr. Watts.]*

Question agreed to.

HOME AFFAIRS

Ordered,

That Mr Jeremy Browne be discharged from the Home Affairs Committee and Tom Brake be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

PETITIONS

Post Office Closures (Oxfordshire)

10.48 pm

Tony Baldry (Banbury) (Con): I am glad to have the opportunity to present a petition on behalf of some 5,000 to 6,000 residents of Grimsbury in Banbury.

The petition declares:

That the Petitioners are extremely concerned about the threat to close Grimsbury sub-Post Office.

Further declares that this Post Office is at the heart of this community. It offers a vital service to some of the most vulnerable people, including those on low wages, unemployed and the elderly.

Further declares that the Government has persistently undermined our Post Office network over a number of years. Ministers have prevented the Post Office competing in the market by penalising them and instead playing to the High Street bank network, by seeking to withdraw the Post Office card account, and by preventing Post Offices selling TV Licences and other products to keep them competitive.

Further declares that the Federation of Small Businesses has said that small business will also be adversely affected by Post Office closures and that the Federation of Sub-Post Masters and Mistresses, which presented the largest ever petition in support of Post Offices, has said the closures will devastate communities.

The Petitioners therefore request that the House of Commons urges the Government to stop action which will lead to the immediate closures of Post Offices and urgently review funding for Post Offices and the services offered by them to enable Post Offices to continue to serve as a cornerstone of the community for individuals, business and the most vulnerable in society.

And the Petitioners remain, etc.

[P000129]

Support for Armed Services

10.50 pm

Bob Spink (Castle Point) (Con): We have the bravest and the best servicemen and women in the world. We send them to fight for our country; some will not return, and others will return damaged by war, and they and their families fail to get the support that they desperately need, particularly medical and mental health support, or housing support. The Royal British Legion, which compiled this petition, is a highly respected British institution and no branch more so than the Canvey Island branch. Veterans are particularly concerned about those sent to serve their country in the most difficult places, such as Iraq and Afghanistan.

This is an important petition and I warmly congratulate and thank everyone who supported it. It calls on the Government to ensure that our troops and bereaved families are given more support at all levels.

The Petition of the Canvey Island Royal British Legion and Castle Point and others,

Declares that our Service men and women, past and present, are the bravest and best in the world and they deserve a better deal from the Government.

The Petitioners therefore request that the House of Commons implores the Government for the introduction of a decent Armed Services compensation scheme, decent health, welfare and support for ex-service men and women and a scheme to give greater support to the bereaved families of those service men and women who do not return.

And the Petitioners remain, etc.

[P000136]

Warm Front

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

10.51 pm

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): May I begin this debate by making it clear that the idea behind Warm Front is excellent, and that I have tried over a long period to get acceptable answers to the questions raised by my investigations so that I would not need to raise the matter in the House?

Warm Front has the laudable objective of ensuring warm houses for the most in-need citizens of our country, backed by £2,700 of funding per household from this Labour Government, but something has gone very wrong. Over the course of the past year, the trickle of complaints coming to my desk has turned into a flood of complaints. People came forward with case after case where they were asked to contribute between £200 and almost £1,000 on top of the generous Government grants to have work done.

Initially, I thought that my constituents were getting a complete heating system for the money. After all, I can go out in Stoke-on-Trent and engage a CORGI-registered plumber to fit a combi boiler and half a dozen radiators for about £3,000. But no, they were getting a boiler and, generally, just one radiator. I thought that perhaps the boiler concerned was a top-of-the-range combi boiler, but again, despite official correspondence telling me that the best materials are used, I found that the boilers in question are not those instant-hot-water types, but a bog-standard, heat-a-tank-of-water sort, and certainly not a high-specification one. Indeed, having finally got the breakdown of material and labour costs, I found that the cost of the materials was not that great—quite reasonable, in fact.

I inquired, and was told that the workmanship was of the highest quality, and that extra work, such as the removal of any back boiler, must be done as part of the scheme. But that, too, was shown to be incorrect. It seems that the charge is £2,700 plus, whether back boilers are removed or not. The work is not consistently of the highest quality and, when the costs are looked at in detail, it seems that the contractors are charging about £1,000 for labour each day. I know that plumbers demand a high price—much higher than MPs—but £1,000 a day just for fitting? When I asked, I was told that the work was guaranteed, that there is a rigorous inspection regime and that if there were any problems, the work would be put right. Forgive me, but if I engage a local plumber and the work is not good enough, I expect them to come back and put it right, and I do not expect to pay extra to have that guarantee.

Now might be a good moment to illustrate my point with an example. Mr. Degg, one of my constituents, contacted me, like so many others, about the work he had done. For the princely sum of £2,914.73, he did not have a combi boiler and six radiators fitted, which a local firm gave me a quote for, but a bog-standard condensing boiler and one radiator. The fitter turned up, saw how little work there was to do, ate his breakfast and disappeared for the morning, returning at lunch time. Mr. Degg knows a thing or two about plumbing and asked about the power flush that accounts for up to £500 of the costs of the job. The fitter laughed and said that it was not necessary. When the boiler and all the bits were fitted, my constituent complained about the poor brick work, where the flue went through the wall. That was not done satisfactorily and, in the end, Mr. Degg had to rebrick it himself. When the inspector came to examine the work—as I was told in official correspondence, the highest inspection regime pertains—and was told about the power flush and all the other problems, he said that all he could do was send an e-mail. There is not much value in that costly benefit. Sadly, Mr. Degg's experience is not a one-off.

Mr. Kevan Jones (North Durham) (Lab): I congratulate my hon. Friend on securing this debate. A constituent returned to my surgery on Saturday. She said that she had her boiler replaced and valves put on the existing system for more than £2,000. She is a pensioner and she got quotes from different companies. The highest quote was £1,500 from a local firm. Does my hon. Friend agree that many people are not asking questions, but those who are, including Mrs. Young and others in my constituency, are dissatisfied not only with the work but the fact that Eaga might be ripping off the Government?

Mr. Flello: My hon. Friend is right. Rip-off is the only phrase that I can think of in the circumstances.

Rosie Cooper (West Lancashire) (Lab): My hon. Friend got there before me. Only last week, I told Eaga that I would seek an Adjournment debate because people are being ripped off. The pensioners whom we are supposed to help are losing money because of the money that they have to contribute on top of the Government grant. It is disgraceful that they are being treated in that way. Moreover, the Government are saying that, from April, they will allow people to choose the hospital to which they go and which saves their lives, yet under the operation of the scheme that we are considering, people cannot choose at a sensible price the man who arrives with the spanner. It is outrageous.

Mr. Flello: I could not put the point better myself. It is outrageous. I have heard many such experiences. Colleagues who cannot be in the Chamber have also given examples. An hon. Member told me about a constituent who lives in a bungalow but was charged for scaffolding.

Mr. Oliver Letwin (West Dorset) (Con): I am grateful to the hon. Gentleman for holding the debate. I do not know whether he realises that I have been pursuing the matter for some time, in public, on the radio and so on. I have had dozens of e-mails, from not only my constituents but many other people, who suffer from another complaint: long delays of up to six months after they have paid their deposit. In one case in my constituency, a local plumber had to come to the rescue and provide the installation because the person concerned would have been cold over Christmas.

Mr. Flello: I am grateful for the right hon. Gentleman's intervention. I am also aware of the voucher scheme, under which people who do not qualify for the grant get a voucher. I understand that £50 from the £300 voucher is deducted for administration costs. If enough money was not already being generated for certain people out

[Mr. Flello]

of the scheme, it appears that they are considering other ways in which to extract some cash.

I have spoken to a contractor, who did not want to be named, who said that it was routine not to bother doing the power flushes. Mr. Degg is not the only person by a long way to experience problems with the workmanship and rip-off costs. In my constituency, Mrs. JB from Meir had a boiler and one radiator fitted. She had to pay £535.61 on top of the £2,700 Government grant to cover the £2,303 labour costs. Mrs. AC, also from the Meir, had a bog-standard boiler, one radiator and a new heating tank installed. She had to pay £614.70 of her own money on top of the Government grant to cover labour costs of £2,538.65.

Lightwood residents Mr. and Mrs. H had a bog-standard boiler fitted and paid £253.40 of their own money on top of the Government grant to cover labour costs of £2,302. There appears to be something magical about the figure of £2,300 or thereabouts. Hanford resident Mrs. BW had to find a staggering £1,266.88 personal contribution because she had already had cavity wall and loft insulation the previous year, and the labour costs for replacing an old boiler and a pump were £2,356, not including the parts themselves. I have case after case after case.

You may be wondering why you have not heard of hundreds of other cases in the House, Mr. Deputy Speaker. The reason is simply that the problem is being hidden in many parts of the country, with local authorities or charities meeting the extra costs of the scheme. Not only are many of my constituents being ripped off, but in other parts of the country local rate payers and charities are being ripped off, too.

What can be the reason for such high labour charges? The answer from Eaga is, "We can't tell you how much each bit of work costs for reasons of commercial sensitivity." That poor excuse means that we can do only one thing, and that is speculate. So let us speculate. As I have pointed out, the reason for the high labour charges is not that the whole house is being fitted with radiators or that the workmanship is of such high quality that the jobs are painstakingly done. Indeed, the July 2007 quality assurance assessor's report from the Department for Environment, Food and Rural Affairs quotes a figure of £23 an hour, which would mean 100 hours of work to fit a boiler and a radiator. That would be painstaking work indeed.

The reason for high labour charges is not the costs of guaranteeing work, either, so perhaps it is that a cut is being taken at each level, from Eaga to contractor, sub-contractor and sub-sub-contractor. Perhaps the reason is that the work is Government contract work and therefore easy pickings for businesses on the approved list. Perhaps the reason is that at least one of firms doing the work is owned by Eaga, which operates the Warm Front scheme. Indeed, it would be interesting to know how many of the firms are owned by Eaga.

I hope the reason for the high costs is not that people in one part of the country are subsidising folk in another. Put simply, I do not know why the labour charges are so high, because the information is "commercially sensitive", but I hope that my hon. Friend the Minister can find out. Can he also find out why inspectors are pretty much powerless; why it takes two days to put in one boiler and a radiator; why power flushes have routinely not been done; why poor quality work has been allowed; why firms owned by the Warm Front administrator are allowed to do the work; and why it costs £2,000 or more, excluding the equipment, to install a bog-standard boiler and one or two radiators when a local CORGI-registered plumber would charge that for fitting a combi boiler and six radiators?

I know that my hon. Friend the Minister will give great care and attention to answering those points. However, I should like him also to dwell on the other important question that arises from what would otherwise be an excellent Government-funded scheme: how many of the most in-need citizens have not had their heating improved because they simply cannot afford to top up the grant?

Joan Walley (Stoke-on-Trent, North) (Lab): Does my hon. Friend agree that many vulnerable people have benefited from the scheme? Does he agree also that the important thing is to have detailed talks with the Minister at DEFRA, so that we understand exactly where the costs of all the contracts are, but at the same time ensure that there is enough money, a high enough ceiling and sufficient criteria, so that previous work to install insulation is not deducted from the overall cost, but time-spent? We need to ensure that we deal with the issues of fuel poverty and energy efficiency. We also need to ensure that we have local contractors, so that the scheme creates a win-win situation for all those who benefit now and all who have done so in the past, because we do not want people who would otherwise benefit to be deterred from taking advantage of such a wonderful Government scheme.

Mr. Flello: I am grateful to my hon. Friend for, as ever, making an extremely good intervention. It is important that Warm Front should be a good scheme. Equally, the danger with what, in the case after case that I have encountered, can be described only as a rip-off is that it will deter people from having the work done, and it must not, because it is important that the work should be done.

I agree with my hon. Friend's point about time limiting. There should be a cut-off point for anyone who has had cavity wall or loft insulation done, so that it no longer counts against the budget in future. However, I am concerned that if DEFRA simply increases the grant funding, that will continue to add to the profits instead of addressing the underlying problem. I would rather not have secured this debate, if only I had received some sensible and proper answers from Eaga, rather than its "commercial sensitivity" avoidance.

Rosie Cooper: I totally agree with the points that my hon. Friend is making. It is important that there should be accountability all the way through the system, from the cost to how we treat people. People need the scheme; therefore we must deliver it for them. However, it is a disgrace that for many, many months MPs have not been able to get answers out of Eaga, because only one person there has been dealing with MPs' inquiries. If that is not saying, "We don't care about being accountable", I do not know what is.

Mr. Flello: I am grateful to my hon. Friend for that intervention. It would almost not matter whether Eaga had one person or 100 people. The problem is that the answers are simply not forthcoming. I have not been given the information, but suspect that that is because those answers cannot be forthcoming. I cannot see any way of justifying £2,300—which seems to be the ball-park figure—for installing one boiler and one radiator. That boiler is just a bog-standard boiler, not an all-singing, all-dancing one, and the service is not a fantastic service that could not possibly be had from anyone else.

I have gone through all those points in my speech, and I hope that my hon. Friend the Minister will ensure that answers are sought.

Mr. Kevan Jones: Answers need to be given to the points that my hon. Friend has raised. Does he also agree that Eaga's structure ought to be investigated? I remember it when it was a small organisation in Newcastle many years ago, but, as I understand it, some of the senior directors have now made an awful lot of money—through share ownership or in other ways—as a result of their employment by Eaga.

Mr. Flello: My hon. Friend makes an important point. I think that a root and branch investigation is required.

The quality assessor's report document dated July 2007—which was based on the Warm Front scheme's central heating installation costs and charges appraisal—has miraculously, and quite coincidentally, appeared in many right hon. and hon. Members' e-mail inboxes today. It seems to represent some kind of last-ditch justification of the costs. As I said earlier, however, a figure of £23 an hour is quoted in it, and a total charge of £2,300—the cost of 100 hours' work—just does not stack up.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): I came along tonight because I saw that Warm Front was the subject of the Adjournment debate and I wanted to talk about the good work that had been done in my constituency. I note that 4,000 households there have benefited from the various services that Warm Front offers. I have therefore been astonished to hear some of the things that have been said tonight. I hope that my hon. Friend would agree that the last thing that we want is for the scheme to end, and that what he would like to ensure is that no more pensioners or vulnerable people are ripped off, especially where public money is involved.

Mr. Flello: My hon. Friend makes her point very well.

I know that my hon. Friend the Minister, for whom I have the greatest respect, will give great attention to the answers to all these points. May I also ask him to dwell on the most important issues that arise from what would otherwise be an excellent Government-funded scheme? How many of the most in-need citizens have not had their heating improved because they simply do not have the money to top up the grant? How many cannot now afford cavity wall or loft insulation because all the grant has gone on rip-off Warm Front installations? I look forward to hearing my hon. Friend's answers—if not now, at the earliest opportunity—so that we can offer reassurance to the people out there who would like to have this work done, and so that we can put on notice those who are ripping off the system that they need to get their act together, otherwise the work will be taken away from them.

11.8 pm

The Minister for the Environment (Mr. Phil Woolas): Congratulations are due to my hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) on securing this debate on the Warm Front scheme. The number of Members who have intervened on him has added to the seriousness of his questions and his criticisms. I am grateful to all those who have taken part in the debate.

I want to outline the good things about the scheme, as my hon. Friend and others did, but let me reassure the House that I take these issues extremely seriously. This is an important scheme for many hundreds of thousands of vulnerable people, and it is my pledge to the House that I will of course carry on looking into these problems and criticisms.

Perhaps, Mr. Deputy Speaker, you would allow me to say—as have other hon. Members, including my hon. Friend the Member for Stoke-on-Trent, South—what is particularly pleasing about the scheme. It is because we value the scheme so dearly that it is so important to reinstate its integrity in the eyes of right hon. and hon. Members who have raised this issue.

The Government were the first in the world to set a target for the eradication of fuel poverty. We recognised that one of the key ways of making progress towards that was to support vulnerable households by providing efficient heating and insulation measures. That has been done on an unprecedented scale. Since the Warm Front scheme began in 2000, more than 1.6 million households have received assistance and this year we anticipate helping a total of around 240,000 households with some 100,000 receiving a heating measure: that could be replacing an old heating system or providing—in many cases, for the first time—central heating in the home. That significant action helps to mitigate the risk of those households struggling to keep warm at an affordable cost—a vital part of our work to help those vulnerable households to improve their quality of life.

We should also not overlook the value of the Warm Front scheme in reducing household carbon emissions. Saving energy is saving money for the household as well as cutting the amount of carbon, and we estimate a cut of about 500,000 tonnes of carbon.

In response to the debate, I would like to outline some of the measures and mechanisms in place to ensure that Warm Front delivers a high quality of service to those who come for assistance. I cannot deny that sometimes the customer's experience is not as good as we would all like. That is something we in the Department for Environment, Food and Rural Affairs and Eaga in its role as scheme manager continue to focus on.

I am aware of the concern about the prices charged for Warm Front heating installations that has been expressed here this evening and elsewhere, and it is right that there should be an interest in seeing that we make the best use of the funding available to us in

[Mr. Phil Woolas]

order to protect taxpayers' money and, of course, help as many households as possible. Let me explain the pricing system.

The prices charged for Warm Front heating measures have been set on a regional basis, following an open and fully competitive procurement process. Installers in each region supplied tenders, outlining for how much they could perform each aspect of the installation work. Of those, the strongest tenders were chosen and they were used to set the prices for the scheme.

Mr. Letwin: Does the Minister accept that it is difficult to believe that the tender is straightforwardly open when, for example, in my region of the south-west, the winner of the tender is a wholly owned subsidiary of the manager of the tender?

Mr. Woolas: I thank the right hon. Gentleman, who has raised the issue diligently on behalf of his constituents. I have no complaint about that. In answer to the question, Iguana is a wholly owned subsidiary—albeit a legally separate entity—and is one of the 89 contractors granted access to the scheme. There is one other that provides insulation. I recognise the point, but I have never seen any evidence—I have looked into it, following concerns raised by the BBC, which also reported on the problem—of a conflict of interest. I acknowledge that the situation gives rise to concerns.

To provide further confidence that the prices charged for Warm Front measures continue to provide value for money, let me add that the Department has commissioned two independent price reviews. Both found that Warm Front offers value and provides heating measures at significantly below what can be found for the same measures installed under the same standards in the private sector. That is the picture that the independent review painted. We have heard some examples this evening, and my hon. Friend the Member for Stoke-on-Trent, South has asked me to look into the matter, and of course I will. I will meet my hon. Friend the Member for Stoke-on-Trent, North (Joan Walley) later this week. I will also speak to Eaga later this week, as I often do.

On the issue of excess payments, despite the fact that on the whole Warm Front provides well-priced installations, there are occasions, when the extent of the heating work is significant, or when the client has previously received assistance from the scheme, when the grant available for that household is not adequate to cover the cost of the measures recommended. In this financial year, that has been the case in 18 per cent. of households assisted. I cannot answer the other question asked by my hon. Friend the Member for Stoke-on-Trent, South, about those who have not gone ahead as a result.

I fully understand hon. Members' concerns about their constituents being asked to contribute towards their Warm Front measures, and paying more. My hon. Friend has raised that issue, and we take it seriously. Our clear aim is to provide everyone with the measures from which they could benefit at no cost to the household. One option would be not to have a grant limit. The reality, however, is that removing the grant spend limits per household would mean that the scheme could help many thousands fewer people.

The grant limits are currently being reviewed to ensure that they are set at the correct level. That will enable an assessment of the impacts on the range of measures and number of households that can be helped. I will update the House on that review. I will examine the issue of the charges and the instances that my hon. Friend raised, and I am grateful to him for not pushing those questions this evening, because I need to look into the particular cases.

Rosie Cooper: At the same time as examining those matters, will the Minister consider whether people could exercise choice on the high street to get a plumber to do the work to acceptable standards at a much reduced cost, which would enable DEFRA to help more people to beat heat poverty and get the heat that they need?

Mr. Woolas: This is a Government scheme, and the tender process, including for the scheme manager, has quality thresholds. Those people who passed the test and put in for tender have been granted contracts, of which there are 89 across the country. That has been done on a regional basis, and there has been an attempt to do it on a local basis too. Where local suppliers are willing to participate in the scheme, their tenders are taken seriously. Let me say to some of the sceptics among my hon. Friends that there is no immunity from the practices of the rest of the sector just because this is a Government scheme.

Mr. Kevan Jones: I am sorry, but it does not work like that. According to many of my constituents, the people who do their work in North Durham come from all over the country and have no contact with them. According to local CORGI suppliers, they have no chance of getting the work because of the cartel and closed shop run by Eaga.

Mr. Woolas: The first point can be addressed by saying that the tendering process for contracts is on a regional basis—*[Interruption.]* Some of the cases that I have looked at involved company addresses that were some miles away, but local depots were being used. As far as I am aware—I choose my words carefully—none of the companies that have suggested that they could carry out the work adequately for a lower price than charged under the scheme put in tenders during the process. I am not saying that the situation is perfect, but I think we need a dose of realism when it comes to some of the accusations that are made.

Mr. Flello: I am listening intently to my hon. Friend, but how can he square that statement with the fact that companies on the approved list for Eaga are offering to do work in my constituency at a substantially lower rate than the rate offered for Eaga work?

Mr. Woolas: That is a slightly different point from that made by my hon. Friend the Member for North Durham (Mr. Jones), but it is an important point, which is why I have offered to look into the cases that he has raised.

Let me re-emphasise that the installers chosen to work on the scheme were chosen on the strength of their tender as part of the competitive process, and the subsequent confidence in their ability to deliver. To show preference arbitrarily when using taxpayers' money—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at twenty-one minutes past Eleven o' clock.

House of Commons

Tuesday 4 March 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Train Operating Companies

1. **Mr. James Gray** (North Wiltshire) (Con): Which train operating company has (a) the worst operational record and (b) the highest recorded level of passenger dissatisfaction in the latest period for which figures are available. [190972]

The Secretary of State for Transport (Ruth Kelly): As hon. Members will be aware, First Great Western has been in breach of its franchise agreement. First Great Western also recorded the highest level of passenger dissatisfaction, as measured by the national passenger survey for autumn 2007.

Mr. Gray: It used to be called the Great Western Railway or even God's Wonderful Railway, but now it is Worst Great Western. First Great Western has shortened trains, late trains, cancelled trains, terrible catering and terrible passenger information services, and it operates at the highest price per mile of any transport system in the western world. Surely it is time for the Government to re-examine why they gave it the franchise in the first place.

Ruth Kelly: I agree that performance has been unacceptable for far too long. The package that I set out on 26 February was not just a technical statement about the franchise, because it will bring real benefits to passengers. It will double the compensation that passengers can claim when services are disrupted, allow the introduction of extra rolling stock and make available an extra 500,000 of the cheapest tickets—and I hope that the hon. Gentleman welcomes it.

Mr. David Drew (Stroud) (Lab/Co-op): I thank my right hon. Friend for the slap of firm government, but I ask her to go even further and deal with that company. First Great Western has caused all of us who travel by train in that part of the world countless delays and cancellations, in addition to its behaviour, which has been even worse. The yellow card is welcome, but how can we make sure that a red card is issued if it does not reform itself?

Ruth Kelly: First Great Western has been put on notice, and its performance must improve. That is why we have agreed with it a remedial plan, which will bring more capacity, more carriages and more drivers to put right the failures in the franchise. As a matter of contract, if the company breaches that remedial plan, it will be open to me to withdraw its franchise.

Greg Clark (Tunbridge Wells) (Con): My constituents can travel directly from Tunbridge Wells to Gatwick airport in an hour, but that service would be withdrawn under proposals introduced by Southern. Is it the Secretary of State's view that our roads and car parks are insufficiently congested, and that we should be getting passengers off the trains and into their cars when they go on holiday?

Ruth Kelly: The hon. Gentleman is discussing the Southern franchise rather than First Great Western, but I am happy to take his question. It is true that there is a shortage of rolling stock on that particular route, which we are seeking to address, but the ultimate answer is investment in capacity. We are committed to an extra £10 billion of investment up to 2014, which will deliver 1,300 extra carriages and allow people to get on the train and travel in comfort.

Kerry McCarthy (Bristol, East) (Lab): I welcome the deal with First Great Western, which will bring much-needed investment into the franchise. The Minister with responsibility for rail has met First Great Western on numerous occasions in the past eighteen months and read the riot act every time. When I meet people from First Great Western and Network Rail in my constituency on Friday, what message can I give them from the Secretary of State that will convince them that we are serious this time, and that if they do not pull their socks up very quickly the franchise will be taken away?

Ruth Kelly: First Great Western must get a grip, and Moir Lockhead, the First chief executive, has assured me that he will do everything he can to improve services for passengers. The remedial plan will ensure that it meets the terms of its franchise agreement; otherwise I will consider whether to withdraw the franchise. In addition, First Great Western has offered a package of direct benefits for passengers worth £29 million, including the doubling of compensation if trains are delayed or cancelled. I am sure that my hon. Friend's constituents will appreciate that.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): My right hon. Friend has given us old promises in this connection, but is she not likely to be challenged by the company in the courts? What action can she take to ensure that that does not happen?

Ruth Kelly: No; I assure my hon. Friend that First Great Western accepts the need to act. It has implemented a remedial plan, which was agreed with my Department, to correct the failures in the franchise, which will be set out in law under the terms of the contract. If it fails to fulfil the terms of that contract and moves into breach, we would call that an event of default, in which case we would have the option of withdrawing the franchise.

Rail Capacity

2. **John Penrose** (Weston-super-Mare) (Con): What recent assessment she has made of the adequacy of the capacity of the rail network. [190973]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): During the preparation of the rail White Paper, the Government carried out assessments of the adequacy of the capacity of the rail network. The assessments drew on work carried out by the rail industry, and the outcome is published in the 2007 rail White Paper "Delivering a Sustainable Railway".

John Penrose: I thank the Minister for that reply. I associate myself with the concerns mentioned by many hon. Members in response to the last question about First Great Western. Assuming that First Great Western—or its successors—finally gets its act together and starts to deliver a decent rail service in areas such as my constituency, there will still be capacity constraints, particularly in respect of the problems addressed in the western package of Worle junction and Worle Parkway station. Will the Minister undertake to look at those proposals in a favourable light and, ideally, commit the Government to funding them as soon as possible?

Mr. Harris: The hon. Gentleman is right in that capacity remains the overwhelming challenge facing the railway industry today, unlike the situation under previous Governments, who faced the challenge of how to stop the decline in the number of people using the railways. As my right hon. Friend the Secretary of State said a few moments ago, we have committed ourselves to arranging the procurement of 1,300 new carriages. Under the indicative proposals in the rolling stock plan, First Great Western is already going to receive more than 50 new carriages; that will be a major increase in the capacity available to passengers, including the hon. Gentleman's constituents.

Mr. Gordon Prentice (Pendle) (Lab): The chief executive of Network Rail predicts that capacity on inter-city routes will run out by 2015, yet the Government have told us that they are not going to make any decision on new high-speed rail lines until 2012. Given that it takes a decade to plan high-speed trains, why are the Government being so leisurely?

Mr. Harris: I am rarely accused of being leisurely. I have to tell my hon. Friend that in terms of predictions for growth on the railways, the figures in the 2007 rail White Paper, to which I have just referred, are robust. Network Rail has signed up to them in the past. There may well be a case for new high-speed lines—certainly for increased physical capacity—on many of our major railway routes at the beginning of the next decade, starting in 2020. However, I do not believe that such decisions should, or have to, be taken earlier than 2012, which year will see the publication of the high level output specification phase 2.

Mark Hunter (Cheadle) (LD): The Secretary of State will no doubt be as pleased as the rest of us that figures show that more and more people are choosing to use trains. However, given the Government's decision to block extra carriages on the west coast main line, does she have a message for the thousands of people who regularly have to stand on that route, simply because they cannot get a seat?

Mr. Harris: The hon. Gentleman is incorrect in saying that the Government have attempted to block increased capacity on the west coast main line. The Government have told Virgin Trains that it will not be given an opportunity to re-bid for the franchise without any competitive tendering; otherwise the situation would not be competitive, so I hope that that will be supported by the whole House. However, we have said that we remain committed to extending the Pendolinos by two carriages at some point at the very beginning of the next franchise.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): It is refreshing that the Government are prepared to spend so much money on extending capacity, but the reality is that the numbers of extra rolling stock and carriages are not high enough to deal with the problems in connection with the extra numbers of people wanting to use the system. We will have to take decisions rapidly about high-speed lines. Will the Minister not just accept that the issue is not for the next Parliament, but for this one?

Mr. Harris: What I do not accept is that high-speed lines are some kind of panacea, or that in committing ourselves to building such lines we will suddenly eradicate all the capacity challenges that we face. My hon. Friend is right, of course, that 1,300 carriages will go some way towards alleviating capacity pressures in the next five or six years. The Government will always intend, where possible, to increase the capacity available to passengers. However, let me remind my hon. Friend and the House that the 1,300 carriages are the biggest step change in capacity that the rail industry has seen for decades. They represent a level of financial commitment that no other party has seen fit to equal.

Sir George Young (North-West Hampshire) (Con): Does the Minister agree that a major constraint on the capacity of the rail network is the capacity of station car parks? Will he have urgent discussions with Network Rail and South West Trains with a view to increasing capacity on the Waterloo to Salisbury line, so that more people who want to travel by train off-peak can do so?

Mr. Harris: I do accept that when car park capacity is enhanced, more people use the railways; clearly, that is a way of facilitating higher demand. However, I am sure that the right hon. Gentleman will appreciate that car parking facilities are a matter not for the Government but for local authorities, Network Rail and, occasionally, the train operating companies. Nevertheless, his point is well made. I would like more car park capacity to be made available throughout the country, including in his constituency.

Clive Efford (Eltham) (Lab): Will my hon. Friend consider using the £14 million taken in fines from Network Rail to bring forward the purchase of new rolling stock, as set out in the 30-year plan? In particular, we should ensure that capacity exists in the manufacturing industry to deliver on time the rolling stock on which we have made a commitment to spend money.

Mr. Harris: That is an innovative idea from my hon. Friend. I can reassure him that the money needed to buy the 1,300 new carriages has been banked, as it were, and has been committed. We are not facing any kind of shortfall in respect of the 1,300 new carriages that we are committed to buy. He might be aware that the Office of Rail Regulation has embarked on a consultation about how the £14 million fine levied on Network Rail will be imposed—whether it will be a fine coming back to central Government, or whether it can be quantified as passenger benefits for those who suffered the most during the new year overruns.

Mr. Julian Brazier (Canterbury) (Con): How will it help rail capacity to take £14 million out of Network Rail's budget? That fine, imposed on a public sector body, can only hit rail users. Would it not have been better to stop the £75,000 bonus to the chief executive, or the 18 per cent. pay rise for the directors?

Mr. Harris: The hon. Gentleman will be disappointed to be reminded once again that the Department for Transport has no say over whether the Office of Rail Regulation imposes a fine on Network Rail. That should be a matter for the independent rail regulator. The hon. Gentleman's party has accused this Government on a number of occasions of micro-managing the railways, but again one of them is at the Dispatch Box telling us that that is exactly what we should do. The railways are better run by railway people, not Ministers.

Channel Tunnel

3. **Kelvin Hopkins** (Luton, North) (Lab): How many vacant train paths there have been through the channel tunnel in the last 12 months. [190974]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): There are currently a significant number of paths available through the channel tunnel. The allocation of paths, and the precise number that have been unused, are matters for Eurotunnel.

Kelvin Hopkins: Even if existing signalling could be upgraded, less than a quarter of the tunnel's train capacity is currently used, and only a massive increase in rail freight traffic could close that gap. Would my hon. Friend accept that heavy investment in rail freight lines between the major economic regions of Britain and the tunnel is vital if we are to make use of the tunnel properly?

Mr. Harris: My hon. Friend has campaigned for a long time on this issue, and I know that his expertise is impressive. He will know that the Government intervened at the end of 2006 in order to create an open-access regime in the channel tunnel that allowed EWS and other operators to continue to run freight through it. He will also be aware that £200 million has been committed under the high level output specifications to develop the strategic freight network.

My hon. Friend will be aware that at the end of last year I announced £150 million in productivity transport innovation funding for gauge enhancement in the freight network. The 50 per cent. increase in freight tonnage carried on the British rail network shows that this Government are solidly behind the freight industry, but it must remain a commercial venture. Given that, it is in the best interest of the industry to make its own commercial decisions—with the full support of the Government, of course.

Miss Anne McIntosh (Vale of York) (Con): In addition to the opening of the rail freight paths through the channel tunnel, when will the passenger paths that have now been freed up at Waterloo be opened, to ease congestion in the south-west?

Mr. Harris: The hon. Lady is correct; a number of passenger paths through the channel tunnel, and on High Speed 1, the channel tunnel rail link, remain unused. Having listened closely to the debates that took place recently on the Channel Tunnel Rail Link (Supplementary Provisions) Bill, she will know that it is my hope that open-access operators from Britain and Europe will apply to run freight and passenger services on vacant routes in order to increase the capacity running on the channel tunnel rail link, or High Speed 1.

Concessionary Bus Fares

4. **Paul Holmes** (Chesterfield) (LD): What assessment she has made of the budgetary implications of the national concessionary bus fare scheme for local authorities. [190975]

The Minister of State, Department for Transport (Ms Rosie Winterton): We have allocated an additional £212 million to travel concession authorities from 1 April, on top of the £350 million allocated in 2006-07—enough to fund around an extra 200 million bus journeys across England. Our assessment of the likely cost impact of the new concession is based on generous assumptions about pass take-up, fares and increased patronage.

Paul Holmes: Is not the reality that the scheme has been underfunded nationally by at least £60 million? In Chesterfield alone it will cost a minimum of £1.3 million, and the Government have provided only £1 million. That leaves a small council such as Chesterfield borough council to find £300,000, which is the equivalent of a 7.5 per cent. increase in council tax. When will the Government stop forcing councils throughout the country to cut services and raise council tax to make up for Government underfunding of Government schemes?

Ms Winterton: The hon. Gentleman is quite wrong. In 2006-07 Chesterfield local authority was already spending £1.3 million on concessionary fares. We are providing a 32 per cent. increase: on top of that, we are giving £416,000 extra. In his authority, 23,000 people will be eligible for concessionary fares under the new scheme, and it will provide them with the freedom to use their bus pass wherever they are in the country. He should be encouraging them to take up the pass, not scaremongering about the effect on other services.

Alan Simpson (Nottingham, South) (Lab): Can we just ensure that local authorities are not left with a funding gap that has to be covered by a reduction in non-statutory services? Some authorities, such as mine in Nottingham, are having to consider closing swimming pools, leisure centres and libraries to pay for a transport

service—which, ironically, pensioners would end up using to go in search of pools that were not open, libraries that were closed and leisure centres that no longer existed.

Ms Winterton: I assure my hon. Friend that the settlement is generous. As I said, two years ago, we put £350 million extra through the revenue support grant to fund the current concession. On top of that, from April, a further £212 million will go to funding concessionary fares. That is the equivalent of 200 million extra journeys. The proportion of journeys made outside local county areas is about 4 per cent. whereas the average increase in funding is 30 per cent. I emphasise that the settlement is generous.

Mr. Roger Gale (North Thanet) (Con): The Minister says that few journeys are made outside county boundaries, but the Government news network release issued today advocates, for example, Broadstairs in Kent as an ideal destination for visitors from London. I am sure that Broadstairs would welcome those visitors, but my correspondence with Kent county council, Thanet district council and Canterbury city council shows genuine concern. Will the Minister make certain that resort destinations do not bear an unfair proportion of the burden of cost?

Ms Winterton: Yes, I can assure the hon. Gentleman on that count. The formula that we drew up for the specific grant—it is a specific grant, at the request of local authorities—was based on the number of tourist visits as well as eligible population data. For example, Thanet council will receive a 45 per cent. increase this year on top of what it spent in 2006-07 on concessionary fares. Again, that increase in the hon. Gentleman's constituency is much greater than average. In Thanet, 35,000 people over 60 will be eligible for the scheme, and I encourage him to advertise its benefits to his constituents. In total, 11 million people around the country will benefit. Hon. Members should welcome that scheme for older and disabled people.

Ms Celia Barlow (Hove) (Lab): Is the Minister aware that the pleasure that pensioners and the disabled in Hove and Portslade take in their bus passes is tempered by being harried and bullied by accusations that the bus pass is responsible for the cuts in the local authority budget announced last week? What measures will my right hon. Friend take to ensure that local authority mismanagement will not stop the implementation of the free bus pass scheme?

Ms Winterton: My hon. Friend makes a good point. In her area the increase is some 33 per cent. It is quite wrong to scaremonger among older and disabled people about services being withdrawn, when the settlement is in fact incredibly generous. I hope that she will encourage her constituents to take up the pass and use the new freedoms that go with it.

Stephen Hammond (Wimbledon) (Con): "A budget disaster", "Financial meltdown" and "Our local authority is receiving inadequate compensation" are but three of the reactions of Labour and Conservative councils up and down the country to the introduction of the national concessionary bus scheme. The Government's reaction this afternoon has shown their complacency. They must accept that the funding that they are providing for their scheme is inadequate. That funding is leading to councils either cutting services or increasing council tax. The Government happily claim credit for the scheme, yet they are allowing the local council tax payer to pick up the bill. When are they going to stop being complacent and provide proper funding for the introduction of their scheme?

Ms Winterton: Again, the increase in the hon. Gentleman's constituency will be 31 per cent. of what was being spent in 2006-07. Let me emphasise that we consulted widely with local authorities on the funding formula for the scheme. We agreed to make a specific grant and we gave four options for how that grant should be distributed. The way in which we are distributing the grant is the one that the local authorities asked for. The hon. Gentleman might want to ask the hon. Member for South Cambridgeshire (Mr. Lansley) whether he is proposing to cut concessionary fare funding in order to put forward his policies.

Swansea Station

5. **Mrs. Siân C. James** (Swansea, East) (Lab): How much she has allocated for capital spending at Swansea railway station over the next five years; and if she will make a statement. [190976]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): Swansea was included in the industry's initial list of candidate stations for the national stations improvement programme. An updated list of candidate stations will be published as part of the April 2008 refresh of Network Rail's strategic business plan.

Mrs. James: I thank my hon. Friend for his answer. He knows that I have been writing to him recently to make representations on the need for capital investment at Swansea railway station, which is, after all, the gateway to west Wales and an important mainline terminus. Can he assure me that he will do all he can to ensure that Swansea remains a candidate for those moneys, which, as the second city of Wales, it richly deserves?

Mr. Harris: My hon. Friend is right: she does indeed write to me frequently, on this issue and others—and correspondence from her is always welcome. She will be aware that one of the criteria for deciding which stations should be on the list of candidate stations is how successful Network Rail can expect to be in leveraging private sector money. I have no information about whether Swansea will remain on the list in April 2008, but she is doing exactly the right thing in making the case for Swansea, and I wish her every success in that.

Ian Lucas (Wrexham) (Lab) *rose—*

Mr. Speaker: I understand that the railway station concerned is some distance away from Wrexham—but perhaps the hon. Gentleman can try to ask his question.

Ian Lucas: Mr. Speaker, your knowledge of Wales is renowned across the land. I want to talk about capital investment in Welsh railway stations, if that is permissible.

Capital investment in Welsh railway stations for disabled facilities has been made at Wrexham station, and I believe that Swansea railway station would also be eligible for such investment. Does my hon. Friend the Minister agree that sustaining such capital investment is essential to ensuring a functioning and improving railway service, and what position does he believe we would be in if we had a Government who no longer contributed to such investment?

Mr. Harris: I congratulate my hon. Friend on his ingenious question. Although Wrexham station has been allocated money under the Access for All programme, which has had a budget of £370 million over 10 years for improving accessibility at stations, my understanding—although I am prepared to be proved wrong on this—is that Swansea has so far not benefited from Access for All investment. However, my hon. Friend is absolutely right to say that unless we continued with a high level of investment in infrastructure, not only on the railways but at our stations, the record increase in patronage that we have seen over the past 10 years would, I fear, begin to take a downward turn.

Short Car Journeys

6. **Tom Brake** (Carshalton and Wallington) (LD): What steps her Department is taking to encourage people to make fewer short car journeys. [190977]

The Secretary of State for Transport (Ruth Kelly): The Government have taken several steps to encourage people to make fewer short car journeys. We are providing record spending on buses and other local transport, and bus patronage is increasing. I announced a sixfold increase in funding for Cycling England, and in our sustainable travel towns people are choosing to travel differently, reducing car trips by more than 10 per cent. and increasing bus use by 16 per cent.

Tom Brake: I thank the Secretary of State for her response—but in the past 10 years, according to figures provided by her Department, the number of journeys made on foot has fallen by 15 per cent. and the number of bike journeys has fallen by 14 per cent. How much further does she expect the number of such trips to fall as a result of the programme of 2,500 post office closures? Has she been able to assess how many extra short car journeys will need to be made as a result of that closure programme?

Ruth Kelly: The key here is to encourage the local leadership in local councils to think through how people get around their towns and cities. Places such as the London borough of Sutton are looking at our sustainable travel towns initiatives and seeing the dramatic effect that they can have on cycling and walking. They are introducing personalised travel and information for people, so that they can change the nature of their car journeys. The hon. Gentleman is absolutely right to say that where the critical local infrastructure—the post office, the school, the local shops—is located matters enormously. That is why it is important for us to work with the Department for Communities and Local Government to look at the planning system, to ensure that people can get about easily on foot or by bike.

Mr. David Clelland (Tyne Bridge) (Lab): Is my right hon. Friend aware that the Tyne and Wear Metro system saves some 15 million short car journeys every year? It is now more than 20 years old, however, and it is beginning to creak and groan a bit. The business plan for the improvement of the Metro system was submitted to her Department in June last year, and discussions have been ongoing. Can she confirm that she will soon be in a position to make a statement on the reinvigoration of the Metro system, so that it can continue to provide an alternative to short car journeys?

Ruth Kelly: I congratulate my hon. Friend on his tenacity in raising the issue of the Metro. He is absolutely right to say that it matters enormously to people in Tyne and Wear and the surrounding areas, and it is important that we take any investment case seriously. The business case is with the Department, and I hope to be able to make an announcement shortly.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Of course, where possible, people should be encouraged to take as few car journeys as possible. However, in many places, including my island constituency, that is almost impossible because of the rural nature of the area. Would the Minister consider supporting a proposal similar to one that this Government have supported for rural France involving the reduction of rural fuel duty by 3 per cent.? Last week the Scottish Government reduced ferry fares for the island constituencies. I wonder whether we might now have some good news from Westminster about taking positive steps to reduce fuel tax in rural areas, as the Government have agreed should happen in France.

Ruth Kelly: To be honest, I found the hon. Gentleman's argument slightly hard to follow, but if he is talking about taxation, that is clearly an issue for the Treasury. He is absolutely right, however, to say that access from rural communities to neighbouring towns and cities—and, indeed, to London and beyond this country—is hugely important. That is one of the reasons why it is not possible to say that all journeys will be able to be made by high-speed train or by road, for example; we need flights, too. I hope that the hon. Gentleman supports our proposal—which will, of course, be subject to strict local environmental conditions being met—to expand capacity at Heathrow, so that we will be able to serve rural communities.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Does my right hon. Friend agree that one of the best ways to discourage short car journeys is to improve the bus service? Will she join me in celebrating the achievements of the Mayor of London in recent years in improving London's bus service, including through extensions to the freedom pass and discounts for low-income families? Does my right hon. Friend agree that a serious threat to that would be the 15 per cent. fare hike that would result from the Conservatives' underfunded commitment to—*[Interruption.]*

Mr. Speaker: Order.

Ruth Kelly: I do; my hon. Friend is absolutely right. Every Londoner should know that the hon. Member for Henley (Mr. Johnson) is pledging a minimum 15 per cent. increase in bus fares. I must say to my hon. Friend and her colleagues that this is a very important election, which will have a real impact on millions of Londoners. The Mayor of London has a role on the world stage, whereas the hon. Member for Henley is, I think, more suited to a role in the circus.

Mr. Speaker: Order. We had best be careful about the language we use, as it is unfair to attack an hon. Member of the House in that way.

Mr. Gregory Campbell (East Londonderry) (DUP): In her answer, the Secretary of State touched on a very important topic. Will she make a start on short journeys by requesting her right hon. Friend the Prime Minister to make the short journey between Downing street and this House each Wednesday on foot?

Ruth Kelly: The hon. Gentleman makes a cheap political point. I am sure that he travels on foot to all his meetings and that he would encourage every Member to do the same.

Ms Dari Taylor (Stockton, South) (Lab): Does my right hon. Friend accept that cutting short car journeys requires an effective bus service? Will she explain just what powers her Department has given local authorities to ensure that services delivered on paper are actual and that Arriva and Stagecoach cannot cut services at the drop of a hat, and deny them to my constituents?

Ruth Kelly: My hon. Friend has been assiduous in pushing the case of her constituents. Indeed, I believe that a Department for Transport official recently visited Stockton council and members of neighbouring councils to talk about how they can ensure a good quality bus service in their local areas. The Local Transport Bill, which is currently proceeding through the House of Lords and will shortly come to this place, sets in place a framework that will allow councils either to negotiate a voluntary partnership with bus operators, to implement a statutory partnership or—if they think they will have greater control and be able better to deliver on fares, punctuality and the type of routes they want served—a quality contract, so that they can commission the bus services that they think their communities need.

A12

7. **Mr. Simon Burns** (West Chelmsford) (Con): What plans she has to upgrade the A12 from the M25 to Chelmsford. [190978]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): A scheme to improve the A12 interchange with the M25 is under construction and is expected to be completed in spring 2008. Future improvements to the A12 are dependent on these being prioritised for funding by the east of England from its regional funding allocation for major transport schemes, or from other sources.

Mr. Burns: I am grateful to the Minister for that response. Given that the Highways Agency has identified the need to widen the A12 to Chelmsford to a three-lane road in order to reduce congestion and accident rates, and given that the Minister for the East of England has said that the upgrading of this stretch of the A12 is "totally vital", is it not incumbent on the Government, because this is a trunk road, to expedite this work by providing the funding?

Mr. Harris: The hon. Gentleman is absolutely correct that this is a trunk road, but it is also a road of regional importance. Although the Minister for the East of England and the highways authority—and perhaps even myself, Mr. Speaker—are convinced of the need for a major upgrade, it is up to the hon. Gentleman to try to persuade the regional transport board for the east of England that it should prioritise that work. To date, unfortunately, it has not done so. Of course, during the refresh of the regional funding allocation throughout the country, including in the east of England, for the transport board to look again at its priorities and make its recommendations to the Government.

Mr. Douglas Carswell (Harwich) (Con): Is the Minister aware of the spate of serious accidents on the A12 and will he ensure that action is taken to reduce fatalities at some of the worst fatality blackspots?

Mr. Harris: Yes, I am aware of the less than satisfactory accident rate on the stretch of the A12 that the hon. Gentleman mentions. I have spoken to the Highways Agency about the issue and asked it to carry out a review of the mechanisms and plans for that stretch to see what it can do within its own budget to try to improve the road's safety record. He is absolutely correct to draw this unsatisfactory situation to the attention of the House.

Cycling Safety

8. **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): What funding her Department provides for cycling safety training. [190979]

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): Since 2005-06, the Department for Transport has invested around £3.1 million on the development and delivery of cycle training. So far, funding has been provided to enable around 46,000 children to be trained to the Bikeability standard. In January, my right hon. Friend the Secretary of State announced a sixfold increase in the cycling budget to £140 million for Cycling England to invest in initiatives to encourage cycling, including enabling an extra 500,000 children to have Bikeability training by 2012.

Jeff Ennis: Is the Minister aware that the mayor of Doncaster, Mayor Martin Winter, is formulating a bid for cycling demonstration town status? What impact would that have on cycling safety in Doncaster? Does the Minister agree that if the Conservative party had its way, cycling safety would be one of the first things to be cut under a Conservative Administration?

Jim Fitzpatrick: I advise my hon. Friend that in February Cycling England commenced a bidding process for 10 new cycle demonstration towns and a new cycle city, and has published the assessment criteria and application form, which are available on its website. Cycling England's local authority advisory team is available

to give help to any local authority of whatever political persuasion. The contact details are also available on the Cycling England website. The deadline for applications is 31 March, and I wish my hon. Friend's friends the best of luck in their bidding.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): One way to make cycling safer is to provide new cycle routes away from traffic. I recently saw a great example at Yeadon, near Leeds, that utilises an old railway track. Can the Minister act to protect those old rail corridors from developers, so that they can be made available for cyclists and, for that matter, pedestrians?

Jim Fitzpatrick: I have just advised the House of the sixfold increase—I am sure hon. Members were aware of it—in funding for Cycling England, which I am sure will be considering imaginative schemes to promote cycling more effectively. My right hon. Friend the Minister of State has just advised me that there are other pots for which bids can be made. We will look to use all available routes to ensure that cycling is a safe activity, because it reduces congestion, is good for health and builds confidence. The Government want to ensure that we promote cycling as effectively as we can.

Vulnerable Passengers

9. **Dr. Roberta Blackman-Woods** (City of Durham) (Lab): If she will undertake a review of the extent to which public and community transport services meet the needs of vulnerable passengers. [190980]

The Minister of State, Department for Transport (Ms Rosie Winterton): Good public transport is key to reducing social exclusion. That is why £2.5 billion a year is invested by central Government and local government to support buses and community transport services.

Dr. Blackman-Woods: I thank my right hon. Friend for that response. Will she encourage local councils such as those in County Durham to use the measures in the Local Transport Bill to make greater use of community transport in their plans to improve bus services locally? Does she agree not only that that would improve access to public transport for isolated and vulnerable communities in my constituency, but that it could meet their needs more fully than standard commercial services?

Ms Winterton: My hon. Friend is a great advocate of public transport in her constituency and she is right to say that the Bill contains measures to help to improve community transport services. For example, it will allow community bus permits, which will enable payment for people who run community bus services. At the moment, there are certain restrictions on that, but the Bill will allow payment of community drivers in such circumstances. That is exactly the kind of service that could be a solution in rural areas and could be particularly applicable to vulnerable people who are perhaps isolated in such areas. It could be a good solution to some of the transport problems that they face.

Mark Pritchard (The Wrekin) (Con): Will the Minister give a commitment to the House today and perhaps even agree to meet with me and some representatives from Shropshire councils over the concessionary bus scheme? She will be aware that there is real concern among those on disability living allowance on the lower rate, carers who are travelling without those they are caring for and also those with mental health disorders who are socially excluded from the new scheme. Will she meet me to discuss those important issues?

Ms Winterton: I shall certainly agree to meet the hon. Gentleman. The criteria for qualification for the concessionary bus pass were laid down in the Transport Act 2000, and I am happy to send him the details of those. They cover a number of people with disabilities, and there is discretion for local authorities to extend the scheme if they wish to do so. I am more than happy to explain the details of that scheme to him.

Greenhouse Gas Emissions

10. **Mrs. Janet Dean** (Burton) (Lab): What estimate she has made of the effect of extending rail services on levels of greenhouse gas emissions from transport; and if she will make a statement. [190981]

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): The Department has estimated that the additional rail capacity required by the high-level output specification would result in a net increase in annual transport carbon dioxide emissions of around 102,000 tonnes by 2014. However, the crowding relief benefits of the investment are more than 70 times greater than the associated cost of additional carbon emissions.

Mrs. Dean: Does my hon. Friend agree that later evening services allowing people to leave their cars at home can play a part in reducing carbon emissions? Does he understand my concern, and that of Staffordshire county council and the North Staffordshire community rail partnership, about the current and proposed times of last trains serving both Burton-on-Trent and Uttoxeter compared to the times of last trains serving towns of similar size? Currently the last train leaving Uttoxeter from Derby is the—

Mr. Speaker: Order. Supplementaries must be brief, and I think that the Minister has heard enough.

Mr. Harris: My hon. Friend's point is valid, but as has been said from the Dispatch Box a number of times in the past, the Government are not in the business of carrying fresh air around the country. If only two or three people travel in a railway carriage late at night, that will result in a much bigger carbon footprint for each of them. There is a case for providing later services where there is a demand, but I hope my hon. Friend will accept that franchises are designed following extensive research and consultation with the prospective markets. If there is no market for late-night services, running extra services carrying very few people would do nothing to reduce the carbon imprint of the railway industry.

Paul Rowen (Rochdale) (LD): Electrified rail and light rail services produce lower carbon dioxide emissions than diesel services. What plans has the Minister to increase investment in electrification?

Mr. Harris: It is heartwarming to see the enthusiasm with which Liberal Democrats embrace new spending commitments, when they dismiss so easily the commitments that the Government have already made to investment in the railway infrastructure. We have made a deliberate and political decision that increasing capacity on the network must be our priority over the next six years. We will spend that £10 billion on, among other things, buying 1,300 new railway carriages. Although electrification will be considered on a case-by-case basis, we do not think it should be given the same priority as the purchasing of extra capacity.

Topical Questions

T1. [190962] **Mrs. Madeleine Moon** (Bridgend) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Transport (Ruth Kelly): Today I set out my strategy for tackling congestion in our urban areas and on our motorways. I published a report exploring where hard-shoulder running and traffic management systems could bring most benefits, and set out proposals for preserving the benefits of new capacity.

The Heathrow consultation closed on 27 February, and the many thousands of responses are now being analysed. I expect to make a decision later this year. On 26 February, I laid a statement about the measures that we have secured from First Great Western to improve its service and deliver a package of direct benefits for passengers.

Mrs. Moon: Given my right hon. Friend's announcement today about motorway congestion, does she believe that the M4 in Wales would benefit from hard-shoulder running, and when does she expect to expand the programme?

Ruth Kelly: I thank my hon. Friend for her interest. Today I published a map of the main motorway network across England, showing the most congested parts of the network and also the roads where it might be possible to open up the hard shoulder for extra capacity. I am sure that the M4 is one of those roads. Of course, the Welsh Assembly may wish to examine the proposals. Where trials have been held we have seen not only an improvement in journey times but, perhaps more important, much more predictable journey times and lower carbon emissions, and motorists using the M42 have welcomed having a managed motorway.

T2. [190963] **Mr. John Leech** (Manchester, Withington) (LD): In light of Bolton council's unanimous decision to hold a referendum on the introduction of congestion charging in Manchester, will the Secretary of State now insist that the Association of Greater Manchester Authorities introduces a Greater Manchester-wide referendum before any decision is made on the introduction of congestion charging?

Ruth Kelly: The hon. Gentleman refers to a bid that is currently before my Department for extra investment in public transport in Greater Manchester. As a consequence, an offer to introduce an element of congestion charging around Manchester city centre has been made. No bid has yet been agreed and it will be for the local authorities in Greater Manchester to decide how to consult on that package if and when it is agreed. One of the tests that the authorities have set themselves is a public acceptability test, so as well as delivering on combating congestion in urban areas, which is very important, they will also have to decide how they want to take the consultation forward.

T3. [190964] **John Robertson** (Glasgow, North-West) (Lab): Last week I raised the problem of protesters climbing on top of a flight from Manchester at Heathrow airport as I was walking by the gantry. What have the Government done after my demand for an investigation? What will my right hon. Friend do to ensure that security at our airports is up to the highest quality and standards?

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): TranSec is responsible within the Department for security for all our transport modes. An investigation into the incident is going on and we will learn the lessons from it. We take the highest level of precautions to make sure that the travelling public are protected as best as possible. There are spot-checks at airports, ports and other transport areas. Every endeavour is made to make sure that stunts like those we saw last week both at Heathrow and here do not happen. However, we have to be extra vigilant against determined extremists; we can never be absolutely sure that we can defeat them.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Do the Government still support the statement of December 2006 by the then Transport Minister, the hon. Member for South Thanet (Dr. Ladyman), that a national road pricing scheme would be introduced by the middle of the next decade?

Ruth Kelly: My priority is to focus on the congestion experienced by today's motorists. It is right that there will be a debate, and I am sure that the hon. Lady, who has already expressed her views on the issue, does not want to see any form of road pricing now or in future. We are committed to examining the technology to see whether we can address people's real concerns about privacy, enforcement and how fair a national road pricing scheme would be. But I am clear that we need to focus on congestion now, opening up the hard shoulder for extra car traffic where we can, managing motorway speeds to encourage a smoother flow and locking in the benefits through car-sharing lanes or toll lanes where that makes sense.

Mrs. Villiers: Why will the right hon. Lady not just admit that Labour's flagship national road pricing scheme is now dead in the water? Does her announcement today mean that the planned widening schemes for the M1, M6 and M62 are now being permanently shelved? Does the announcement also mean that the Government are highly unlikely to press ahead with any motorway widening in the future? Will the revenue from the new tolls that she wants to be introduced be spent on transport, or will it go back into the Treasury pot?

Ruth Kelly: The hon. Lady asks me whether the policy is dead in the water; I would offer her a motoring analogy instead. I would describe it as a nifty overtaking

manoeuvre to get past stationary traffic ahead. The debate about national road pricing has become increasingly sterile, with enthusiasts thinking that road pricing is the answer to all their problems and with people on the other side saying, "Over my dead body." I am focusing on today's problems faced by ordinary motorists. Virtually all the capacity that could be delivered by motorway widening could in theory be delivered by hard-shoulder running. That will not be possible in every part of the motorway network, partly for technical reasons and partly for engineering reasons. Today we published a map showing where it might make sense. *[Interruption.]* The hon. Lady asks about the M25 and the M6. The M25 is a quite long way down the procurement process on sections 1 and 3. We will go ahead with conventional widening, which will take place where it makes sense on the motorway. I am determined robustly to test the other sections of the M25 against the alternative proposition of hard-shoulder running.[1]

T5. [190966] **Nia Griffith** (Llanelli) (Lab): I welcome the planned investment in our railways, which is essential if we are to encourage more people to use rail, rather than road, and thus cut our carbon emissions, but what guarantees can Ministers give that works planned for the next six years will actually be completed, particularly in light of the comments we have heard from the Opposition Front-Bench spokesman about robbing Peter to pay Paul?

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): I wholeheartedly agree with my hon. Friend about the importance of that investment, and under this Government there has been record investment in the railways. As a consequence, there has been a 40 per cent. increase in the number of people using our railways and more than 1 billion passenger journeys made every year. That level of investment will continue under this Government. Unfortunately, I am not in a position to say what on earth would happen to it under any other Government.

Norman Baker (Lewes) (LD): What action will the Secretary of State take in light of the Civil Aviation Authority recommendation to the Competition Commission that there is insufficient airspace around London and the south-east to accommodate any further growth in traffic that would result from a third runway at Heathrow? Can she confirm that there will be no further runway at Heathrow without the expressed support of the CAA and National Air Traffic Services, or is she prepared to override those concerns and put passengers at risk?

Jim Fitzpatrick: The CAA has examined our White Paper proposals and believes that the necessary airspace capacity can be provided safely. Airspace change proposals will be subject to the rigorous requirements of the CAA's change process in terms of development, consultation, approval and implementation. We do not recognise the description the hon. Gentleman has just given.

T4. [190965] **Mr. Peter Bone** (Wellingborough) (Con): Why have Wellingborough rail commuters seen the price of their tickets increase at more than twice the rate of inflation, when at the same time the frequency of trains has been cut, overcrowding has increased and seat reservations have been withdrawn?

Mr. Tom Harris: The hon. Gentleman knows that this Government's fares regulation policy is that, overall, regulated fares should not rise by more than the rate of inflation plus 1 per cent. For the most recent increases, that was equivalent to £4.8 per cent. per year over a basket of fares. If he is suggesting that the Government should extend regulation to cover all fares, perhaps he should speak to his Front-Bench colleagues and decide whether that incredibly large spending commitment would be supported by them. In the meantime, however, we will continue to regulate the most widely used fares, and we will continue to invest at historically high levels in the railway industry. The hon. Gentleman clearly does not support that; that is a matter for him and his constituents.

T8. [190969] **Sir Peter Soulsby** (Leicester, South) (Lab): I warmly welcome the 1,300 additional rail carriages to which the Minister referred earlier, but is he aware that only three of them are currently earmarked for East Midlands Trains? Will he revisit the data and the predictions that that decision was based on, and will he ensure that this very successful main line gets what is necessary to meet the demands of the franchise and the needs of the customers?

Mr. Harris: I understand my hon. Friend's concerns, but as I said earlier, I do not believe that Ministers are best placed to make operational decisions about what railways need; those decisions should be made by railway professionals. In putting together the indicative rolling stock plan that was published a short time ago, we listened to the requests and the expert opinions of the railway industry itself. The 1,300 new carriages—they are all new carriages, which will be delivered and running on the rail network by March 2015—are not the end of the story. I fully expect—I am optimistic about this—that the train operating companies will procure a significantly higher amount than 1,300 in that period, and it might well be the case that the east Midlands receives extra carriages. However, that will be a matter for the train operating and rolling stock companies.

T6. [190967] **Mr. Andrew Mackay** (Bracknell) (Con): Will the Secretary of State explain why we should ever again believe anything that the Driver and Vehicle Licensing Agency says, following its having told the Public Accounts Committee that 38 per cent. of motorcyclists were evading paying their excise tax only to then revise that figure dramatically downwards to 6 per cent.?

Jim Fitzpatrick: The Department accepts the difficulties that the 2000 survey results caused, and an apology has been sent to the Chairman of the Public Accounts Committee along with an explanation as to how the anomaly occurred. The straightforward explanation is that the DVLA moved, with the Department, from collecting data manually to using automatic number plate recognition cameras. The different methodology led to significantly lower revised figures, but they were more accurate. Because of the disparity, manual checks were made—this involved 1.6 million cases—and the offending number plates were checked again to ensure accuracy. In fact, the loss to the Exchequer was much smaller than reported, which ought to have been a good news story for law-abiding taxpayers, but because we

1. *[Official Report, 18 March 2008, Vol. 473, c. 5MC.]*

had to spend time explaining an anomaly and making the apology, it was not the good story that it ought to have been for the Department.

T7. [190968] **Richard Ottaway** (Croydon, South) (Con): Does the Secretary of State accept that London's congestion charge is not working, because the number of vehicles has increased, speeds have decreased and Londoners are paying more taxes? Will she review the Greater London Authority Act 1999 in order to impose a duty on the Mayor to speed up traffic? Such an approach would contrast with the anti-car posturing of the present incumbent, who will be leaving soon.

Ruth Kelly: No, I do not agree. The congestion charge is groundbreaking and we are visited by delegations from across Europe. Indeed, only this past week a delegation from the United States paid me a visit to explore how the scheme has been implemented in London. Traffic levels have decreased, bus patronage has increased and fares have been frozen by the Mayor, who is doing a great job for this city.

T9. [190970] **Clive Efford** (Eltham) (Lab): Has my right hon. Friend received any representations to take London's bendy buses off the road, replace them with Routemaster buses and put 1,700 bus conductors on the buses? Has she had an opportunity to cost those proposals? Does she agree that before people make statements on the radio, they should cost their proposals carefully, otherwise they will not be making policy statements, but staging political stunts? When does she suspect the old Etonians opposite—

Mr. Speaker: Order.

Ruth Kelly: My hon. Friend has made his point with passion and extremely well. I have received a representation, as I believe have Londoners, that that policy would cost them only £8 million—I understand that the correct figure is closer to £108 million. The proposal would force up London bus fares by about 15 per cent.

Point of Order

3.32 pm

Norman Baker (Lewes) (LD): On a point of order, Mr. Speaker. We had an announcement from the Transport Secretary this morning about using hard shoulders to provide extra motorway capacity. That statement was preceded by a piece in today's edition of *The Guardian*, which quoted her at some length, a piece in *The Sunday Times*, which also referred to the policy, and an external briefing of organisations outside this House over the weekend. You have continually said to this House that Ministers should make statements in this House before speaking to newspapers and external bodies. That approach has clearly not been followed in this case. May I respectfully ask what action you intend to take on this matter?

Mr. Speaker: It has always been my policy to encourage Ministers—in fact, insist that Ministers make statements to this House. I shall look into the matter that the hon. Gentleman raises and get back to him.

Autumn Bank Holiday

3.33 pm

Shona McIsaac (Cleethorpes) (Lab): I beg to move,

That leave be given to bring in a Bill to introduce a bank holiday in the Autumn.

We are about to enter what I always call the bank holiday season—Easter is coming up, followed by the May bank holiday and Whitsun. This year, we get the added bonus of Easter and a spring break. This time of year is crowded in terms of public holidays. Most of us take our family holidays in summer—in July and August—so, in a way, the August bank holiday finishes the public holidays until Christmas. The period in between is a long time without a public holiday. This time of year is wonderful, because it is springtime and the evenings are getting lighter, but after August bank holiday it gets darker, the weather is probably worsening and it is no wonder that the average British worker looks frazzled and miserable come the beginning of December.

This country used to have far more public holidays, as there were local fairs and festivals. In fact, in the 1820s the Bank of England took 33 public holidays a year. But then came the 1830s and it was nose to the grindstone time. Public holidays were cut to just four a year.

We have made progress since, and we now have eight public holidays a year—in England anyway—with the last one being introduced in 1978, under a Labour Government of course. This Government have done well in introducing a minimum annual holiday entitlement, which I am sure everybody welcomes, but we have not done so well with public holidays.

We seem to have spent all our time debating Europe recently, so I thought I would look at European public holidays. It turns out that most European countries are far better than Britain in this regard: Italy gets 16 days, Iceland gets 15, and Spain and Portugal get 14 each. However, countries such as Italy, Spain and Portugal also have all sorts of festivals, ferias and local saints' days, so they are way ahead of us when it comes to having time away from work. It makes our measly eight days look even meaner.

Since 1978, working life has changed beyond all recognition. If anybody has time to watch "Ashes to Ashes" or "Life on Mars", the vast difference in working life and attitudes is obvious. We are working much longer hours, and people spend much longer travelling to and from work. Most would say they feel that their work-life balance has been affected. Our public holidays have not kept pace with modern working life.

Is there support for a new public holiday? The National Council for Voluntary Organisations and the TUC have called for an autumn holiday that they wish to call a community day. The Downing street website shows 500,000 people backing a new public holiday for veterans, similar to Veterans day in the US. Thomas Cook also wants a public holiday in the autumn, and 500,000 people have backed its petition. Even the Prime Minister has talked about having a British day.

So there is a lot of support for a new public holiday in the autumn, but—as always—there is opposition. There are the misery-guts who want to keep us at work and

[Shona McIsaac]

never let us break free. The CBI is one such organisation: it claims that another public holiday would mean less productivity. However, I would hit back by asking whether, if it thinks that one extra day would have such a dramatic impact, it intends to campaign for the abolition of weekends. That would cast aside its argument about the impact of one more public holiday.

Indeed, a new public holiday would have economic benefits for the country. My constituency relies on travel and tourism, and a new public holiday would extend the holiday season there. At the moment, it tends to end in September. People in temporary jobs would work for longer and it would bring economic benefits to many of our seaside resorts. Restaurants, the leisure industry and the retail sector would all benefit from more public holidays. A less frazzled work force would also be more productive, not less. Breaks from work reduce stress because people can recharge their batteries. They would help with work-life balance, as people could spend time with their family and friends. People could also spend time volunteering or, as the modern jargon has it, celebrating our civic values.

I have not specified an exact date for the holiday. Most people, when asked, favour a Monday in October for an additional break. The principle that we need more public holidays is now accepted, so I propose that we have a national consultation on when in the autumn the new public holiday should be.

Mr. David Winnick (Walsall, North) (Lab): Have a referendum.

Shona McIsaac: I do not think I will have a referendum.

David Taylor (North-West Leicestershire) (Lab/Co-op): A multi-option one.

Shona McIsaac: Well, we could have a multi-option referendum on when we should have a new bank holiday.

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): Trafalgar day.

Shona McIsaac: From a sedentary position, my hon. Friend calls for Trafalgar day. That suggestion was certainly put forward on my website, too.

As I say, modern life often leaves us feeling under pressure and unable to wind down. Well-placed public holidays can punctuate the year to give us better work-life balance, and that would be good for everybody in this country.

3.40 pm

Mr. Christopher Chope (Christchurch) (Con): I gave notice earlier that I intended to speak against the motion. *[Interruption.]* Somebody describes me as a miserable soul; I am not a miserable soul, but if I am I share that honour with the noble Lord Jones of Birmingham, who spoke out against this proposal in the other place as recently as a fortnight ago.

I am disappointed at the way in which the Bill has been put forward by the hon. Member for Cleethorpes (Shona McIsaac). If she were proposing to scrap the May day bank holiday and replace it with one in the autumn, I might have been able to go along with that. Her suggestion of Trafalgar day on 21 October, if it were instead of May day, would find favour with quite a lot of people.

Even better would have been if the hon. Lady had said that instead of the May day bank holiday we would have a referendum day bank holiday, when it would be possible for the people to have a referendum on any issue they regarded as important at that time. They would then be able to hold us, as elected representatives, to account.

In my view, bank holidays should be used to mark special days of religious observance or national celebration. They should not be used effectively to provide bread and circuses to a populace that is increasingly disillusioned with this cynical Government. The prospect of an extra day off work at someone else's expense may seem superficially attractive and popular, but the minimum number of days' holiday under the working time regulations has already increased from 20 to 28 under this Government.

The notorious Warwick agreement, agreed by the Labour party national policy forum in July 2004, made as one of the concessions to the unions an announcement that public holidays would in future not count towards the minimum holiday allowance under working time rules. The consequence of the hon. Lady's proposal would therefore be significant additional cost to the public and the private sectors.

I submit that the hon. Lady's proposal would be against the national interest and would damage the economy. It would also damage the environment, which is a subject dear to my heart. We all know what happens at bank holiday weekends: the traffic clogs up, congestion is rife and people sit in queues of traffic that burn fossil fuels and create CO_2 emissions. That would be exacerbated if we were to have yet another bank holiday weekend.

I also submit that bank holidays smack of collectivism and central control. They militate against individual freedom and flexibility. Most people, if they were given a choice between taking a holiday on a bank holiday set by the state or at a time of their own choosing, chosen in consultation with their family, would choose the latter.

Let us also think about the victims of bank holidays, such as people who are dependent on benefits. They want to gain access to public services such as health, welfare or social services. I have constituents who cannot get through to the various helplines for public departments even with the existing number of working days. Why should we want to reduce the number of working days so that it is made even more difficult for my constituents to make contact with Government Departments?

A second group of potential victims of the hon. Lady's proposal would be those who found themselves caught up in the traffic problems on those weekends. The third victim would be the national economy. Lord Jones of Birmingham put a figure on the cost, saying that every extra bank holiday would cost £2.5 billion. I can think of better ways of spending £2.5 billion, and I make one suggestion—give us a referendum!

Question put and agreed to.

Bill ordered to be brought in by Shona McIsaac, Mr. David Amess, Gordon Banks, Mr. Ian Cawsey, Mr. Martyn Jones, Dr. Stephen Ladyman, Rob Marris, Mr. Gordon Marsden, Sarah McCarthy-Fry, Mr. Adrian Sanders, Lynda Waltho and Derek Wyatt.

Autumn Bank Holiday

Shona McIsaac accordingly presented a Bill to introduce a bank holiday in the Autumn: And the same was read the First time; and ordered to be read a Second time on Friday 7 March, and to be printed [Bill 82].

Orders of the Day

European Union (Amendment) Bill

Order read for the House again resolving itself into a Committee.

Mr. Speaker: I have selected the motion for an instruction on the European Union (Amendment) Bill, in the name of the right hon. Member for Sheffield, Hallam (Mr. Clegg). Notice of the instruction is item 59 on page 1238 of today's Order Paper.

3.46 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I beg to move,

That it be an Instruction to the Committee on the European Union (Amendment) Bill that it have power to make provision in the Bill for the holding of a referendum on the United Kingdom's continued membership of the European Union.

I am probably not the only Member of the House who is pleased not to have to make points of order on this instruction, but instead to debate it. I guess that you, Mr. Speaker, are also pleased that I am not making points of order.

The purpose of the instruction could not be clearer: it is to put it beyond reasonable doubt that the amendments to the Bill that include a call for a referendum on Britain's continued membership of the European Union are selectable for debate tomorrow.

Philip Davies (Shipley) (Con): The hon. Gentleman knows as well as most people in the House what my view is on the European Union. I believe that we should leave it. He is not arguing about the great principle of staying in or leaving the European Union, because he does not want that referendum at all. This instruction is just a weasel tactic to get out of the promise that he made to the electorate at the last general election to hold a referendum on the European treaty. Nobody who shares my opinion will be fooled by this rather disgraceful tactic.

Mr. Davey: The hon. Gentleman could not be more wrong. Let him debate that matter tomorrow. I and my colleagues believe that our amendments on a referendum are already in order and selectable, but we recognise that not everyone in the House is yet of that opinion. That is why we have sought, from the first day of the Committee's proceedings, to give the House the opportunity to help the Chair and clarify that such amendments are indeed within the scope of the Bill.

Mr. Andrew Robathan (Blaby) (Con) *rose—*

Mr. Nigel Evans (Ribble Valley) (Con) *rose—*

Mr. Davey: I shall give way in a moment.

Let us be clear what the instruction is not about. It is not about the substantial point of a referendum. It is solely about enabling a debate on an in-out referendum—a debate that could occur tomorrow.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): On a point of order, Mr. Speaker. I may be getting very old and my hearing may be going as well as everything

[Mrs. Gwyneth Dunwoody]

else, but did I actually hear the hon. Gentleman say that he was seeking to help the Chair? Is he instructing the Chair?

Mr. Speaker: The hon. Lady would help the Chair if she did not make a point of order like that.

Mr. Robathan: Will the hon. Member for Kingston and Surbiton (Mr. Davey) give way?

Mr. Davey: I shall give way to the hon. Gentleman.

Mr. Robathan: Can the hon. Gentleman confirm that he and his party stood on a manifesto commitment to have a referendum on the constitution, which is exactly the same as the Lisbon treaty? Will he show some integrity and vote for that referendum tomorrow?

Mr. Speaker: Order. Every hon. Member shows integrity, so the hon. Gentleman should not speak like that.

Mr. Davey: If the hon. Gentleman had attended all our debates, he would know that we do not believe that the constitutional treaty is the same as the Lisbon treaty. There are many arguments we can have about that, and no doubt we will have them tomorrow. If the hon. Gentleman votes for our instruction, we can have that debate, but if he votes against it he will prevent it from taking place

Mr. John Redwood (Wokingham) (Con): Will the hon. Gentleman give way?

Mr. Davey: I want to make some progress, so I shall give way to the right hon. Gentleman later.

Hon. Members may disagree with the Liberal Democrats' proposition, and they may disagree with the proposal for a referendum. They may disagree with the Question that we wish to put, because it was proposed by the Liberal Democrats—I am afraid that one sometimes hears that opinion from others in the House. However, all such people—all our opponents—can and should vote for the instruction, because to deny debate on an in-out referendum in the context of the Bill would be undemocratic. To restrict tomorrow's debate to only one referendum Question would limit the freedom of the House of Commons. To vote against the ideas of a significant number of MPs, and to prevent those ideas even being debated, would be to gag those Members of Parliament. The House should be the champion of freedom of speech, so we look to Members on both sides of the House to defend freedom of speech.

Mr. Redwood: With the hon. Gentleman's in-out referendum now, would it be in, with or without the Lisbon treaty arrangements? What arrangements would be available if people wanted to vote "out"? Has he negotiated any?

Mr. Davey: If the right hon. Gentleman looks at our amendments, he will see that they are absolutely clear. They have been tabled for some days, and we have made it clear that the in-out referendum would take place after the ratification of the treaty. I know that some hon. Members, like the right hon. Gentleman, do not share our view, but we should have that debate tomorrow on the substance of the issue. By passing the instruction, we would facilitate that debate. Denying the instruction would deny some Members the chance to vote on what they believe they put before the electorate at the election. I simply cannot believe that the Government, the Conservative Opposition or, indeed, MPs from any other party wish to curb open debate in the House.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Liberal policy on the referendum is apparently encapsulated in early-day motion 1083, which was tabled in the name of the Leader of the Liberal Democrat party. It says that a referendum

"will force off the fence those political parties that seek to obscure from the public their true policy towards Europe".

I have sought to add the words "including the Liberal Democrat party" to the EDM through my amendment. Does the hon. Gentleman not agree that the EDM is a bogus, vacuous attempt to obscure what the Liberal Democrat policies towards Europe really are? They are very different at the local level from what they are in Parliament.

Mr. Davey: Absolutely not. The hon. Gentleman should vote for the instruction, so that he can challenge us in debate tomorrow. What is he afraid of? *[Interruption.]* We have one convert, and I hope that we will have more. Will they vote for democratic debate in the House of Commons?

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Will the hon. Gentleman clarify a simple point? When the constitutional treaty, as he said, was around and his party members looked at it, they said that it transferred more powers than this measure. Why, at that stage, did they go for a referendum on the constitutional treaty, and not an in-out referendum, if it transferred more powers? Why have they suddenly come to this measure now?

Mr. Davey: We believe that it amounts to the same thing. If the right hon. Gentleman had listened to my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell), the then Leader of our party, he would know that he said that at the time.

The Government say that through their business motions they wish to promote debate. Ministers have told us that they are keen to find innovative ways to enable the House to debate all aspects of the Bill, and to make our debates more accessible to the public, and we have used a 19th century procedure to help the Government to achieve that. The general public simply do not understand why an elected Member of Parliament should not be allowed to debate and vote on the Question. They want the Government of the day to ensure that such a debate is held.

Mr. Peter Bone (Wellingborough) (Con): I recollect that very amendment to the Gracious Speech, because I supported it and voted for it. We have had that debate, and the only way to get a referendum for the people is to vote for a referendum on the Lisbon treaty tomorrow.

Mr. Davey: I was grateful for the hon. Gentleman's support on 14 November, when he and five other Conservative Members voted with the Liberal Democrats, but that was before the Lisbon treaty was signed. Furthermore, our amendment was not contingent on the ratification of the Lisbon treaty, which is the point of our amendment today.

Turning to the Conservative position, Conservative Members have said in Committee and on many other occasions that they want to promote more open debate and that they do not like guillotines, programme motions and knives. Well, here is a test for them: they should vote for this instruction and for the House to have as many options as possible tomorrow in order to promote an open and wide debate. If they do not do so, we will not be able to take their protestations on future procedural motions in all sincerity, and, more importantly, the country will not be able to take their commitment to freedom of speech seriously.

Mr. Bernard Jenkin (North Essex) (Con): In response to my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), the hon. Gentleman said that an in-out referendum would amount to the same thing as a referendum on the constitutional treaty. In that case, he should vote for a referendum on the Lisbon treaty on the basis that it amounts to the same thing as an in-out referendum?

Mr. Davey: The message is clearly not getting through, which is yet another reason why we should have the debate tomorrow, when we can explain it to again and again to make it absolutely clear. For the hon. Gentleman's sake, I shall repeat some of the basic arguments. For a start, the constitutional treaty, unlike the Lisbon treaty, contains the treaty of Rome, the treaty of Maastricht, the Single European Act, the treaty of Nice and the treaty of Amsterdam, so a vote on that document would be a vote on all the rules and the whole EU constitution.

In 2006, the right hon. Member for Richmond, Yorks (Mr. Hague) said that the constitutional treaty was a constitution, not simply a treaty, and as such would have revolutionised the European Union. He was right, which is why there was a case for a referendum. The nearest question with which this House can provide the people of Britain is an in-out referendum, which is nearest to the manifesto promises on which most hon. Members stood.

Mr. Adrian Sanders (Torbay) (LD): If there had been a vote on the constitution, it would have been a vote against a rulebook. How can one remain a member of a club when one has rejected its rules? It would have been an in-out referendum.

Mr. Davey: Indeed. Both the Prime Minister and the then leader of the Liberal Democrats talked in exactly those terms. In the spirit of upholding parliamentary democracy, I appeal to the other parties to back our instruction today.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): If we are committed to democracy, we can disagree with the rulebook while remaining committed to the overall organisation. When France and Holland said no, their positions were regarded as completely democratic and nobody said that they should leave, which is why we should have a referendum on this particular rulebook. The hon. Gentleman's proposition is undemocratic blackmail.

Mr. Davey: The hon. Lady is entitled to her view, but I ask her to back our instruction to allow us to have a full debate tomorrow. Why is she afraid of having a debate? Indeed, what are the other parties afraid of today, and why are they trying to curb debate in the House of Commons?

Several hon. Members *rose—*

Mr. Speaker: Order. The hon. Gentleman has indicated that he will not give way.

Mr. Davey: If the other parties in this House are not prepared to vote for this instruction and to have the debate tomorrow, one must question their motives. *[Interruption.]*

Mr. Speaker: Order. Hon. Members must allow the hon. Gentleman to speak.

Mr. Davey: It will appear to people outside the House that the other parties are afraid of open, public debate. They are afraid of facing the question and will not allow the amendment to be put. Some people might say that they are split down the middle on the issue. I am looking forward to the speeches of hon. Gentlemen and hon. Ladies in this debate; we want to know why they are frightened of open, public debate—

Mr. William Cash (Stone) (Con) *rose—*

Mr. Mark Harper (Forest of Dean) (Con) *rose—*

Angela Browning (Tiverton and Honiton) (Con) *rose—*

Sir Patrick Cormack (South Staffordshire) (Con) *rose—*

Mr. Speaker: Order.

Mr. Cash *rose—*

Mr. Speaker: Order. The hon. Gentleman is not giving way, Mr. Cash—[Hon. Members: "He's frit!"] Whatever his reasons, he is not giving way.

Mr. Davey: Mr. Speaker, I am genuinely grateful to you for calling this instruction today. You have done this House a great service—

Mr. Speaker: Order. Whatever you do, do not draw me into the argument.

Mr. Davey: I shall obey your instruction totally, Mr. Speaker.

I hope that all Members will now do the House and the country a service. I hope that they will vote for this instruction—for freedom of speech and democracy.

4.1 pm

Andrew Mackinlay (Thurrock) (Lab): A little while ago, a good friend and colleague came up to me and said, "Andrew, we don't need to spend too much time on this motion—do we?" I had to say that we did. I am speaking, and I intend to vote for the instruction. I want to explain to the House why.

First, in my own defence I should say that I have been consistent. The last time the House had a debate and vote on this issue, I was in the Division Lobby voting for it and there was not a single Labour Member in the No Lobby voting against it. That was some time ago, but the principle of having a referendum on Britain's continued membership of the European Union has not altered. This instruction would enable such a referendum.

Secondly, I believe that the referendum is the way forward. We have had countless hours of debate on the question of whether the Lisbon treaty is the same as the constitution. Clearly, there is great division on that issue in this House and elsewhere. However, it would be in the interests of good governance, of the current Government and of any future Government in the next quarter of a century if the matter were put to bed and resolved.

It would be cathartic if between now and, say, 2012 it was enshrined in statute that there should be a referendum to reaffirm our membership of the European Union—a political vehicle that has been very good for this country. It has been a vehicle for conflict resolution and conflict minimisation, and it has been politically, economically, and commercially good.

I am prepared and keen to go out and argue for the European Union; the trouble is that the traffic has all been one way. There have been stories about straight bananas and other absurd things; rather than each one of us having to go out to evangelise and argue the case for Europe, stating how positive it has been and what the consequences would be for every constituent were there ever a day on which we withdrew.

I do not say this arrogantly, but I think that the referendum would be won; Conservative, Liberal Democrat and Labour Members would put in all their energies because they would know that it would be good for Britain. Therefore, the case would be overwhelmingly put. *[Interruption.]* The members of the flat earth society and all those who have peddled the most God-almighty nonsense about the issue would be quashed. The traffic has been one way, so it is now time that we said this.

In response to a couple of interventions that I have made on the Prime Minister, I have noticed that he has not totally dismissed the idea. He may well be waiting to see what happens tomorrow. However, whatever happens tomorrow, I hope that he will see that committing us by statute to a referendum between now and 2012 would be good for democracy and good for reaffirming Britain's membership of the European Union. I believe that it would satisfy many constituents who want that opportunity.

It is time that everyone reflected on the fact that the instruction for the House in Committee to consider an amendment along these lines tomorrow is sensible. It would be fair to everyone. It would help many of us who have a dilemma as to whether the Lisbon treaty is the same as the European constitution—there will be arguments about that for ever and a day.

While I have the House's attention, I would like to point out that in the Select Committee on Foreign Affairs I have tried to move amendments to the effect that we should have such a referendum—it is in the minutes. I have asked for a referendum at every stage. I ask Members to pause and reflect on the matter, particularly those on the Treasury Bench, because it would be good for this Labour Government to do such a thing. I hope that Ministers will think about it over the next 24 hours. Even if the instruction is not passed, a signal from the Prime Minister or the Minister for Europe that we are thinking about it would help us all in the constitutional dilemma presented by the Lisbon treaty.

4.6 pm

The Minister for Europe (Mr. Jim Murphy): I am delighted and surprised in equal measure to have the opportunity to debate our instruction today—[Hon. Members: "Your instruction?] The instruction. I am delighted to see the hon. Member for Kingston and Surbiton (Mr. Davey) in his place again. I am delighted to see so many of his hon. and right hon. Friends in their places, too. Last week, most of them only walked in so that they could walk out again. They have stayed a little longer today, and I hope that they will stay for the rest of my remarks. I said on 28 January that we would be flexible about the business motion, and we have been, on no fewer than seven occasions. I do not wish to disappoint the hon. Gentleman, but I am going to have to by objecting to his instruction. I shall set out briefly three short reasons why.

First, the House has already come to a view on these matters. On 14 November 2007 the House declared its intention, and it came to a decision very clearly when it voted by 68 votes to 464 against the proposal put forward by the Liberal Democrats. That position is already the settled will of the House.

Secondly, and equally importantly, we have never had a debate on an in-or-out amendment of the nature proposed by the hon. Gentleman and his hon. Friends on any amending treaty. We did not have an amendment or debate of that nature on the Single European Act, Maastricht, Nice or Amsterdam, and we are not convinced that there is anything different in the nature of the Lisbon treaty that means that we should break that established European precedent.

Thirdly, and finally, the Bill is about the merits of the Lisbon treaty, not whether we should or should not be in the European Union. Some commentators—unfairly, I am sure—have said that this instruction is not so much about the inner detail of the Lisbon treaty, but about the inner dynamic of the Liberal Democrat party.

On the basis of those three considered but brief assessments I encourage the House to reject the instruction.

4.8 pm

Mr. William Hague (Richmond, Yorks) (Con): The Minister has spoken briefly, and I will attempt to do the same. In a way, this gives rise to a happy and rare occasion during these debates: an occasion when I can support some of the things that the Minister has said.

The weaknesses of the instruction are self-evident. The first was mentioned by the Minister: it is unnecessary. The House considered a motion on an in-or-out referendum, as it has been termed, at the end of debates on the Queen's Speech. An amendment was moved by the Liberal Democrats solely on that subject, to the exclusion of any consideration of education, health, foreign policy or taxation. They moved it solely on that subject in a House that they have just said is afraid of debating the matter, and the amendment was rejected, as the Minister set out, by a vote of 464 to 68.

It seems unlikely that, in the passage of three months in an identical House of Commons, a majority of 400 will be overturned tomorrow. All Opposition parties have Opposition days available to us on which to table any motions that we wish. It is therefore unnecessary to insert the instruction into our Committee proceedings, still less to do that as a deliberate distraction from what is genuinely at stake with the Lisbon treaty.

The hon. Member for Kingston and Surbiton (Mr. Davey) said that the motion's purpose could not be clearer. I agree—its purpose is to try to paper over the deep divisions in one party between those who want to fulfil their manifesto pledge and those who wish to break it. I have never heard such a clear parliamentary equivalent of a cry for help. The Liberal Democrats are waving at us but we are not sure whether they are waving or drowning.

The pledge on which all Liberal Democrats stood at the election could not have been clearer, but I shall read it out in case they need reminding:

"We are therefore clear in our support for the constitution, which we believe is in Britain's interest—but ratification must be subject to a referendum of the British people."

Their manifesto did not pledge a referendum on membership of the European Union or anything about voting for a treaty identical in all but name to the European constitution without consulting the voters.

The instruction is not a way of giving people their say, as the hon. Member for Kingston and Surbiton put it, but of denying people their say by letting some Members off the hook of deciding whether to stick to their manifesto commitment or abandon it. The hon. Member for Birmingham, Edgbaston (Ms Stuart) punctured beautifully the Liberal Democrats' discredited central argument. If, as they claim, a referendum on the EU constitution is substantially equivalent to a referendum on EU membership, France and the Netherlands would no longer be members of the EU.

Philip Davies: Does my right hon. Friend agree that the Liberal Democrats do not even want a referendum on in-or-out? I would like nothing better than an in-or-out referendum, but, however the Liberal Democrats vote today, it has no relevance to the way in which they should vote tomorrow. Does my right hon. Friend agree that they should still honour the promise that they made at the last election and vote for a referendum on the treaty?

Mr. Hague: I absolutely agree. The full absurdity of the Liberal Democrat leadership's position is that it wants a referendum on the possible use of one clause in the treaty, which provides for withdrawal from the European Union. Liberal Democrats do not support the use of that clause, yet they want to deny the British people any say on the hundreds of other clauses in the treaty, the use of which they support. They confidently expect them to be used.

The instruction is patently a fig leaf to cover their embarrassment at their attempt to renege on their manifesto commitment. It is pretty small fig leaf over a pretty huge embarrassment. It does not deserve the support of the House because it is a distraction from the genuine issue before us.

Mr. Cash: Does my right hon. Friend agree that it would not be sensible to promote a referendum to stay in without including an assertion of the House's legislative supremacy to ensure that we could legislate about the way in which we govern ourselves?

Mr. Hague: My hon. Friend moves on to the terms of a referendum, which is beyond the scope of our debate on the instruction.

Let me conclude with the words of a Liberal Democrat Member of Parliament. Five days ago, the hon. Member for Romsey (Sandra Gidley) wrote to a constituent that

"after much thought and consideration I have not been persuaded that the overall effect of the treaty is sufficiently different from the EU Constitution which was proposed prior to the last election. I am mindful of the promise I made at the last election which was to support a referendum on the Constitution. I will not use semantics to wriggle out of a promise so, unless something unforeseen happens, I intend to support the call for a referendum."

What a pity that not all her colleagues are not prepared to

"use semantics to wriggle out of a promise."

The House should reject the instruction.

4.15 pm

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I want to make three brief points. First, I was filled with horror at the prospect of my hon. Friend the Member for Thurrock (Andrew Mackinlay) being alone in the same Division Lobby as the Liberal Democrats, and for that reason I have decided to join him.

Secondly, I have sat through much of the debate over the past few weeks and have listened with growing alarm to the Conservative arguments that have been deployed. The exchange that just took place between the right hon. Member for Richmond, Yorks (Mr. Hague) and the hon. Member for Stone (Mr. Cash) illustrates my point perfectly, because the right hon. Gentleman evaded the question that was put to him.

The truth, which has become increasingly apparent over the past few weeks, is that the fault line that has run through the Conservative party since the time of the corn laws is as apparent today as it ever was. The truth is that the Conservatives are the ones who are hopelessly divided. What many of them would really like is to come out of the European Union. For once in my life, I think that the Liberal Democrats are right. Let us test the Conservatives on that principle, because the reality is that they are playing semantics on this occasion, not the Liberal Democrats.

4.16 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): There is a smell of fear over this Chamber this afternoon. We know perfectly well what this is about. I am disappointed that the right hon. Member for Knowsley, North and Sefton, East (Mr. Howarth) is going to join the Liberals—I actually vote in the Division Lobby. *[Laughter.]* I am glad that is clear.

I voted in the notorious Division last November. I believe in referendums as a general proposition. In fact, I moved for a referendum on Maastricht, as some hon. Members present will recall. To try to get support for that, I went to see the then leader of the Liberal Democrats, Lord Ashdown, who gave his support. The Liberal Democrats would have voted for a referendum on Maastricht. I use that example because Maastricht was a treaty.

There is a fear hanging over the House, because each of our parties—those on the Liberal Democrat Benches are not alone in this; the parties include the Conservatives and Labour, as well as the Liberal Democrats—promised a vote on the treaty in their election manifesto. We have now heard all the semantics and the attempts to say, "This isn't the same, it's slightly different" or "Its composition is this or that", but when the public look—and as we have seen in the 19 hours given to clause 2—they see that the transference of power goes on.

When the hon. Member for Thurrock (Andrew Mackinlay) said that there was one-way traffic, I woke up. "Ah, yes! I've heard that expression before", I thought, but normally it is a one-way ratchet. No, the hon. Gentleman has got the traffic direction wrong. He was complaining that other people in this country argue about his proposition—about the divinity of Europe or otherwise.

The issue is controversial: people do criticise the treaties; they do believe that they knock the sovereignty of Parliament; and they do believe that they undermine the relationship between a Member of Parliament and his constituents and between the Government who make the laws and the population of Britain. People do believe that, but the ratchet—the one-way traffic—has been the ever-increasing power of the European Community, now Union. That is what the central issue has always been. However, the promise that the three parties made is what Parliament is all about—the greatest trust of all.

When we stood in front of our electorate and said that there would be a referendum on the treaty, it caused panic.

Chris Huhne (Eastleigh) (LD) *rose—*

Mr. Shepherd: The hon. Gentleman must forgive me—I quite understand the difficulty of his position. That is why—[Hon. Members: "Give way!"] I am going to finish my sentence, at least. That is why we have seen a construct today. It is a change from the storm in the Commons. Perhaps we will end up on the roof next. But whatever else we do, we know what the Liberal Democrats are about. They made a promise, and they now wish to resile from it—that is as plain as anything—but they still think that the public are fools, and that they will not understand the distinctions involved in what they are doing.

The truth lies in what has been said by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) and by the hon. Member for Birmingham, Edgbaston (Ms Stuart)—

Chris Huhne *rose—*

Mr. Shepherd: They said that, if this were a vote on—[Hon. Members: "Give way!"] I have the floor, if the House will forgive me for a moment. I should like to finish a sentence, or two, or three. As the hon. Member for Birmingham, Edgbaston pointed out, a vote on a treaty would not be about whether we were in or out. I remember the immediately previous leader of the Liberal Democrats standing in Westminster Hall saying that if Britain voted against the constitution in a referendum, it would mean that we had to leave the European Union. He was wrong on that, as France and the Netherlands demonstrated. The House cannot elide the two propositions as though they were one. They are distinct. That is what this proposal is about. It is to deceive the public out there.

While I am finishing this very lengthy sentence, I am also looking at the Government, no less. The Government of my country also promised a referendum on this treaty, and I have watched them trying to resile from that proposition as well. When I go into the Lobby today, it will be to damn—I think that that is a parliamentary term, Mr. Speaker—the Liberal Democrats for their phoney attempt to cover over their own divisions. Now I will give way to the hon. Gentleman.

Chris Huhne: I am extremely grateful to the hon. Gentleman. I was also extremely grateful that he joined us in the Lobby on this issue in November precisely for the reason that he gave earlier in his speech. I am surprised that he does not recognise that Maastricht was a far more significant treaty than this one. It is precisely because the British people were not consulted—again and again, under the Conservative Administration, over the Maastricht treaty, the Single European Act and all the other changes to the European Union—that we need an in/out referendum. And that is precisely why the Conservatives are so divided.

Mr. Shepherd: I can only hope that the hon. Gentleman's electors out there heard his shouting. They will hear his words. What we stand for is what we undertake to the electors who send us here. Everyone knows that this treaty further disconnects the people of this country from their Government and their representatives in the making of law. It is fundamental to the rule of law that, when we vote, we accept the rule of law because consent has been given by the people. Once we break the link between the sovereignty of Parliament and the rule of law, we are in the kind of really big trouble that we find ourselves in today.

To hear that smug attestation from the hon. Member for Eastleigh (Chris Huhne) is not helpful. It is not helpful to his own cause. That is the point. He is saying, "We must have a referendum, on our terms, that we think we can win." But what he is telling his electorate is that he has resiled from an undertaking that he gave them. I do not accept this referral, and I shall vote against it.

4.24 pm

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): I have some sympathy with the Liberal position—[HON. MEMBERS: "Surely not.] It is not only because I have a natural sympathy with beleaguered minorities who find themselves in a hole of their own making—not least because I have often found myself in that position. I am unhappy about the Liberal proposition because it poses the question of in/out against the question of yes/no, as though people could decide on only one of them. I would be inclined to vote for an in/out referendum if the Liberals were prepared to support the idea that I and others could have the opportunity to vote on a yes/no referendum. I would vote yes to remain in, but vote no to the treaty. Under the Liberal proposals, as I understand them, there would be a referendum only on in/out.

Simon Hughes (North Southwark and Bermondsey) (LD): The hon. Gentleman is wrong in his interpretation of this debate. If the instruction is given, tomorrow the House of Commons of the United Kingdom will have the opportunity to decide whether there should be a refererdum just on the Lisbon treaty or on the wider range of issues—or, in theory, both. If the hon. Gentleman votes no today, that option tomorrow will be precluded.

Mr. Davidson: What is the Liberal Democrat position on whether there should be two questions in a referendum?

Simon Hughes: I will give the hon. Gentleman the answer. We have made it clear that our preferred option is to vote for the referendum on the package—the whole issue of whether we are in Europe or not. That would be a vote in Committee, which we would hope to win, but we cannot even try to win it if the House will not allow us to have that vote. That is what the instruction is about.

Mr. Davidson: Do I take it that the Liberal position is to have a vote on in or out, but vote against someone like myself having the opportunity to vote to remain in and against the treaty—

Mr. Speaker: Order. We should be debating the instruction before us.

Mr. Davidson: I wish to clarify the implications of accepting the instruction, because I am anxious if I vote for the Liberal proposition that I will be less likely to be successful in a motion that I would like to propose on yes or no. If the Liberals give me an undertaking that they will vote for a yes/no referendum on the treaty, I will vote with them on in/out. If not, I have to assume that they are guilty of hypocrisy.

Simon Hughes: Will the hon. Gentleman give way?

Mr. Speaker: Order. I understand that the hon. Gentleman has finished his speech.

4.27 pm

Sir Patrick Cormack (South Staffordshire) (Con): I will be very brief. It seems to me that this is an extraordinary example of sanctimonious chicanery. *[Interruption.]* What we had last week—*[Interruption.]*

Mr. Speaker: Order. Let the hon. Gentleman speak.

Sir Patrick Cormack: Last week, we had—

Bob Russell (Colchester) (LD): You're the president of the club.

Sir Patrick Cormack: I would certainly not wish to be a president of any club that that gentleman could join. [HON. MEMBERS: "Ooh!] Last week, we saw an attempt by this shower to bully the Chair. Because they did not succeed in bullying the Chair, we now have this motion before us this afternoon. It comes side by side—and this is the answer to the hon. Member for Glasgow, South-West (Mr. Davidson)—with something that I have never known in all my time in the House: a three-line Whip to abstain. Frankly, the Liberal Democrats ought to be ashamed of themselves. They gave promises to their constituents, on which they are indeed resiling. Other Members have done the same, but for sheer two-faced effrontery, the third-rate biscuit is won by the Liberal Democrats.

Tony Cunningham (Workington) (Lab) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly: That the motion be made:—

The House divided: Ayes 68, Noes 471.

Division No. 112] **[4.29 pm**

AYES

Alexander, Danny
Baker, Norman
Beith, rh Mr. Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Clegg, rh Mr. Nick
Cook, Frank
Corbyn, Jeremy
Cruddas, Jon
Davey, Mr. Edward
Davidson, Mr. Ian
Dismore, Mr. Andrew
Drew, Mr. David
Farron, Tim
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Mackinlay, Andrew
Marshall, Mr. David
McDonnell, John
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Pugh, Dr. John
Rennie, Willie
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Skinner, Mr. Dennis
Smith, Geraldine
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, David
Taylor, Matthew
Teather, Sarah
Thurso, John
Webb, Steve
Williams, Mark
Williams, Stephen

Tellers for the Ayes:
Mr. Roger Williams and Jenny Willott

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amess, Mr. David
Ancram, rh Mr. Michael
Anderson, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Bacon, Mr. Richard
Bailey, Mr. Adrian
Baird, Vera
Baldry, Tony
Balls, rh Ed
Banks, Gordon
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bellingham, Mr. Henry
Benn, rh Hilary
Benton, Mr. Joe
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, Mr. Ben
Brady, Mr. Graham
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browning, Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Cameron, rh Mr. David
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cormack, Sir Patrick
Cousins, Jim
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, David T.C. *(Monmouth)*
Davis, rh David *(Haltemprice and Howden)*
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorries, Mrs. Nadine
Dowd, Jim
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Engel, Natascha
Ennis, Jeff
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Field, Mr. Mark
Fitzpatrick, Jim
Fitzsimons, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, rh Mr. Bruce
Gibb, Mr. Nick
Gibson, Dr. Ian
Gillan, Mrs. Cheryl
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gummer, rh Mr. John
Gwynne, Andrew
Hague, rh Mr. William
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Heald, Mr. Oliver
Healey, John
Heathcoat-Amory, rh Mr. David
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Holloway, Mr. Adam
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Mr. Boris
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lammy, Mr. David
Lansley, Mr. Andrew
Laxton, Mr. Bob
Lepper, David
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Llwyd, Mr. Elfyn
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Mactaggart, Fiona
Main, Anne
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Maples, Mr. John
Marris, Rob
Marsden, Mr. Gordon

Martlew, Mr. Eric
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Mercer, Patrick
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Moss, Mr. Malcolm
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Mundell, David
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, Mr. Mike
O'Brien, Mr. Stephen
Olner, Mr. Bill
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick
Paterson, Mr. Owen
Pearson, Ian
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prisk, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Rifkind, rh Sir Malcolm
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Ruane, Chris
Ruddock, Joan
Ruffley, Mr. David
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Simmonds, Mark
Simon, Mr. Siôn
Simpson, Mr. Keith
Singh, Mr. Marsha
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, John
Snelgrove, Anne
Soames, Mr. Nicholas
Southworth, Helen
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stuart, Ms Gisela
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Vaz, rh Keith
Viggers, Peter
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Waltho, Lynda
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, Malcolm
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wills, Mr. Michael
Wilshire, Mr. David
Wilson, Phil
Wilson, Mr. Rob
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. Frank Roy and Steve McCabe

Question accordingly negatived.
Bill immediately considered in Committee.

[10TH ALLOTTED DAY]

(Clauses 6 and 7, and any selected amendments to clause 8 other than those making commencement contingent on a referendum.)

[SIR ALAN HASELHURST *in the Chair.*]

Clause 6

PARLIAMENTARY CONTROL OF DECISIONS

4.46 pm

Mr. David Heathcoat-Amory (Wells) (Con): I beg to move amendment No. 48, page 2, line 39, leave out subsection (1) and insert—

'(1A) A Minister of the Crown shall vote against or otherwise reject a proposed decision in the European Council or the Council to be taken by unanimity that would or could create obligations on the United Kingdom, unless Parliamentary approval for the decision has been given in accordance with this section.

(1B) A Minister of the Crown shall vote against or otherwise reject a proposed decision in the European Council or the Council in an area made subject to qualified majority voting by the Treaty of Lisbon, and which would or could create obligations on the United Kingdom, unless Parliamentary approval for the decision has been given in accordance with this section.

(1C) Any decision adopted by the European Council or the Council by unanimity, or in an area made subject to qualified majority voting by the Treaty of Lisbon, shall not create an enforceable European Union right, European Union obligation or an object of the European Union for the purposes of section 2 of the European Communities Act 1972 if Parliamentary approval was not given for a Minister of the Crown to support that decision in accordance with this section.

(1D) This section shall apply notwithstanding section 2 of the European Communities Act 1972.

(1E) In this section, "the European Council" means that European Union institution founded on Article 15 of the Treaty on European Union, and "the Council" means that European Union institution founded on Article 16 of the Treaty on European Union.'.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this it will be convenient to discuss the following amendments: No. 286, page 2, line 39, at beginning insert—

'(A1) The Prime Minister may not attend a meeting of the European Council without having laid before Parliament a statement on their negotiating mandate and receiving Parliamentary approval in accordance with this section.

(A2) A Minister of the Crown may not attend a meeting of any configuration of the Council (within the meaning of Article 9C of the Treaty on European Union) without having laid before Parliament a statement on their negotiating mandate and receiving Parliamentary approval in accordance with this section.

(A3) A Minister of the Crown may not vote in favour of or otherwise support any legislative measure under any article of the Treaty on European Union or the Treaty on the Functioning of the European Union that relates to the internal market, if it applies to, or could be applied in relation to, any of the following, unless Parliamentary approval has been given in accordance with this section:

(a) health services provided by any NHS body,

(b) the statutory system of public education,

(c) social housing,

(d) postal services,

(e) public transport.

(A4) A Minister of the Crown may not vote either in favour of or against or otherwise support or oppose any legislative measure under Article 153 of the Treaty on the Functioning of the European Union, unless Parliamentary approval has been given in accordance with this section.

(A5) A Minister of the Crown may not authorise any person to represent the United Kingdom at a meeting of the special committee to assist the Commission in negotiating agreements with international organisations or third countries established in Article 188C of the Treaty on the Functioning of the European Union without having laid before Parliament a statement on their negotiating mandate; and where any person represents the United Kingdom at such a meeting, the Secretary of State shall lay before Parliament a statement on the matters discussed at the meeting, the positions taken by all persons representing the United Kingdom and the outcomes of the meeting, within 30 days of the meeting taking place.'.

No. 47, page 2, line 39, leave out 'may not vote in favour of or otherwise support' and insert 'shall vote against or otherwise reject'.

No. 18, page 2, line 40, leave out from 'following' to end of line 41.

No. 42, page 3, line 20, at end insert—

'( ) The provision of Article 82(2)(d) of the Treaty on the Functioning of the European Union that permits the addition of new aspects of criminal procedure to those which may be the subject of directives decided by qualified majority voting.'.

No. 43, page 3, line 20, at end insert—

'( ) The provision of Article 83(1) of the Treaty on the Functioning of the European Union that permits the addition of new areas of crime which may be the subject of directives decided by qualified majority voting.'.

No. 44, page 3, line 20, at end insert—

'( ) The provision of Article 86(1) of the Treaty on the Functioning of the European Union that permits the creation of a European Public Prosecutor.'.

No. 45, page 3, line 20, at end insert—

'( ) The provision of Article 86(4) of the Treaty on the Functioning of the European Union that permits the extension of the powers of the European Public Prosecutor.'.

No. 46, page 3, line 20, at end insert—

'( ) The provision of Article 42(2) of the Treaty on the European Union that permits the establishment of a common European Union defence.'.

No. 49, page 3, line 20, at end insert—

'(1A) A Minister of the Crown may not commit the United Kingdom to new obligations, or alter the obligations of the United Kingdom, under the following provisions unless Parliamentary approval has been given in accordance with this section—

(a) Article 3 of the Protocol on the Position of the United Kingdom and Ireland in respect of the area of freedom, security and justice, permitting a notification of the wish to take part in the adoption of an act under the EU's area of freedom, security and justice,

(b) Article 4 of the Protocol on the Position of the United Kingdom and Ireland in respect of the area of freedom, security and justice, permitting a notification of the wish to accept an act under the European Union's area of freedom, security and justice,

(c) Article 329 of the Treaty on the Functioning of the European Union, permitting a request to take part in enhanced cooperation,

(d) Article 46 of the Treaty on European Union, permitting a notification of the intention to participate in permanent structured co-operation, and

(e) Article 10(5) of the Protocol on Transitional Provisions, permitting a notification of the wish to participate in police and criminal justice measures with full jurisdiction of the European Court of Justice.'.

No. 66, page 3, line 20, at end insert—

'(1A) A Minister of the Crown may not vote in favour of or otherwise support a decision under any article of the Treaty on European Union or Treaty on the Functioning of the European Union that relates to, or in so far as it relates to or could be applied in relation to, the provision of healthcare services by an NHS body unless Parliamentary approval has been given in accordance with this section.'.

No. 283, page 3, line 20, at end insert—

'(1A) A Minister of the Crown may not vote in favour of or otherwise support a decision under any article of the Treaty on European Union or Treaty on the Functioning of the European Union that sets a target for reducing carbon dioxide emissions from the European Union if it appears to him that the target is not compatible with preventing global average temperatures from rising more than two degrees Celsius above pre-industrial levels, unless Parliamentary approval has been given in accordance with this section.

(1B) A Minister of the Crown may not vote in favour of or otherwise support a decision under any article of the Treaty on European Union or Treaty on the Functioning of the European Union that sets a target for reducing carbon dioxide emissions from the European Union unless international aviation and shipping are included in the target, unless Parliamentary approval has been granted in accordance with this section.'.

No. 284, page 3, line 20, at end insert—

'(1A) A Minister of the Crown may not vote in favour of or otherwise support a decision under any article of the Treaty on European Union or Treaty on the Functioning of the European Union that relates to, or in so far as it relates to or could be applied in relation to, the liberalisation of postal services unless Parliamentary approval has been given in accordance with this section.'.

No. 67, page 3, line 43, at end insert ', and

(c) "NHS body" means—

(i) a Strategic Health Authority;

(ii) a Special Health Authority;

(iii) a Local Health Board;

(iv) a Primary Care Trust;

(v) an NHS trust; or

(vi) an NHS foundation trust.'.

No. 287, page 3, line 43, at end insert—

'(c) "NHS body" means—

(i) a strategic health authority;

(ii) a special health authority;
(iii) a local health board;
(iv) a primary care trust;
(v) an NHS trust; or
(vi) an NHS foundation trust.

(d) "The statutory system of public education" has the meaning defined by the Education Act 1996 (c. 56).

(e) "Social housing" means the provision of accommodation for rent by a local housing authority (within the meaning of section 1 of the Housing Act 1985 (c. 68)), a registered provider of social housing, a county council, or a person controlled by a local housing authority or country council.

(f) "Postal services" means the service of conveying postal packets (within the meaning of the Postal Services Act 2000 (c. 26)) from one place to another by post, the incidental services of receiving, collecting, sorting and delivering such packets and any other service which relates to any of those services and is provided in conjunction with any of them.

(g) "Public transport" means any of the following—
(i) "railway services" as defined by the Railways Act 1993 (c. 43);
(ii) "bus services" as defined by the Transport Act 2000 (c. 38); or
(iii) any service provided by Transport for London.'.

Mr. Heathcoat-Amory: It is a relief to return to the Bill after that excursion into the Liberal Democrats' embarrassment, because there are substantial clauses ahead of us and a great many amendments to consider.

I have tabled other amendments in the group as well as the lead amendment, and I shall begin by describing their purpose. They cover the so-called passerelle clauses in the treaty. Passerelle means "bridge" or "gangplank" in French; it is, perhaps, an appropriate term, given the one-way nature of this treaty. The clauses allow alterations to the treaty with no intergovernmental conference and, most importantly, no referendum.

The European Union has learned over the past decade or so that it is always dangerous to ask people what they think, as they often vote no. We remember Denmark voting no to the Maastricht treaty and Ireland voting no to the Nice treaty. In both cases, they were not taken as final verdicts. No votes never are: when people vote no, they are considered only to be interim or provisional expressions of opinion. There is a lack of symmetry here: when people vote yes, that is taken to be a ringing endorsement of the European project, but when they vote no, they are asked to try again and try a little harder. In those two cases, those countries did change their minds in subsequent years, and those treaties proceeded.

Mr. Mark Harper (Forest of Dean) (Con): My right hon. Friend mentioned that when countries vote no in referendums, they are often asked to try again. Will he reflect on the fact that that is precisely what has just happened in this House? Last November, the House made a clear decision not to have a referendum on whether to be in or out of Europe; the majority was 400. The Liberal Democrats have chosen to ask the House again, and it has come up with almost exactly the same answer.

The Chairman: Order. I am sorry to interrupt, but I am at present having some difficulty in seeing these amendments reflected in the opening words of the speech of the right hon. Member for Wells (Mr. Heathcoat-Amory), and certainly in the remarks of the hon. Member for Forest of Dean (Mr. Harper). May I direct the right hon. Gentleman to the terms of the amendment and the group?

Mr. Heathcoat-Amory: I will, of course, observe your strictures, Sir Alan, but it is necessary to dwell briefly on the question of referendums because, as I shall demonstrate, the passerelle procedure is an alternative. Therefore, it is relevant briefly to remind ourselves of the history of referendums. I have mentioned the Danish and Irish referendums that were not taken as final, and the same applies to the French and Dutch rejections of the constitutional treaty. In those cases, the electorates were never asked again. They will not be invited to vote on the equivalent treaty of Lisbon.

Mr. Kenneth Clarke (Rushcliffe) (Con): Will my right hon. Friend reflect on the fact that the only nationwide referendum in this country was held in the 1970s, following Mr. Benn's campaigning, when an overwhelming majority supported our membership of the European Union? The Eurosceptic element in our political class seems never to have accepted that result and indeed had pointedly ignored it within about two years of the event.

The Chairman: Order. That is certainly taking us outside the scope of the amendments and getting us ever closer to tomorrow's debate, which we should not seek to anticipate. The right hon. Member for Wells said that he was providing some background. I hope that it will be somewhat closer to the amendments than the one he has painted so far.

Mr. Heathcoat-Amory: Indeed, Sir Alan. I shall observe in response only that the European Union has altered out of all recognition since the 1975 referendum. I am not in favour of continuous or frequent referendums. Only when the rules of politics alter do we need to consult the people—I take that from the writings of Tom Paine. He observed that Governments must not make constitutions because they would be writing their own rules. The rules must be approved by the people and politicians can then fight it out, promoting or opposing policies within those rules. That framework is rightly the subject of occasional referendums, and it is about time that we had a referendum on the European treaty.

The people are trying to say something. In these frequent no votes and judgments they are expressing dissatisfaction with the process of European integration. That was picked up in the Laeken declaration of December 2001, when Heads of Government recognised a need for profound reform. In that declaration they proposed not a constitutional treaty but rather a reformed mechanism to bring the European Union "closer to its citizens", to simplify the treaties, to stop the European Union interfering in the minutiae of national life and, above all, to make the process more democratic.

The EU has reached a different conclusion—certainly at the top. Its conclusion is to say no to reform and no to asking the people ever again. It certainly does not want to ask the people of the United Kingdom. Democracy is too chancy and too uncertain in its outcome for the EU, but the process of European integration must proceed by other means. That has relevance to the

[Mr. Heathcoat-Amory]

clause and the amendments. The Lisbon treaty thus includes a self-amending process to obviate the need for future intergovernmental conferences and referendums. That process is the passerelle clauses.

Mr. James Clappison (Hertsmere) (Con): Does not my right hon. Friend's amendment touch on the problem? Are not the passerelle clauses a recipe for continuous incremental change in the EU on a case-by-case basis away from the spotlight of IGCs and well away from the spotlight of a referendum? Do not the supporters of those provisions have to dispel the suspicion that they are accelerators in the process of European integration on a case-by-case basis?

Mr. Heathcoat-Amory: My hon. Friend is right; indeed, he anticipates my next remark. The rest of Europe has not abandoned the project of ever-closer integration. President Sarkozy has set up a group, which exists despite its being disowned by the British Government, to proceed to the next stage. Only the British Government fondly imagine that this is somehow the end of the process. Those of us who were in this place during the Maastricht debates remember Ministers stating from the Dispatch Box that that treaty was the high watermark of European integration. It is a process, not a destination. The moves towards ever closer union proceed. However, those involved have learned not to proceed by means of intergovernmental conferences, which lead to the danger of national referendums.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I had the privilege of speaking at a conference on Friday, attended by several Members of the European Parliament, including Conservatives and representatives of the Alliance of Liberals and Democrats for Europe. It was addressed by Professor Sir David Edward, who is a judge and professor in Scotland and used to be a judge in the European Court of Justice. Without prompting, he described the treaty as a final act in terms of institutional change. He also said that it would draw Europe into a structure more like a United States-style federation than the ambition of those who wanted a constitution.

Mr. Heathcoat-Amory: That may be the view of several commentators, but if one looks at the content of the treaty, one finds that it contains a self-amending process that will take us to the next stage of European integration, without the need—crucially—for the traditional formation of an intergovernmental conference in which the Parliament and public are involved, and leading to a treaty that is then ratified, if necessary, by national referendum. That process had been abandoned in favour of incremental change.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): In light of the comment by the Chairman of the European Scrutiny Committee, the point is that we have been told that every treaty is the culmination of the process. That was not done disingenuously, because every British Government have believed each treaty to be the last stage of further major institutional change. Every time, we come back with exactly the same arguments. The passerelle provision is the final step: there will be no need to come back to make more changes, and that is the problem. In Britain, we constantly believe the best of the process and we fail to realise that the direction was set long before we joined.

Mr. Heathcoat-Amory: My right hon. Friend is a shrewd observer of these matters and he is right. It is a fond national myth that each treaty is the last treaty. That entirely underestimates the dynamic that exists in other European countries and, most importantly, in the institutions of the European Union, which always presses us to go further and create, if not a federal Europe—that is not a word I use—but a Europe that takes literally the phrase in the present treaty about "ever closer union". That mandate drives that tendency forward, and there is no doubt that President Sarkozy belongs to that tendency. He has set up a group, which has already met, to clear the way for more powers to be transferred upwards to the European Union.

Those involved have learned, from bitter experience, not to seek the consent of the public at any stage, because of the danger that they will say no. History is littered with electorates that have said no, but instead of listening to the people, a way of circumventing the obstacle is found and there is always another treaty. The new approach is the passerelle provision.

Mr. Philip Hollobone (Kettering) (Con): Does my right hon. Friend agree that the great British public have virtually no idea about the effect that the passerelle measures will have on the future sovereignty of our country? They know that something fishy is going on, but they have no idea of the extent to which our sovereignty is being undermined not just now, but for ever.

5 pm

Mr. Heathcoat-Amory: It is my regret that the instruction to simplify the EU was never carried out. If we had a simpler document in front of us, these matters would be clearer. As Mr. Amato, the former vice-president of the Convention on the Future of Europe, said in a speech in London that I heard, the treaty is designed to be complicated. Those involved have been relieved of the obligation to put the document in front of the people to be understood and debated in a referendum, and so it could build complexity on complexity. It is becoming—indeed, it has already become—a legal document for politicians to be interpreted by other politicians. Of course the public have great difficulty understanding it. It is our job in these debates to try to elucidate what is really happening and to alert people to the true content of the treaty.

I shall not pretend that the passerelle mechanism is entirely new. There are similar measures in the existing treaties, although they have not been used. However, the treaty of Lisbon has 10 new passerelles, which go right across the board and are designed to be used. They are on a much broader scale.

Mr. Kenneth Clarke: I am grateful to my right hon. Friend for giving way, and I shall not interrupt him again. He has rightly reminded us that the passerelle mechanism is not new; it has been in force for years and years. Does he recall that in the Maastricht debates people were raising all kinds of fears about the way in which it would be used to take away our sovereignty by stealth? Does he accept that that has not happened? Why does he think that it is suddenly going to happen now? Does he not accept that it turned out to be an unfounded fear when the institution was first attacked by people who hold his views?

Mr. Heathcoat-Amory: I do not recall the passerelle provisions being the object of great fear at the time of Maastricht, because the Maastricht treaty made little provision for additional passerelle clauses. They have not been used because they are essentially peripheral. My point is that the passerelle mechanism is now widened and deepened and will become an essential element of the treaty of Lisbon.

Mr. William Cash (Stone) (Con): Having taken some part in the Maastricht debates, I can confirm what my right hon. Friend has said. In those days, the mechanism was known as article 235. It was not in any way as pernicious as these provisions, which are associated with changing all the existing treaties and undermining our parliamentary sovereignty by a totally obnoxious and completely unnecessary provision that would allow us to legislate simply by motion.

Mr. Heathcoat-Amory: My hon. Friend is right. Indeed, I have a note of the existing passerelles. They deal with such matters as moving the adoption of EU laws on family law to the ordinary legislative procedure. That is not an earth-shattering change to any system. However, the 10 new passerelles in the treaty of Lisbon include three new simplified revision procedures—that is what they are called—to revise the treaty.

Mr. Duncan Smith: I apologise to my right hon. Friend for intervening again, as I know that he wants to make progress. The answer to our right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) is simply that at Maastricht there was not a major complaint about the passerelles, but the precedent was set by their use in the treaty. They sat there, and have now undergone a massive expansion. They are now ready for use. That is the key. It is a process of moving forward, and the passerelles play their part.

Mr. Heathcoat-Amory: My right hon. Friend is correct. The phrase "simplified revision procedure" gives the game away. The clauses are designed to be a way to carry out sweeping revisions of the treaty.

Mr. Peter Bone (Wellingborough) (Con): I am grateful to my right hon. Friend for giving way; he is being extremely generous. Is not the difference between now and Maastricht the fact that, unfortunately, the European people rebelled in the French and Dutch referendums, which led the European elite to learn the hard way? They do not trust the people, therefore, and want to get the treaty through by the back door.

Mr. Heathcoat-Amory: I have made the point that when the EU reaches a roadblock, it never retreats or even stops. It finds a way round. In this case, it has done so by bringing in a way of achieving the same result as under the existing treaty without going through the laborious but democratic procedure of forming an intergovernmental conference, arguing out the proposals in public and putting them to national Parliaments or, when necessary, to referendums.

Angela Watkinson (Upminster) (Con): Does my right hon. Friend agree that, if there were no real intention to use the passerelle mechanism to take on more powers without consulting anybody, it would not be there in the first place?

Mr. Heathcoat-Amory: My hon. Friend is right. All the clauses have a purpose. They are not decorative or descriptive, they are there to be used. They have a serious intention and serious content. I hold that the three separate simplified revision procedures, when taken together, would allow just about any change to how the EU defines and implements its policies to be made using the passerelle clauses. That could include the removal of most of the remaining vetoes, with the exception—I want to be fair about this—of treaty objectives for external policy. There could be sweeping changes to the functions, powers and procedures of the EU, including further extensions of qualified majority voting to matters additional to the 51 already provided for.

Michael Connarty: The so-called passerelle procedure means that all Governments must give up the veto on policy making so that decisions can be made by qualified majority voting. Does the right hon. Gentleman accept that the Prime Minister has given a guarantee to the Liaison Committee that a decision to give up the veto can be taken only on the Floor of the House? The House must decide to give up the veto before any representative of this Government can vote to do so in the Council.

Mr. Heathcoat-Amory: I shall turn later in my remarks, and in debates on other groups of amendments that cover the matter, to the exact procedure that the House should follow in agreeing to such measures. Since the hon. Gentleman is the Chairman of the European Scrutiny Committee, I shall remind him of what his report said about the provisions:

> "We are concerned that these provisions could allow substantial changes to be made without convening an IGC and so lead to even less transparency in the way the EU is governed".

I know that he takes the matter seriously, because he believes in openness. So do I, and the best openness is to have treaty revisions made in the traditional way. They should be argued out by member states and the Commission in an intergovernmental conference and then put to Parliament to be debated. That procedure has served us well, and it is being abandoned.

Michael Connarty: I know the case that the right hon. Gentleman is making, but sadly, he does not admit that the Prime Minister's assurance to Parliament that any decision to give up the veto will be taken only in a vote on the Floor of the House is a massive improvement. That was not the position after Maastricht or Amsterdam. Will he not admit that this is the first time that a Prime Minister of any party has assured the House that such decisions will be made on the Floor of the House?

Mr. Heathcoat-Amory: I concede that it is a modest advance in the powers of the House that a vote will be required, but I believe that primary legislation is what is needed in those circumstances. I hope that the hon. Gentleman will join me in pursuing the cause of parliamentary democracy and the powers of the House.

Mr. Harper: It is not good enough to rely on the Prime Minister's promise that the House will get a vote. He promised the British people a vote on the treaty and has broken that promise, so we should not put any weight on a promise that he has made to a Select Committee.

Mr. Heathcoat-Amory: I agree that there is no substitute for primary legislation. That is how we make important agreements, and a late-night, whipped vote at short notice is not an adequate substitute.

Mr. Clappison: I know that my right hon. Friend wants to make progress, so I am grateful for his generosity in giving way. Even if we took the assurance of a vote at face value, is it not a question of the signal that the provisions send the rest of the Community about the simplified revision process and further incremental change? What about the political pressure on this country? Do we not have a good example in the treaty itself of the way in which pressure can be brought to bear on the UK by the rest of the Community?

Mr. Heathcoat-Amory: My hon. Friend's observation is accurate, and it is emphasised by the point I am about to make.

The Government have allowed in the Bill for parliamentary approval of a sort, but clause 6 does not list all the passerelles inserted by the treaty. The modest concessions made by the Government to give some additional power to the House ignore the fact that passerelles in the treaty are not covered by the clause. For example, article 82 of the consolidated treaty can expand the EU competence over criminal procedures. To me, that is a passerelle clause—it is a mechanism in the treaty whereby by a unanimous decision by a temporary and perhaps transient European Council or Council of Ministers can agree to expand the treaty into new areas of criminal procedure. That is not subject to the mechanism of which the Government are so proud.

To give another example, article 83 permits new areas of crime to be subject to qualified majority voting, simply by a decision of the Council of Ministers, without any parliamentary involvement at all. Article 86 can extend the powers of the European public prosecutor, again, without any vote in the House. My amendment adds to the list of passerelles covered by the Government's procedure the missing passerelle clauses that they do not mention.

Mr. Cash: Earlier, my right hon. Friend mentioned the external action-specific provisions on the common foreign and security policy. I may have misunderstood him, but is it not right that under article 48(7), which falls into that category, the European Council, although decision making must be unanimous, has the power to decide to authorise the council to act by QMV instead? We therefore have a QMV arrangement for CFSP and external action.

Mr. Heathcoat-Amory: It is perfectly true that there are additional provisions for majority voting in the field of CFSP. The details are complex, and they are not the subject of this group of amendments, but the thrust of my hon. Friend's intervention is correct.

Amendment No. 44 would subject the setting up of the office of European public prosecutor to the same parliamentary procedure. That is not strictly a passerelle matter, but it should be agreed by the House. The Government have a veto, as they do on all the passerelle clauses, but I contend that a conclave of European Ministers sitting in private should not be able to make treaty amendments, and certainly not without parliamentary approval. However, in the treaty they can agree between themselves to set up the office of European public prosecutor. The Government are against that proposal, and have said:

> "We are firmly opposed to establishing a European Public Prosecutor. Unanimity does not mean that this article can be accepted."

They were right about that. Unanimity is not an adequate safeguard, because once provision is made for a European public prosecutor, the presumption is that one day it will be agreed to. To that extent, the matter is prejudged, which is why the Government wanted all references to the European public prosecutor to be removed from the treaty. As with most of their amendments, they failed, so the provision is in the treaty and can be triggered by unanimity. My modest amendment requires that if the Government give way on their previous adamant objection to a European public prosecutor, the decision should have the consent of both Houses of Parliament.

5.15 pm

Amendment No. 46 would do the same on setting up a common European Union defence—in other words, a European army. The treaty is confused. Some articles state that European Union defence policy "may" lead to a common defence, whereas other articles state that it "will" lead to a common defence, if the European Council agrees it unanimously. The Foreign Affairs Committee called those provisions "clumsy and ambiguous", and it was right. Indeed, the Government agreed with the Committee, because they tabled an amendment to take out the second reference and to make it clear that that "may" lead to common defence. As is so often the case, they lost the argument. Amendment No. 46 would simply add the additional lock that this House and another place should agree by vote or, as I would prefer it, by primary legislation, if a decision is made to move to a common defence and set up a European army with all that that implies.

Amendment No. 47, which has also been tabled in my name and those of my hon. Friends, would rectify another weakness in the Bill. Clause 6 states that Ministers

> "may not vote in favour of or otherwise support a"

proposed passerelle clause without "Parliamentary approval". As it stands, however, they could abstain, and if they were to do so, the matter could be adopted, because matters can be approved by unanimity, even if some member states abstain. That is a loophole, and amendment No. 47 would require the Government actively to vote against any such proposal, rather than not voting in favour of it.

In summary, the passerelle clauses extend the self-amending mechanism, of which we have seen very little in the past, and clearly form a key component of the treaty of Lisbon. My amendments would complete the list of passerelles, which is not complete at the moment—the Government should have corrected that matter. They also add similar elements, such as the setting up of a European public prosecutor and a move to a common European defence, and close the loophole that would allow the Government to make such changes by abstaining.

I shall finish by advancing the case for amendment No. 48, which goes further. It would require parliamentary approval—an affirmative vote in both Houses—before agreement to any measures in the European Council or the Council by unanimity or in an area made subject to qualified majority voting in the treaty. That would establish for the first time real parliamentary control over the obligations imposed on this country from the EU. That approach has been adopted by the Scandinavian Parliaments, which literally mandate their Ministers before decisions are taken.

Scrutiny of European legislation in this House is, by common consent, totally inadequate. That was the conclusion of the Modernisation Committee report of some years ago. The Government have now responded to that—again, very modestly and inadequately. We can all see that, even with the new proposals from the Leader of the House, the House really has no power. We are at the bottom of the food chain; we are subjected—members of the European Scrutiny Committee have weekly experience of this—to a torrent of European Union draft regulations, directives and decisions on which we cannot decide in any real way. We have to accept them; all we can do is take note of them.

Amendment No. 48 would disapply decisions passed by unanimity or under the areas of qualified majority voting introduced by the treaty of Lisbon from having an effect in the United Kingdom. The amendment would do so notwithstanding section 2 of the European Communities Act 1972. As a non-lawyer, I am advised that in the Factortame case it was observed that British courts would allow the 1972 Act to be overridden if another statute made clear that its provisions were notwithstanding section 2 of the 1972 Act.

Mr. Cash: May I amplify what my right hon. Friend is saying? The cases of Macarthy's Ltd *v.* Smith under Lord Denning, of Garland *v.* British Rail Engineering Ltd under Lord Diplock and of the "metric martyrs" under Lord Justice Laws also make that clear. It is absolutely crystal clear that what my right hon. Friend has just said is right. If, on behalf of voters in general elections, we are to preserve the right of the House to be able to make decisions, it is absolutely imperative that the amendment should be agreed.

Mr. Heathcoat-Amory: I am grateful to my hon. Friend, who is a constitutional lawyer, for his endorsement of what I have said.

To be clear, amendment No. 48 would prevent decisions of the European Union having effect in this country if Parliament had deemed otherwise. In other words, if we explicitly directed Ministers to reject proposals resulting from qualified majority voting introduced by the treaty of Lisbon or from a procedure of unanimity, those decisions would be disapplied in United Kingdom law, notwithstanding section 2 of the European Communities Act 1972.

I have discussed a collection of measures to enhance the power of the House and give it real power and influence over decisions made in our name. National Parliaments are the big losers in this entire process. Other EU institutions gained during the negotiations, despite the fact that they should have been reforming themselves. Indeed, the very institutions that are the source of much of the disillusionment with the European Union get the extra powers under the treaty of Lisbon.

The Parliaments' loss of powers is shown by the massive switch to qualified majority voting, which practically removes the veto powers of this House over such legislation. The loss is also shown in the loss of control over the making of international agreements, common foreign and security policy, criminal justice, immigration and asylum—powers on all those matters are transferred from this House to the European Union. That loss of control is most marked in the new division of "competences", Eurospeak for "powers"—the new doctrine of exclusive and shared competence in the treaty.

Amendment No. 48 would re-establish parliamentary control and allow—indeed, encourage—the widest degree of international co-operation when that was required. However, it would do so on the firm foundation of the principle of self-government and the rights of national Parliaments.

Jon Trickett (Hemsworth) (Lab): I listened carefully to the points made by the right hon. Member for Wells (Mr. Heathcoat-Amory), some of which I agreed with. Amendment No. 286, which is in my name and those of my hon. Friends, addresses similar issues.

I begin with the crisis that seems to be pervading the whole of Europe. It exists between the popular classes—the people of our country and elsewhere—and the political élite. There is clearly a wide-ranging problem, and my amendment attempts to address it. There is a feeling among the electorate that the country is changing somehow, that Parliament does not seem to be able to get a grip on those changes and that the changes are not always favourable to the way in which we live. There is a strong feeling that the House of Commons exists to regulate the affairs of the country and to protect the provisions built up by the people of this country over many years. That belief is to some extent negated, however, by a suspicion that the European Union is, in part at least, contributing to changes that many people feel are unpalatable. I suspect that that point of view is not inaccurate.

As I have remarked in previous debates, two kinds of Europe are struggling to emerge, one of which will impact directly on the kind of country that we inhabit in years to come. I would like to see the kind of country in which social provisions are strong, and where the market may have its place but the conditions of life are safety-netted so that the inequitable consequences of free markets do not damage the social fabric. We see such social provisions at work across a range of public services, such as post offices, the health service, council housing and the other areas mentioned in my amendment. Those social provisions, however, for a reason that remains mysterious to many including myself, have been eroded by European Union developments.

It is the latter Europe—the Europe of free competition, open markets and inequity, with its sweeping cold winds of competition and market-driven change—that is gaining greater momentum in the EU. It is eating away at the social provisions that exist, but no one seems to understand exactly how that came about. We have had a glimpse in the past few weeks of how those processes have developed, and how the market-driven model of Europe has come

[Jon Trickett]

about. My amendment would ensure that even if we do not control the neo-liberal European Union as it develops, people would at least understand how that process is taking place, why it is taking place and which institutions are responsible for the changes.

Mr. Cash: I do not want to dismay the hon. Gentleman by agreeing with him, because that might cause him some embarrassment, but I remember saying in the debates on Maastricht, during an exchange with Peter Shore, that I never thought the day would come when I attacked my own Government for deliberately creating unemployment. I understand where the hon. Gentleman is coming from, although I object to over-regulation.

Jon Trickett: I was not quite sure by the end of that intervention whether the hon. Gentleman agreed with me or not. I would be more comfortable if he was disagreeing with me.

There is a battle between two conceptions of Europe, and it is the latter one—the free market Europe rather than the social one—that is gaining ground. We have had some glimpses of that and my amendments try to tackle some of those problems.

5.30 pm

The Bolkestein directive introduced a free market in services, but nobody has bothered to define the services that should be subject to competition; it is simply stated that competition in services should be secured throughout the European Union. The directive was agreed through the Commission and the Council of Ministers and there was no appropriate way in which our Parliament could exercise judgment and issue caution about the way in which the European Court of Justice might employ it.

The European Court of Justice began to interpret services as including those that, we believed, were protected, especially our national health service. The NHS is the pride of our country and embodies British values of fairness. However, the European Court of Justice, working on the basis of the Bolkestein directive, began to rule that health was a tradeable commodity and should fall within the remit of free and open competition principles, which would fundamentally undermine the way in which our NHS works.

There was a famous European Court of Justice judgment in the Watt case, whereby the court decided that people travelling abroad circumvented the normal processes of the NHS for receiving treatment. Consequently, the Commission decided to draw up a directive to extend the principles of competition to cross-border health. There will be further developments. We are witnessing a process whereby one of the most important social protections that our country has constructed—the NHS—gradually succumbs, without parliamentary debate, to the forces of attrition by the free market, which the European Union increasingly represents. Many of my colleagues and I want that process to stop. If a change in health service provision is to be agreed at European Union level, it should not be done by the Bolkestein directive, an ECJ ruling and the Commission subsequently trying to open the wedge further. It should be debated here first.

The amendment would therefore provide that health should be reserved primarily to our Parliament. In so far as the European Union makes any decision relating to the NHS, such a matter should be debated in the House of Commons before it is determined by Ministers in the European Council. That might not necessarily prevent the erosion of the NHS, but it might at least explain to our citizens how our NHS changed.

I would resist any marketisation of the NHS, as would many of my colleagues. However, there is currently no appropriate procedure for this Parliament to debate such matters before a decision is made. That troubles me deeply and begins to explain the gulf between our citizens and our Parliament. Our citizens no longer understand how decisions that affect the social fabric of our country are made.

Kelvin Hopkins (Luton, North) (Lab): My hon. Friend is making a powerful speech and I agree with every word. He has focused on the importance of nation state Parliaments. We are not debating whether Europe should go for a market or a public service model for health services, but deciding—I hope—through the amendment that each member state should choose for itself the direction it wishes to follow. If we want a public service model, we should choose that and if another state wants—in my view, mistakenly—a marketised, privatised health service, it should be able to choose that. However, such choices should be made through democratic decision at nation state level.

Jon Trickett: I certainly agree with my hon. Friend's point, although my amendment goes beyond that and says that if any Europe-wide changes are being envisioned, they ought to be discussed here first and be subject to a vote, at least so that the Minister who represents Britain in the European Council can reflect the views of Parliament and so that the people can see that Parliament has debated vital matters that affect the very social fabric of our country.

Kate Hoey (Vauxhall) (Lab): I am following my hon. Friend's remarks closely. I, too, agree with everything that he has said about the gap between the public and Parliament on issues such as health. Is the situation not the same on another issue that is close to many millions of people—health supplements? People's freedom to choose the health supplements that they want will be set by the Commission and by people who have in no way consulted Parliament or the people of this country on what they wish to do.

Jon Trickett: My hon. Friend makes a powerful point and many people in the country will agree with her. They, too, have reservations about how the European Union appears to create legislation that has never been debated in the House of Commons.

I want to speak briefly about the Post Office and the postal service generally. I mentioned the Bolkestein directive, which introduced internal market provisions into services without first ring-fencing public services such as the health service. The same applies to the postal service. Rarely a week passes without some hon. Members or right hon. Members, even on the Treasury Bench, resisting proposals in this regard; I do not see any such Members sitting on the Front Bench now,

although it may well be that some have resisted such proposals. I see the Deputy Leader of the House smiling, and I happen to know that the futures of some of the post offices in her area are being considered carefully, but I know, too, that she will defend her constituency's interests fully.

There are regular such debates in this place. It is widely rumoured—I believe that it may be true—that the Government have decided to gold-plate the European directives on postal services and to introduce them in advance of any other nation in Europe. It is arguable, I suppose, that we should force all the others to go down the same path as we have. Another way of arguing, however, is to say that the Post Office is part of our very social fabric, just like the NHS, and ought not to be subjected to the icy winds of competition that we have been discussing.

As we all know, post offices are the centres of many communities, neighbourhoods, villages and towns. Our Post Office, which is one of the prides of our nation, has been subject to change that is perhaps driven by the Government, but which certainly has the support of the European Union. Rather than debate how post offices should be reconstructed retrospectively, it would be far better to carry an amendment such as mine, so that the House could debate any changes in advance and we could explain to our constituents that we had been party to a series of decisions that had led to the decimation of the postal service. I am arguing that the NHS, postal services and other public services ought to be protected, at least by parliamentary debate, before and not after Ministers go and agree to changes that could damage the social fabric of our country.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I do not recognise my hon. Friend's description of the European engagement with the Post Office. Does he not recognise that the Post Office is losing millions of customers a day? That is the essential driving force behind the reorganisation. However, the Government, almost alone among national Governments, are providing a substantial subsidy—I believe it is in the region of £160 million—

The Chairman: Order. It would be helpful if the hon. Gentleman addressed the Chair. There would then be a better chance of his words being captured for posterity.

Mr. Bailey: My apologies, Sir Alan. I shall reorientate myself.

The subsidy that the Government provide is about £160 million, and it has been agreed by the European Union. So I do not think that the facts square up with my hon. Friend's argument.

Jon Trickett: I look forward to listening to my hon. Friend explaining to the people of his constituency why the post offices in their area are going to close and what the involvement of the European Union was. The fact is that he is almost alone on the Labour Benches in defending the closure programme. Most of us are spending our time trying to resist it, and we know perfectly well that the European Union has played a role in all this.

Mr. Harper: The hon. Gentleman makes an interesting point about the hon. Member for West Bromwich, West (Mr. Bailey), whom he described as being almost alone in holding that opinion. Many members of the Government, including members of the Cabinet, are running around the country protesting about the post office closure programme. One might have thought that they would be here supporting the hon. Gentleman's amendment.

Jon Trickett: I welcome the hon. Gentleman's underlining a point that I have already made.

Mr. Bailey: Will my hon. Friend give way?

Jon Trickett: No, I will not give way many more times now.

There are certain public services that no one envisaged being subject to the winds of competition from the European Union when the Bolkestein directive was agreed. Those rules of competition are being driven by the Commission and the European Court of Justice, almost against the will of the House of Commons. When these matters were being debated, the House did not have the opportunity to debate them and to ensure that the will of the people was properly heard.

Our amendment proposes that any decision on public services should be reserved to a vote in this House before a Minister makes a decision—in a mysterious way, as is often the case—in the Council of Ministers. It goes beyond that, however, because we also want to secure proper parliamentary approval before a Minister of the Crown goes to the European Union to agree, or disagree, on fresh legislation on workers' rights. How and why the decisions on the so-called opt-outs from the charter of fundamental rights were made is a mystery to many people. It might be a mystery that has been deliberately created by the Government. My hon. Friend the Minister for Europe says that they are an opt-in.

We find an even bigger mystery when we ask exactly what the Government's position is on agency workers. The question of agency workers is an acid eating away at many communities and work places in this country. The Government say that we should wait for European legislation to bring in regulations on workers' rights relating to agency labour. They are widely reported, however, to be preventing agreement at European level on an agency workers directive, although I do not know whether that is true. The Government should come to the House and explain precisely what they are doing in relation to rights at work before they take a position, either for or against legislation. Our amendment seeks to ensure that that would take place.

Mr. Clappison: I am following the hon. Gentleman's argument carefully. Is he aware that, under the relevant title of part 3, there is already text relating to some aspects of health policy? Under the treaty, the simplified revision procedure could be applied so as to add to the text and expand the treaty provisions on health. That would then be covered by the ordinary legislative procedure in front of the Council. No matter how this House voted on such health matters, if the proposal were then outvoted in the Council, that would be it: the hon. Gentleman would have the health policy that he is afraid of.

Jon Trickett: I am concerned that the treaty envisages new competences in certain limited areas of health provision. Health is mentioned once or twice in some other documents: I am worried about it, because we have seen the process and how it works. That is why I want to see health as one of the public services ring-fenced for this House of Commons to debate prior to any decisions being made.

5.45 pm

I was talking about workers' rights and there has been some mystification, or perhaps obfuscation, as to how decisions are made on the regulation of the labour market. Once again, it seems to me that the right place for that to be debated first is this Chamber.

We go on to make other proposals on other matters that are clear in the amendment, so there is no need for me to address them, but the amendment makes one final radical proposal that I want briefly to address.

Rob Marris (Wolverhampton, South-West) (Lab) *rose—*

Jon Trickett: I shall give way to my hon. Friend before I do so.

Rob Marris: I have to say to my hon. Friend that I like the last five lines of his amendment at the end of proposed subsection (A5). However, will he clarify—perhaps he was about to do so—the meaning of the phrase

"a statement on their negotiating mandate",

which appears in proposed subsections (A1), (A2) and (A5)? Is he proposing the sort of situation represented by Lech Walesa in the Gdansk shipyards in 1981 and 1982, when negotiations between management and workers were broadcast through a microphone to mass meetings? That seems to me a difficult way to pursue negotiations. My experience of the trade union movement—I expect it is the experience of my hon. Friend, too—is that we have to be careful how much of the negotiating hand we tip before the negotiations begin. Will my hon. Friend elucidate what the

"statement on their negotiating mandate"

means?

Jon Trickett: I am familiar with the tactics of my hon. Friend, as I think the House probably is. He is often an expert at tripping up right hon. and hon. Members on the detail of their amendments. However, on this occasion, I think that he has failed adequately to read the amendment, which in no way suggests that the House should mandate Ministers. The phrase refers to the fact that when Ministers go to the Council, they effectively have a negotiating mandate from the Government. If the amendment were agreed, it would be a legal requirement for a Minister to come here first to explain generally his or her negotiating remit. The House may or not choose or even be asked to change that remit, but at least the Minister would be able to proceed in full knowledge of the views expressed in all parts of the House and would be able to take them into account in any debates. Even more importantly, this House of Commons would be able to fulfil its historic role of providing a democratic link between the people and the institutions that take decisions on their conditions of life—often, I have to say, to their detriment, as the social provisions built up mainly by Labour Governments over the last 50 years are rapidly being eaten away by a neo-liberal tide.

Finally—I shall try not to go on speaking for another 10 minutes after saying that—let me deal with the most radical elements of the amendment. I am proposing a new way for the House to relate to the European Union. It seems to me—my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) raised this in his intervention—that there is a mystery as to how decisions are taken. Frequently, decisions give rise to misconceptions; we have all heard many references to straight bananas. The way to avoid those myths and misconceptions is to have the light of day cast upon those areas. *[Interruption.]* Indeed, transparency is needed. At the moment, nobody quite knows how or where decisions are taken.

The most radical parts of the amendment are precisely those referred to by my hon. Friend the Member for Wolverhampton, South-West—proposed subsections (A1), (A2) and (A5), which would require Ministers to come to this House in advance of making decisions at the European Council in order to test the views of the House. It does not say how that should be done; it would not have to be done through a Committee of the whole House. I have deliberately left that open for the Government to determine, but the House must regain the right to speak up on behalf of the people of this country on matters that are changing fundamentally—and I would argue often deleteriously—how we live our lives.

By the way, the amendment would not change the treaty in any way, and for its purposes the treaty is accepted. The amendment simply says that the way in which EU decisions relate back to our country should be changed and mediated by the prime democratic institution of our society, which is the House of Commons.

Stewart Hosie (Dundee, East) (SNP): Will the hon. Gentleman give way?

Jon Trickett: I was about to finish, but I give way.

Stewart Hosie: The hon. Gentleman refers to the prime democratic authority, and he is talking about Ministers of the Crown, who obviously would have the lead role in any negotiations, but many of the subjects that he and I are concerned about—social housing, education and health—are fully devolved. How does he foresee the devolved Administrations, with their own Ministers and the separate Acts of the Scottish Parliament, relating to the safeguards that he is proposing?

Jon Trickett: The fact that the hon. Gentleman is able to raise the point illustrates the ability that Members representing devolved areas have to debate those issues in this House of Commons. The amendment is not proposing that the House of Commons should pass certain legislation. It simply says that the Minister should come to the House to represent how he or she would take forward the country's interests and explain what he or she intends to do, before agreeing to decisions that begin to unravel many of the social provisions that have made this country a more civilised place.

With those few points—

Michael Connarty *rose—*

Jon Trickett: I shall give way one last time.

Michael Connarty: I understand that people often deal with principles and have those principles to the fore, but do not often follow the EU and the process—

The Chairman: Order. Will the hon. Gentleman address the Chair, because that helps the microphone to pick up his words?

Michael Connarty: For the benefit of the microphones, I certainly will.

Has my hon. Friend taken the trouble to look at the Select Committee on European Scrutiny report on the draft conclusions of the European Council, which is the Council to which the Prime Minister goes and which eventually agrees the policies that will go through? We took evidence from a number of people, such as Sir Stephen Wall, the former Cabinet Secretary, that those draft conclusions should be made available, at least to the scrutiny processes of Parliament, which means the scrutiny Committee of this House and that of the House of Lords, as well as any Select Committee relevant to a policy that is being made.

If my hon. Friend had followed that process, he might have supported it as a method of bringing about what he is trying to achieve, which is giving the House a chance to direct the Prime Minister and other Ministers as to how the House feels about the policies that they are about to agree. The report is on the record.

Jon Trickett: I look forward to the Minister's reply, and I pay tribute to the work that the Select Committee has done under my hon. Friend's excellent leadership. This country and Europe as a whole face a political and democratic crisis whereby the separation between the ordinary people of Europe—the working people of Europe—and institutions has never been wider since democratic government was installed. Part of the problem is precisely the fact that a tidal wave of change, involving competition and marketisation, is damaging how people live their lives.

The people suspect and understand—it is true—that, to an extent, this House of Commons has been emasculated in relation to the process of ensuring that those social provisions are properly protected. It is imperative that an amendment of this kind is agreed so that, once again, this House of Commons becomes the mouthpiece of the ordinary people of our country. The severe consequences of that crisis have yet to be felt.

Mr. Harper: I shall not dwell at length on the detail of the various passerelle measures in the treaty, because my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) dealt with them comprehensively in speaking to the amendment. There are one or two things, though, that are worth putting on the record in relation to the Government's position. Again, and in relation to this part of the treaty, what the Government signed up to is not what they originally said.

All Members were sent a helpful document from Open Europe—"A guide to the constitutional treaty". It is helpful to refer to organisations that have been helpful to hon. Members. The document contains some useful quotes from former members of the Government, made about this section when they were preparing the treaty. The right hon. Member for Rotherham (Mr. MacShane) told the Standing Committee on the Intergovernmental Conference:

"We think that a self-amending constitutional treaty does not make a lot of sense".

He added:

"There is no enthusiasm for the clause in the European Union."—[*Official Report, Standing Committee on the Intergovernmental Conference*, 20 October 2003; c. 21-22.]

Indeed, in 2003 the Government's own White Paper said:

"There is also a proposal for a clause which would allow the European Council to vote by unanimity to move any Treaty article to QMV."

It made it clear that the Government opposed anything that would undermine the role of national Parliaments in treaty change.

My right hon. Friend the Member for Wells alluded to remarks made by the Secretary of State for Justice and Lord Chancellor, who was then Foreign Secretary. He said that

"what we cannot have is a situation where even though"

this article

"has to be by unanimity, late at night at an ordinary European Council, a decision on one other country's milk quotas is traded for a concession on moving from unanimity to QMV…that is not acceptable."

That, however, is exactly the position that the House will authorise if it puts through the treaty and the Bill without seriously considering some of the amendments that have been tabled.

It is worth reminding ourselves of the extent to which Parliament is removing some of its powers. We in the House—Members on both sides—have made the point while debating the Bill and the treaty that the time available has not been adequate, especially that in Committee for discussing detailed amendments. However, the Bill and the treaty, as my right hon. Friend explained in detail, will remove even those provisions that force the House to debate such matters on the Floor, at least in as much detail as we have been able to debate them during our discussions on this treaty. They will be replaced by a simple motion, moved by a Minister, that will be unamendable and no doubt dealt with during a short debate late at night. That position is not acceptable.

Worse, Ministers—certainly outside the House—in referring to clause 6, which is entitled "Parliamentary control of decisions", have tried to give the impression that what is happening here is a strengthening of parliamentary control. They refer to the fact that the House and the other place will have to vote on a motion to approve some of those changes, neglecting to point out that the status quo is that an Act of Parliament has to be passed to put through treaty changes.

Ministers need to be honest and remind people that the current procedure is that treaty changes have to be agreed at an intergovernmental conference and have to be taken through by primary legislation—an Act of Parliament passed by both Houses. Making it possible for those treaty changes to take place and then be approved by both Houses through a simple motion will weaken the control of Parliament, not strengthen it. A little honesty in that regard would be welcome.

[Mr. Mark Harper]

I return to a point that I made in an intervention. The Chairman of the European Scrutiny Committee, the hon. Member for Linlithgow and East Falkirk (Michael Connarty), referred to promises that the Prime Minister made to his Select Committee. I drew attention to the fact that I do not think the Prime Minister's word is worth a great deal since he has broken it over a referendum, but even if we accept his word on that, just to be charitable, he is not able to bind any future Labour Prime Minister. Therefore, the House would be foolish to give away powers, just on the word of a transient Administration who can in no way bind a future Administration. That would be unwise and an unhelpful precedent to set.

6 pm

I shall not dwell on amendment No. 286, but I want to take up a point made by the hon. Member for Wolverhampton, South-West (Rob Marris). When he spoke about mandates and negotiating tactics, he referred to the former President of Poland and the approach that he took in his trade union negotiations. Those negotiations appear to have been reasonably successful—albeit after a number of years—in that he was pivotal in bringing down a Communist Administration and becoming President of his country. If that is the kind of success that a mandate has, perhaps British Ministers could adopt it and push forward a British agenda within the European Union.

I am greatly attracted by amendment No. 47, also tabled by my right hon. Friend the Member for Wells—I hope he will give us an opportunity to vote on it—by amendment No. 18, tabled by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), and by two amendments in the next group. Those amendments seek to make it mandatory for Ministers to agree to treaty changes only by means of a full Act of Parliament, rather than through parliamentary motions, which I consider to be an unsatisfactory way of controlling what they are able to do. If both Houses had to undertake the full parliamentary procedure we would ensure that we maintained the status quo, and I feel that—notwithstanding the lack of debate in the House and the inadequacy of the time available—that would be preferable to what the Government propose.

I hope that my right hon. Friend the Member for Wells will press amendment No. 47 to a vote, and I look forward to the debate on the next group of amendments.

Michael Connarty: I am becoming quite accustomed to listening to the speeches of the hon. Member for Forest of Dean (Mr. Harper), and to speaking after him. I should point out to him that the Prime Minister appeared before the Liaison Committee, which consists of the Chairs of all the Select Committees. The Prime Minister does not appear before individual Select Committees, although when he was Chancellor he appeared very willingly before the European Scrutiny Committee. He spoke lucidly and, in my opinion, demonstrated an inventive attitude towards some of the European Union's policies. I am thinking particularly of his ideas about the funding of what were called regional policies when we had a regional policy. I think that if he were ever to implement those ideas, it would be very beneficial to the regions of the United Kingdom. They were based on support for innovation rather than the attempts to bolster dying industries that we have seen in the past in many parts of the European Community.

As for the mandate, I am surprised that Members should see a parallel between Lech Walesa and the democratic institutions, and the fall of Soviet communism, but do not see the association between the European Union and the fact that countries wish to join it because they view it as a form of democratic co-operation constituting an alternative to what confronted them under the dominating vertical force of Soviet communism. The European Union is the very thing that helped Lech Walesa to break down the control of the Soviet Union. People speak of the EU as if it were a malicious and malignant organisation, whereas it offers numerous benefits to all those countries—from those that are very near to us, such as Ireland, which was not previously under Soviet domination but was a stagnant economy, to Slovenia, which has 2 million people, currently holds the EU presidency and is doing extremely well in maintaining Europe's momentum.

Mr. Harper: I am perfectly prepared to accept that the present Polish Government have views about the European Union and the extent to which it is helpful to Poland's economic development—that is a matter for them—but I cannot leave unchallenged the hon. Gentleman's suggestion that the Soviet domination of Europe was brought down by the EU. I think it should be put on record that the strength of the Reagan Administration and NATO had quite a lot to do with it.

Michael Connarty: As I pointed out yesterday, the defence protocols are very clear. They maintain people's right to work within NATO, and envisage it as a bulwark for what is happening in the EU and the countries within it. I did not say that it was the EU that brought down Soviet domination. People were attracted and motivated by the force of the democratic arrangements in the EU, as has been demonstrated by the succession of revolutions that have taken place throughout Europe since then.

The right hon. Member for Wells (Mr. Heathcoat-Amory), who always makes thoughtful contributions, quoted—as I did yesterday—from paragraph 42 of our Committee's 35th report. It was published on 9 October 2007, before Ministers returned to Europe, under pressure—or encouraged by those who had taken part in evidence sessions and discussions with the—to find a way of protecting the United Kingdom from a simplified revision procedure. They did not bring back an intergovernmental conference mandate because they clearly did not consider that useful, but they did bring back conditions for opting in, along with article 10 to protocol 10 and firm commitments to unanimity of common foreign and security, defence and tax policy. They also brought back the agreement that if we departed from unanimity, we would move to qualified majority voting only through the procedure that we now know as the passerelle.

Stewart Hosie: Is the hon. Gentleman suggesting that he prefers the approach he has just described, in some detail, to the "negotiating mandate" position that was described earlier?

Michael Connarty: I see no contradiction between those approaches. I think we should focus on how best we can satisfy Parliament that the Government are being scrutinised. Given that a mandating system will eventually be introduced, presumably it will be negotiated by all the parties in the House. The question of what the consultation arrangements will be for the devolved Administrations exercises my Committee frequently, and we must find a solution. Difficulties tend to be caused by the time scale and the capacity of the devolved Administrations, rather than by the House's willingness to take consultation on board. At present, the capacity does not seem to be there or to be developing.

Let me now deal with the relationship between this Parliament and decisions made in the European Union. Some say that "passerelle" can be translated as "gangway". They may be imagining a ship in the modern sense: a fancy big ship, with a large structure that people walk up and down. I prefer to think of the old-fashioned wooden ship which had a gang plank. In the old pirate days people were made to walk the plank, and that seems much more appropriate. When people walked down the plank they would not walk up again, whereas it is obviously possible to walk up and down a gangway. The passerelle is a one-way system. If a country gives up unanimity and adopts qualified majority voting, it is not possible for it to return to unanimity, which is why it was so important for the Liaison Committee to hear the Prime Minister's assurance.

The Prime Minister could have completed his contributions to the Committee without referring specifically to the passerelle, leaving it hanging in the air. However, during his final observations about the way in which the Bill would be presented to Parliament, he said this:

> "Can I add for the passerelles, however—you did raise the question of the passerelles and this is a very important issue—you can only decide by unanimity, of course, to move in a passerelle to a different position from where you have been, but I do believe that is a matter that has got to come before the House of Commons."

That was a voluntary statement. The Prime Minister had clearly thought about it earlier, and wanted to put it on record before what is probably the most senior Committee of the House, consisting of the Chairs of all the Select Committees. That was a fundamental statement by the Prime Minister; if we move forward to QMV, we cannot go back, and that move can be made only by a decision on the Floor of the House. That gives the House a say and a chance to debate.

When the Minister is finished with the trials of putting the Bill through the House, I hope that Foreign Office officials will have brought forward proposals—our Committee will certainly have thought about it and made some suggestions—for a structure. The hon. Member for Forest of Dean talked about not taking the word of the Prime Minister; I am sure he was not implying that he would not be sincere. However, we would be putting in place a regulation—a set of rules—that would be voted on by this House, binding future Governments unless they wished to propose other regulations and get them voted through in the House. That would not bind a Government who wished to overturn the regulations, but it would set down a principle that, for me, would say that a future Labour Government would be bound by the same set of regulations as the present one. I take some comfort from that.

On the Post Office, the door has been slammed and the horse has not only bolted but is halfway through the paddock. We agreed earlier than everyone else to liberalise our postal services. The French have now realised that they would not be happy with their service being liberalised and have put the whole thing back to 2011; some countries have put it back to 2013. They realise, I think correctly, that we are destroying the Post Office and Royal Mail by what we are doing. We are fundamentally undermining and damaging not just a great icon of the British way of life, but a great service delivered to the people of the UK. Any argument made in Europe now about phasing liberalisation would find it hard to get a hearing, as what is now called economic patriotism—really obstructionism and protectionism—is back on the agenda in Europe. We cannot do anything about our postal service, but we are signalling that it is all right for other countries to deny us the right to go into their liberalised markets, which I believe to be the way forward.

Rob Marris: I caution my hon. Friend who, I suggest, is confusing two things: one, the liberalisation of postal delivery, which this country has done prematurely, and two, the sub-post office network, a contentious political issue in the country now. Those two are separate. The former is to do with the European Union; the latter is not.

Michael Connarty: They are actually all tied up. The Post Office used to cross-subsidise the postal network, including the sub-post offices, and made a massive profit that was taken consistently by the last Conservative Government as a premium to the Treasury. It was a profitable organisation and was undermined by technology, on the one hand, and, on the other hand, by the policies encouraged by the then Government and by our Government. They said that it was not valuable enough to have a social institution such as the post office in a community, whether an urban one with deprivation or a rural one with sparsity problems. We turned our face away from the fundamental message that the British Government believed in people's communities, and not just the services delivered in them.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The hon. Member for Wolverhampton, South-West (Rob Marris) made a slight mistake in suggesting that it was Europe that caused our postal markets to end up as they have. We have gone far further, far faster than Europe required and Europe is not requiring the rest of the countries to catch up.

Michael Connarty: Enough has been said about that to allow us to move on. Other services mentioned in the amendments—

Mr. David Drew (Stroud) (Lab/Co-op): Before my hon. Friend leaves postal services, will he give way?

Michael Connarty: I could not deny my hon. Friend.

Mr. Drew: I thank my hon. Friend, who has largely stolen my thunder; my speech, if called, will be very short. He knows that what he has said was the basis of the Postal Services Act 2000. I was a member of the Bill Committee and we were given all manner of assurances that what the UK did one day, the rest of Europe would

[Mr. Drew]

follow on and do. Quite simply, that has not happened. Good luck to Europe—it has learned from our mistakes—but does my hon. Friend agree that we ought to be going back to repair some of the damage we have done to our postal system?

6.15pm

Michael Connarty: I do agree. People will know that despite some difficulties in doing the external work of the European Scrutiny Committee, we do get to debate these matters with our colleagues in COSAC, the committee of all European committees. Significantly, about a year ago a senior senator—probably the equivalent of Lord Grenfell here—Senator Haenel, talked about the danger to the post offices in his area because he saw what was happening to the villages in our country. Suddenly, someone whom I would have said was a very conservative member of the senate became very protectionist in his attitude. There were some heated debates in COSAC, which led to changes in what is now expected from the final roll-out.

Mr. Cash: Will the hon. Gentleman give way?

Michael Connarty: I do not really want to —*[Interruption.]*

Mr. Cash: The Chairman of the Scrutiny Committee has almost an obligation to give way in such matters. We are both members of the Committee and my point concerns COSAC. It may be a misunderstanding, or he may have omitted to mention it, but I have a report containing 158 pages of comparisons of the different scrutiny systems of each of the member states, prepared through COSAC. Does he agree that that demonstrates that whatever the deficiencies of our system—they are quite considerable—the fact remains that the sort of thing that my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) is proposing is absolutely essential for this country? In many of the other countries, there is not only no level playing field, but no playing field at all.

Michael Connarty: I know of the report that the hon. Gentleman mentions and I was not going to go into the detail of it. The variety of systems reflects the capacity of as well as the interest from those countries in the way they deliver their own scrutiny.

I want to finish by referring to a number of the services that I believe should be considered services of special interest. That is the way Europe is going. I referred earlier to Professor Sir David Edwards, who was a European Court of Justice judge and is now a senior figure in legal and academic circles in Scotland. He made it clear—again, this was a voluntary statement; he was not pressed by a question—on Friday at the British Institute of International and Comparative Law conference that the protocol on services of special interest would, for example, have prevented the forced tender process in which Caledonian MacBrayne had to win the right to deliver a ferry service to the islands of Scotland. He saw many other examples. Health and other services should be argued for strongly by the Government to prevent any attempt to interfere.

Another case was in the Netherlands, where social housing was declared to be against competition policy. That has to be challenged under the protocol on services of special interest. If it was built for a specific social purpose, it should be defended as a social service, like the ferry service to the islands.

On mandating, we have the best system of the non-mandating countries. There is no doubt about that; we talk to people as we go around all 27 member states and those who aspire to come into the EU. We have a good system that is developing and improving. Departments are responding better in terms of reports. We have many suggestions on how we move forward:, possibly by taking evidence in pre-Council scrutiny; possibly by taking evidence from a Minister before they go to the Council. The Prime Minister would be outwith that, but another suggestion would be to use the draft conclusions of the Council that the Prime Minister attends as a public document for scrutiny. We can develop this a long way, but I am not sure that we need to go all the way to mandating. How do we mandate? How would the European Scrutiny Committee be mandated?

Finland gives its Grand Committee the right to discuss with the Prime Minister what he will discuss in the Council, using the draft conclusions. It does not do that publicly; it does not tell the rest of Parliament—it is trusted to do that. I do not know whether any member of a future Government—that is not a Labour Government—will pick up the telephone and say to the Chairman of the ESC, "Something has come up in the Council; do you mind if I vote for it?" I understand, however, that at one point in the Nice treaty negotiations the Finnish Prime Minister was on the phone at 3 am to the Chair of the Grand Committee of the Finnish Parliament to ask, "Can we agree to this or that as they are different from what we discussed in the Grand Committee?" What would happen in such circumstances? Suspicion would fall on the ESC; some would think that, because of pressure applied by various means through the usual channels, the ESC was letting the Government get away with murder, and there would be disquiet in the House. Therefore, as the ESC is currently getting so many accolades, I am not attracted to the mandating system.

Kelvin Hopkins (Luton, North) (Lab): The idea that the Prime Minister would telephone my hon. Friend to consult him on decisions is a splendid one.

Michael Connarty: I am sure that the usual channels will put that to the Prime Minister. If he has looked at my performances recently, as I have been supporting the Government all the way through our debates against the forces of darkness, he will probably now be more attracted to the idea of doing that than he might have been before they began eight days ago. However, I still do not think that the mandating system is proven enough that it would not be a retrograde step to involve the ESC in it.

Mr. Clappison: It is a pleasure to follow the hon. Member for Linlithgow and East Falkirk (Michael Connarty), who is Chairman of the European Scrutiny Committee; I know that he does his work conscientiously and independently. I will not follow him down the route that he has led us along, however. He mentioned the

passerelle and said that the word meant a gangplank. That is not quite right. It is a French word, and I have consulted my trusty Oxford French mini-dictionary, which tells me that a passerelle is a footbridge or gangway. I usually use a footbridge or gangway as a means of getting quickly and easily from one place to another. That is exactly what we are being invited to do with the provisions of the treaty.

I support the underlying propositions in the amendments that there should be a higher level of vigilance and a greater degree of parliamentary control over how we use these passerelle clauses. I especially support amendment No. 47 and the propositions advanced by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), who made a most careful analysis of the passerelles in the treaty. He also gave us a brief historical exposition of passerelles. It was, I think, a fair exposition: there have been passerelles before, but not on the scale that they appear in this treaty. Perhaps the best known example of a passerelle was one introduced by the treaty of Amsterdam, which revised the treaty of Maastricht; it made it possible for some parts of the justice and home affairs pillar to be moved to the Community pillar—the first pillar. There was talk of the passerelle being used to do exactly that; that talk came to an end only when it was apparent that this treaty process was under way and it was likely to happen anyway—which it did. It is fair to say that there has been a great deal of incremental change through treaty processes.

Mr. Harper: My right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) drew attention to a much narrower set of passerelles in an earlier treaty, and said they had hardly been used. However, does my hon. Friend not agree that, even if that had been the case in the past, this House should be very jealous of giving away its powers, particularly when those who are urging us to give them away argue that they will never be used?

Mr. Clappison: I will go away and refer to some dusty tomes and study passerelles, but I remember in the Maastricht process our being told that the justice and home affairs pillar would be quite separate and independent and there for all time, and that it was a safeguard against those matters ever being subsumed within the general Community provisions of the first pillar, which related to the market, fisheries policy and other aspects that were already part of the Community method and were under the supervision of the European Court of Justice and the authority of the European Commission.

There has been a great deal of incremental change through treaty methods—through the conclusion of a treaty—and there are a significant number of incremental changes in this treaty. I believe that we have been less than vigilant in scrutinising them—in respect of defence, to take one example from many. The Government must take responsibility for that as they put in place the process for scrutinising the Bill. That is, however, an argument of the past and for another day.

We need to look carefully into how the treaty opens the door to new possibilities for incremental change on a quite different basis and in a quite different way from the already substantial incremental change that we have seen. As my right hon. Friend the Member for Wells said, if these provisions are unamended the Bill will be dispensing with the need for the procedure and paraphernalia of intergovernmental conferences and treaties conducted in the full spotlight of public attention before treaty changes can take place. Under the Lisbon treaty, it will in future be possible to have change without a treaty and all the accompanying paraphernalia—the intergovernmental mandate, the intergovernmental conference and the treaty ratification going before individual member states. All that will go out of the window; in future, we will have change without a treaty, and change brought about on a case-by-case basis.

Mr. Cash: As a fellow member of the ESC, my hon. Friend will recall the recommendation we made in the 35th report. We said that we were concerned that the provisions would bypass the need for IGCs and lead to less transparency and less accountability to national Parliaments. We then asked the Government if they would outline what safeguards they had put in place. The ESC Chairman, the hon. Member for Linlithgow and East Falkirk (Michael Connarty), has indicated that some progress has been made. Does my hon. Friend wish to illustrate by reference to the Bill's provisions just how little progress was made?

Mr. Clappison: My hon. Friend is tempting me down not a passerelle, but a cul-de-sac. I am happy to go down it, however, as it is highly relevant to my points. I heard what the hon. Member for Linlithgow and East Falkirk said, and he was right to an extent, but we must remember this: there was no change—or very little change, and only change that was adverse to this country—between the intergovernmental mandate in June and the intergovernmental conference in November. No Community-wide change was brought about in the form of additional safeguards in the treaty itself; there was nothing like that. All that the Government have offered us is what they have put forward as a safeguard before making decisions with which the treaty deals. The Government have not had any negotiating success in building more safeguards into the treaty of Lisbon itself.

Michael Connarty: The hon. Gentleman and I obviously have different views on this issue. When the Government negotiate a treaty, they do so in the interests of this country, and not necessarily to make changes for every other country—although some of the changes that we brought forward were followed by Ireland and Poland. Is it not a fundamental safeguard that when there is a veto on something we get an agreement that it can be given away only when this Parliament decides that it approves of doing so? That is a fundamental change. Although the passerelle clauses are in place, if the Government retain the veto, that is the most important safeguard of all. We do not give anything up that we do not want to give up.

Mr. Clappison: I have three points. First, historians will have an interesting time analysing the processes by which the intergovernmental mandate came into being at the end of the previous Prime Minister's time in office. Secondly, the Government have had a veto on many of the provisions that now appear in the treaty. There is a long list of examples of the Government's

[Mr. Clappison]

opposing what has gone into the treaty, but such things have gone into the treaty none the less. That happened even though the Government did, in effect, have a veto; they had the arguments, but lost them as part of the overall process.

That has happened time and again, including with the provisions I referred to which took place between the IGC mandate being agreed in June and the IGC in November. The only changes made to the treaty were ones that could only be adverse to this country, because they included penalty clauses on what would otherwise have been an exercise of free will by this country—that is a triumph of negotiation. If any businessman were to bring back only a series of penalty clauses from a negotiation, he would soon be looking for another job. That illustrates the level of failure.

6.30 pm

The final and most important point to make in response to the hon. Member for Linlithgow and East Falkirk builds on one of my earlier interventions. He needs to recognise the overall change that is taking place in how the European Union does business, because it sends a signal throughout the European Union about how business will be done in future. We will simply have to get used to the approach. He knows as well as I do how often Ministers come back to the European Scrutiny Committee saying, "We had to reach an agreement on this to make a compromise on the other." That is the way in which business is done in the European Union.

Mr. Cash: Are not decisions taken on a vast range of matters by the United Kingdom representatives? In other words, the proposal says that the Minister "may not vote", but something on the A-list will not be voted on anyway because it will be decided by the Committee of Permanent Representatives. Furthermore, the regulations do not require legislation in this House.

Mr. Clappison: My hon. Friend is right. The wider point is that we shall simply have to get used to the fact that this is how the European Union will do business in future. I pay tribute to the hon. Member for Linlithgow and East Falkirk for his integrity and independence, and for the way in which he tries to scrutinise this matter, but we will have to get used to this approach.

My right hon. Friend the Member for Wells mentioned the treaty's wide range of passerelle provisions. I want to focus on three particularly important ones which relate to safeguards in the amendments. Three important additions made by way of passerelle provisions in the treaty will open the door for future incremental change. The first and most important one is the simplified revision procedure, which dispenses with intergovernmental conferences and treaties. It enables changes to be made to certain treaty provisions by a vote in the European Council, following consultation with the Commission—that is a tough provision—and the European Parliament, and approval by member states, in accordance with their constitutions.

That procedure contains a number of safeguards, but it must be beyond peradventure that it is an easier way of making change and that the safeguards put in place are less significant and substantial than the existing ones. I hope that we will not hear the familiar argument, made by the Liberal Democrats in particular, that because some safeguards are still in place, we can overlook the fact that more substantial safeguards are being dispensed with.

I hope that the Minister will admit that the procedure is an easier one for revising treaties. If we wanted to make the same treaty changes under the present arrangements we would have to go through the whole paraphernalia of an IGC at a Council, the agreement of a mandate, the signing of a treaty ratification and so on. The Minister has been fair throughout these proceedings, and I think he is acknowledging that the treaty's procedure is easier.

The much easier procedure covers the whole of part three of the treaty on the functioning of the European Union, and that is the backbone of the treaty from a policy point of view, because it covers a wide range of areas, including health, which Labour Members were most exercised about. They will have to face up to the possibility of decisions on health and changes in the treaty text to enlarge the sphere of the Union's competence in health being made by majority voting in the Council—the health measures are currently decided by the ordinary procedure—and all that that would mean for this country. That is my first example of the operation of a passerelle clause.

A second way in which incremental change can be brought about under the simplified revision procedure is a separate provision that enables the Union to move from unanimity to qualified majority voting in any part of the treaty on the functioning of the European Union, including part three, and in the non-defence parts of the common foreign and security policy, which are contained in the treaty on European Union as opposed to the treaty on the functioning of the European Union. That provision is a still easier way of making incremental change, whereby the move to QMV follows a vote by the European Council, which must be by unanimity, but there is no requirement for constitutional approval in individual states. Instead, a form of negative resolution procedure is provided for under which a change to QMV can be halted if an individual Parliament objects.

My next point might interest the Chairman of the European Scrutiny Committee, because it shows how effective the British Government's vetoes have been in the past. In a former role—I think he was discharging his functions as Foreign Secretary—the Secretary of State for Justice specifically told the Standing Committee on the Intergovernmental Conference at the time that the procedure was "unacceptable and illogical". He was talking about the specific procedure embodied in the Bill. A Government White Paper in 2003 also said that the Government were opposed in principle to the provision, yet the clause is in the Bill.

Rob Marris: If I have misunderstood the hon. Gentleman, I hope he will correct me. He was talking about QMV provisions in the treaty on European Union. Article 31 of that treaty contains what I have referred to in previous debates as a joker—he will remember that, because he has been an assiduous attender. Paragraph 2 of that article, which is on page 23 of the consolidated treaties, states:

"If a member of the Council declares that, for vital and stated reasons of national policy, it intends to oppose the adoption of a decision to be taken by qualified majority, a vote shall not be

taken. The High Representative will, in close consultation with the Member State involved, search for a solution acceptable to it. If he does not succeed, the Council may, acting by a qualified majority, request that the matter be referred to the European Council for decision by unanimity."

Mr. Clappison: I am delighted that the hon. Gentleman has highlighted that, because I am coming to it. I am following the Foreign Affairs Committee's analysis of the treaty provisions. The process that I just described comes under the simplified revision procedure, and it is a different way of introducing QMV to the non-defence parts of the common foreign and security policy. As I described, it includes the safeguard of a form of negative resolution procedure. The procedure that he has just described is a third way of moving from unanimity to QMV in non-defence areas of the CFSP. If he will hear me out, he may try to put me right at the end.

The CFSP already contains QMV. I know that the hon. Gentleman has a bit of difficulty with this, but if he were to read that article 31, he would see that it describes the process. Paragraph 2 of that article in the consolidated treaty states:

"By derogation from the provisions of paragraph 1, the Council shall act by qualified majority".

It then sets out four different circumstances in which the Council will act by QMV. If the treaty says that it is talking about QMV, I do not have to make the point. As he correctly pointed out, it is subject to a safeguard in a later provision in the paragraph, which states:

"If a member of the Council declares that, for vital and stated reasons of national policy, it intends to oppose the adoption of a decision to be taken by qualified majority, a vote shall not be taken."

It may interest the hon. Gentleman to know that the same safeguard appears in the treaty of Nice, except that the Lisbon treaty's safeguard is weaker. The treaty of Nice refers to this process being able to be undertaken by a member state if it has an objection because there is an "important" reason of national policy. The threshold for the exercise of the emergency brake rises in the Lisbon treaty, because the reason needs to be a "vital" one. I suggest to the hon. Gentleman that that is a further incremental change to make the emergency brake more difficult to use and a signal that there will be more qualified majority voting in future.

The same is the case for the separate provision contained in article 31.3, which states:

"The European Council may unanimously adopt a decision stipulating that the Council shall act by qualified majority in cases other than those referred to in paragraph 2."

That provision is not subject to the negative resolution procedure that I have described: it is a straightforward vote by the European Council to move to qualified majority voting. Therefore, under the provisions of the treaty there are two ways of getting from unanimity to qualified majority voting on issues that are not defence, common security and foreign policy matters.

Mr. Quentin Davies (Grantham and Stamford) (Lab): Will the hon. Gentleman give way?

Mr. Clappison: I shall certainly give way to the hon. Gentleman, who is an expert in these matters.

Mr. Davies: The hon. Gentleman has just referred to the mechanism under which the Council can decide that qualified majority voting should operate in a particular matter, but surely that decision would have to be unanimous and this country would therefore have an effective veto. In other words, that mechanism could never be triggered unless we decided that it was in our interests to allow it to be triggered.

Mr. Clappison: I do not wish to be unkind to the hon. Gentleman, but I do not think that he has followed the whole argument, because that applies to all the provisions that we are talking about. We are talking about the ways in which we can get from unanimity to qualified majority voting. Unless that is provided for in the treaty itself, the only way to way to go from unanimity to qualified majority voting at present is through a treaty process, such as the treaty we are discussing or the treaties of Maastricht, Nice or Amsterdam. That is the only way that it is possible to move from unanimity to qualified majority voting, unless there is specific provision in a treaty to enable member states to do that. The whole point is—as everybody has said throughout the debate—that the treaty is making it much easier to move from unanimity to qualified majority voting, although it is not doing away with safeguards completely.

Mr. Davies: As the hon. Gentleman rightly says, it has been a theme throughout his speech that there is something nefarious about a situation in which the Council can decide—by unanimity—to waive unanimity and allow qualified majority voting in particular cases. What is the possible danger to this country in a situation in which we continue to have that veto? That is what he has failed to say. If we have an interest in the change in question, it can go through more rapidly without the various constitutional procedures in the other member states. If we do not wish it to proceed, we veto it. It is as simple as that. There can be no possible damage to this country, only gain, in a new provision of that kind.

Mr. Clappison: I do not know how much of the debate the hon. Gentleman has heard, but if he had been in his place throughout he would have heard this argument before. He would also have heard that when the provision was debated at the intergovernmental conference, the Government originally opposed it from pillar to post, for the very reasons that I have just given, but then caved in. We might as well have a provision in the Bill to move from unanimity to qualified majority voting on any subject.

I do not know whether the hon. Gentleman heard the earlier speeches by Labour Members, but his approach will not make them any happier with him—*[Interruption.]* It is probably a good moment for the hon. Gentleman to leave his place.

6.45 pm

My concern is that the treaty sends out a clear signal by making it much easier to move from unanimity to qualified majority voting in foreign policy. Why? Also, why is the emergency brake provision being weakened? The answer can only be that the Union foresees more and more foreign policy decisions being taken at a European Union level, rather than a national level. We are moving incrementally towards a European Union foreign policy, and the world will look to the new high representative or EU Foreign Minister, rather than to national Ministers, as foreign policy issues crop up day by day.

It is a step-by-step process that the treaty will speed up, both in foreign policy and in all the other areas of policy occupied or coveted by the Union. Change will be so much easier under this treaty. The treaty of Lisbon will dispense with the lengthy requirements of the existing process. No longer will change be under the spotlight of the treaty process. Change can be made increment by increment and slipped through at any time.

Let us not imagine that that is a change without cost. The power that European Union institutions gain comes at a loss to this House. There is no underground storage facility in the House containing power that is unexercised or undistributed for us to hand out to other member states or to the European Union institutions. Power is exercised either in this House or elsewhere. In this case, more and more power will be exercised elsewhere rather than in this House, where we are answerable to our constituents. We will be the losers, and so will our constituents. They will lose their right to use their vote to change policy and laws that they do not want by changing their Government. On their behalf, we should be ever vigilant about the powers that we pass over to Europe. The more I consider these clauses, the more I am driven to the conclusion that more and more power will move to Europe—

Rob Marris: Will the hon. Gentleman give way?

Mr. Clappison: I am about to finish my speech. The hon. Gentleman will have a chance to make his own contribution.

We have been less than vigilant on behalf of our constituents not only in scrutinising this treaty, but in spotting how it will make change much easier to achieve. We have not done our job and we cannot look our constituents in the eye.

Mr. Drew: I tabled amendment No. 284 and I also support amendments Nos. 286, 66, 283, 67 and 287. It is disappointing that my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) is not in his place, because he has tabled a good amendment that would require the EU to stiffen its resolve with regard to climate change.

I tabled amendment No. 284 because post offices, for various reasons, are at the forefront of our minds at the moment. It is good to see the Minister for Employment Relations and Postal Affairs in his place and I hope that he was not mauled too much by Lancashire Members this morning. It is important that we consider the context of the closures of sub-post offices, although my hon. Friends the Members for Hemsworth (Jon Trickett) and for Linlithgow and East Falkirk (Michael Connarty) have stolen my thunder somewhat. I do not mind that because it means that I can say less, but it is important that we put on record that some Labour Back Benchers do not sign up to the liberalisation agenda. That is why we have considerable problems with the EU and the whole basis of the internal market.

My hon. Friend the Member for Hemsworth made the point clearly that the Bolkestein directive allowed services to be subject to almost any form of liberalisation, regardless of whether they were national in delivery or otherwise important to a nation state. In particular, the way in which the European Court of Justice can draw matters into its orbit means that nothing is sacrosanct or safe from that threat.

Obviously, I rise to speak about amendment No. 284. There will be those who, as we have already heard, will say that it is too late. The UK has led the agenda, sadly. I mentioned the Postal Services Act 2000—I was a member of the Committee that considered it—when I intervened on my hon. Friend the Member for Linlithgow and East Falkirk. The basis for introducing the Act was, under the ideals of new Labour, the idea that modernisation would give us a head start over our European competitors and that we would be in a much stronger position because, although the British Post Office would go through death by 1,000 cuts, we would be able to go out into wider Europe and to make a difference there. It has been an unmitigated disaster. All we have seen is TNT and DHL—that is, the Dutch and German post offices—coming in and taking more and more of our better services by cherry-picking. We have made no impact whatsoever in Europe. In fact we have come back with our tail between our legs. We have had to try to restore what is left of the British Post Office, but those of us who are fighting the 2,500 closures—nine are proposed in Stroud—seem to be fighting with one hand tied behind our backs because of the inevitability of what we have to do.

Let me make some points about why that is so, why it should not be so and what we might be able to do to stop this madness. No issue is more of a core issue for those of us who represent constituencies that elect a Labour MP, and the subject also unites the whole House. I do not think that anyone who has faced the closure of a post office has been able to go out and feel any confidence in the arguments that have been put forward. I think that I speak the unanimous view of the British public when I say that they wish it was some other way. Even though it may be difficult, it is not impossible.

Let me turn to amendment No. 284 and the subject of postal services and the EU. Of course, the Commission's stated aim is to establish a single market for postal services while ensuring a universal service. That is to be achieved by opening up the sector to competition based on the regulatory framework of the postal services liberalisation packages. A series of directives have been put in place that supposedly make it a fair and level playing field. Of course, as my hon. Friend the Member for Linlithgow and East Falkirk rightly said, it is about asymmetric competition. For good reason, rather than foul, the French have no intention of allowing their postal market to be opened up in the way in which the British postal market has been opened up. We can rant about that. We can say that it is wrong and that we ought to be taking them to various courts in the Community, but in reality they are doing what we should be doing. They are protecting a unique service. We are elected to this place to try to protect and to improve such services, yet we have seen our postal service cut to ribbons.

I know that there are arguments that there is no connection between the delivery mechanism of our postal service and the service from post office counters in branch offices—one of my colleagues made that point earlier. Of course, the strength of the Post Office is its universality and its ability to offer that service across the length and breadth of our country, including across the devolved areas. We know that the strength of the footprint of the organisation is what makes it different.

We have tried to protect such services. My colleague, the Labour MEP Richard Howitt, tried to safeguard existing legal guarantees for free post for blind people, due to the high cost of sending out Braille books and related documents. That measure was defeated, as it was seen as anti-competitive. The European Internal Market and Services Commissioner, Charlie McCreevy, said that the amendment did

"not bring added value to postal users".

It certainly brought value to those with impaired eyesight and those who are blind. That is a negation of service; it is about market madness and liberalisation come what may.

That is the danger, and it is why a number of us have tabled amendments such as amendments Nos. 284 and 286. We want to bring attention to the fact that this House ought to be making the decisions before Ministers go out and agree to what they might have to agree in due course. We are making it clear that there are ways in which we should stiffen our resolve and begin to turn the community away from market liberalisation towards the social economy about which my hon. Friend the Member for Hemsworth waxed lyrical.

That is no more clearly demonstrated than in the area of postal services. That is why my amendment is a key amendment. It will be interesting to know what the two parties on the Opposition Benches think about it. Some of us have sought to see the strength of their arguments and we have voted on numerous occasions to try to protect this country from the worst inadequacies of this treatment. It would be good to see if those two parties might consider supporting these amendments. They could then hold their heads up high when they went back to their constituents, who would, I am sure, be in favour of what we are trying to do. We are trying to protect those key services.

Michael Connarty: I sympathise with my hon. Friend's points. We have a directive that said that postal services would be liberalised across the EU. We decided to go early, but the French and others have pushed it back by a couple of years. They have not cancelled the directive. Some have pushed it back to 2013, but they have not cancelled it. The logical conclusion of the argument is that we cannot reverse the process—that appears not to be the policy of the Government or of the main Opposition party. Is my hon. Friend arguing that we should send our Minister to Europe to condone the refusal by other countries of Europe to liberalise their markets, thereby denying us the level playing field that we said that we would get?

If the horse has bolted—if we have liberalised, and if this country will not reverse that process—why should we allow other countries to deny us access to their markets? The French did that by refusing us access to their domestic electricity markets until they were threatened with infraction proceedings by the Commission, when they had—

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. That is a very lengthy intervention.

Mr. Drew: That was a telling intervention. I tell my hon. Friend the Member for Linlithgow and East Falkirk that the answer is yes. I am happy for those countries to do what we should be doing, which principally is protecting their key services. One does not have to be completely against the single market—although I am, in principle—to see that health services, post offices and other key national services should not be part of the wider European competition.

By saying that we understand why such countries want to protect their services, we put ourselves in a much stronger position to argue without fear or favour—and certainly with no threat of legal action—that we should see such services as different and worthy of particular protection. Otherwise, where will it all end?

The process will inevitably undermine the national health service, which will become the European health service. Our health service is very different from those that operate in most of the rest of Europe, so it is inevitable that ours will have to follow the European model. We already face that problem with postal services.

7 pm

Michael Connarty *rose—*

Mr. Drew: I shall give way one last time.

Michael Connarty: So if our postal workers, the members of the Communication Workers Union, are to be denied access to services protected against free competition, and if attacks from state-subsidised alternatives in the rest of Europe take away their jobs, does my hon. Friend conclude that he wants us to sign up to an approval of those barriers being retained in the rest of Europe, just for his pride, despite the effect on jobs in this country?

Mr. Drew: More than anyone, my hon. Friend is a great advocate of the importance of the CWU and how it operates. I am happy to go before the CWU and put my arguments. He can put his, and we shall see whose arguments hold greater credibility for the work force. As my hon. Friend the Member for Hemsworth said, there is a huge gap between what the people of this country think about the EU and what the political classes think.

I am bit surprised by the argument of my hon. Friend the Member for Linlithgow and East Falkirk, having heard his earlier point about the need to recognise that postal services are different. We are, in a sense, reinventing the logic that the complete liberalisation of services is inevitable, but we have seen that what has happened in our country has been an unmitigated disaster. People realise that, including those who work in the industry. I therefore see even more reason why the amendments in my name and the names of my hon. Friend the Member for Hemsworth and others deserve to be debated and thought through, so that we can seek to change the EU's mind. For too long, market liberalisation has been seen as the only way in which the EU can develop, but to many of us, it is the wrong way.

Mr. Cash: I support the excellent amendment No. 48, tabled by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory). The issue is extremely important, and we have heard from my hon. Friend the Member for Hertsmere (Mr. Clappison) about it. I wish to add simply that we are greatly extending the EU's opportunity to legislate without proper analysis. Furthermore, we are extending its ability to make legislation to matters that would otherwise require a specific treaty, and fast-tracking such legislation without the consent of the people of this country.

[Mr. William Cash]

The Lisbon treaty is like a Russian doll and has within it the genesis of its own continuation. It is part of the self-amending text that we have discussed, and it is paralleled by the passerelle, to use an alliteration. It is another example of the incubus that undermines the House's ability to legislate on its own terms, and I say to every Member of the House that it is therefore another attack on the voters of this country. Members of the Government are engaged in a direct assault on their own constituents. I have said several times to the hon. Member for Wolverhampton, South-West (Rob Marris) that bypassing the voters by allowing decisions to be taken that, under our parliamentary system, properly belong to them at the time of general elections, is the ultimate affront.

Clause 6 is a reason for a referendum in itself. There are many reasons why a referendum is required, and we shall go into them tomorrow, but the clause is certainly one of them. It provides an internal mechanism for undermining our democracy. I therefore ask myself what goes on in other countries when matters of scrutiny affect their voters. I do not have time to go into the details, but the bottom line is that the arrangements in other countries are set out in a report produced by COSAC, which shows in 158 pages exactly how other member states legislate in relation to the EU. Those 158 pages give more than ample evidence that they do not examine European legislation properly.

We in this House—*[Interruption.]* I am saying this to the Labour Members who are conducting a conversation. I had the good manners to listen to them—will they have the good manners to listen to me? The Council of Ministers makes its decisions by QMV, and when we are outvoted there on matters that will be of concern to members of the Labour party as much as to us—if we scrutinise those matters properly according to our constitutional requirements, that is; but I think that our European scrutiny reforms should bring about an improvement—we are having imposed on us legislation that, because of QMV, is not being properly considered in the other member states.

I pointed out in an intervention on my hon. Friend the Member for Hertsmere that the statement in the clause that:

"A Minister of the Crown may not vote in favour of or otherwise support a decision...unless Parliamentary approval has been given in accordance with this section"

is complete nonsense with respect to decisions taken in the EU, which have legal effect without having to go through any parliamentary process. The same applies to regulations that come from the European Commission. I want the Minister to listen to this because, as Minister for Europe, he knows well the number of measures that are put on the A-list in UKRep and COREPER day by day and week by week, and introduced without his being involved in any meaningful sense. The provision that:

"A Minister may not vote in favour of or otherwise support a decision"

is therefore meaningless, because Ministers are not involved anyway. The entire clause is a total fraud against the electorate and an attack on our democracy, and it bypasses the process of amending treaties by convening an intergovernmental conference under article 48 of the existing treaty on European Union.

The clause is a fraud, and when we examine the nine or 10 provisions mentioned in it and ask ourselves what they will involve, we see that they include social policy, the environment, EU finance, enhanced co-operation and common foreign and security policy—things that the Government had to put in the clause because they knew the importance of them. The next question is to what extent they have provided a satisfactory safeguard for the British people in respect of the disgraceful and fraudulent procedure that has been followed in those arrangements. The short answer appears in clause 6(2):

"Parliamentary approval is given"—

in other words, the Minister is relieved of the fact, otherwise he would not be able to vote—

"if...in each House of Parliament a Minister of the Crown moves a motion that the House approves Her Majesty's Government's intention to support the adoption of a specified draft decision, and...each House agrees to the motion without amendment."

We therefore cannot amend a decision once it has been made. The provision is a complete fraud, because one cannot amend decisions without transgressing sections 2 and 3 of the European Communities Act 1972. The measure would be implemented regardless—and I can see the Minister shaking his head—so I would like to know whether it is supposed to override the 1972 Act. The Minister may wish to intervene to say whether it does so or not. *[Interruption.]* He suggests that I should make quicker progress, but I will not let him off—not a chance.

In addition, an Act of Parliament would be needed or, in the case of a treaty proposal, an intergovernmental conference plus, in my opinion, a referendum if one was merited by the inclusion of constitutional requirements. For all those reasons, the fraud that lies within the proposal includes the fact that a motion would simply be whipped through. How often do we deal with motions in the House that are simply at the mercy of the Whips? There is no internal constitutional mechanism in the provision to prevent anything from happening, so it is a fraud. The very least that we should be offered is a free vote—and I do not mean just on this provision, as I want the whole thing to be thrown out. To provide a reasonable safeguard on the use of the mechanism in clause 6, I would expect a free vote to take place before approval was given to any such motion.

I produced a report for the shadow Leader of the House, my right hon. Friend the Member for Maidenhead (Mrs. May), when she was writing a pamphlet about the European scrutiny process. To some extent, we debated this the other day, but I said that we ought to have, in cases where 150 MPs decided—

The First Deputy Chairman: Order. I hope that the hon. Gentleman will confine his remarks to the first group of amendments on clause 6.

Mr. Cash: Of course I defer to your judgment, Mrs. Heal. However, clause 6(1) includes the phrase,

"unless Parliamentary approval has been given in accordance with this section".

When I discuss the question of how that parliamentary approval is given, it is difficult not to deal with the mechanisms that have been provided. However, I think that I have said enough, Mrs. Heal, so I am happy to abide by what you said.

Basically, my concern about the provision is as follows. The Government and the European Union have yet again sought to bypass the arrangements that should properly be followed according to our constitutional principles and voters' wishes to ensure that, rather than an élite arrangement, we have a proper system that we can understand and with which voters can go along.

Sir Michael Spicer (West Worcestershire) (Con): Will my hon. Friend say a little more about why he wants a specific reference to the 1972 Act? What is the law behind that? Why can there not be a more general condition?

Mr. Cash: Hopefully, we will vote on that tomorrow evening after the vote on the referendum. It relates to the override of the 1972 Act. I have set out the law—

The First Deputy Chairman: Order. The hon. Gentleman is correct: that debate and discussion is for tomorrow evening, rather than this evening.

7.15 pm

Mr. Cash: We cannot debate it, but hopefully we will vote on it. I will simply say that the provision is an override of the 1972 Act in accordance with established case law. That is all I need to say. It needs to be precise, clear, express and consistent, so it has to refer to that Act.

May I repeat one last time that under arrangements made under the proposals, other countries will seek through qualified majority voting to impose legislation on us? They operate by decree and/or by a system that is not subject to their parliamentary processes. It is therefore a total farce to talk about this being done according to the constitutional requirements of each member state, as they do not even consider such a process. That is a typical example of the lack of democracy at the heart of the measure. I was disgusted to hear the Liberal Democrats suggest that their proposals for an instruction were based on democracy, as they do not have a clue what the word means.

Rob Marris: I wish to make two brief points, the first of which relates to something that the hon. Member for Hertsmere (Mr. Clappison) discussed. He gave a rather graphic illustration, and used words to the effect that there is no reservoir of power in the House of Commons on which we can draw. He is absolutely right, but I disagree with him and with his hon. Friend the Member for Stone (Mr. Cash)—and I said this in the Chamber yesterday or last week—about the notion that power is a zero-sum game. I am individual, and I am a member of a political party. My political power is lessened by my agreeing to certain basic rules of the party to which I belong. However, my power is enhanced by my belonging to that political party, as is the power of my constituents, because it makes it more likely that the values for which their representative stands can pass through Parliament. Power is therefore not a zero-sum game: when we enter into agreements, as the UK has done with the European Union, we can gain what I have previously termed leverage. We can have more power overall in the big picture by giving up—and we are doing so in some cases—power. However, it is not simply a zero-sum game.

May I tell my hon. Friend the Minister that I wish principally to speak to amendment No. 286? I am attracted to the spirit of parts of that amendment. If it is pressed to a vote, I will not vote for it, as I will explain, no doubt to the disappointment of my hon. Friend the Member for Hemsworth (Jon Trickett).

Jon Trickett: Shame.

Rob Marris: I am, however, attracted to the flavour of my hon. Friend's amendment, which would insert additional provisions after clause 6(1), and is connected to Parliament's power and the scrutiny that Parliament can, or cannot, bring to bear on matters relating to the EU, particularly the timing of any such scrutiny or parliamentary oversight, whatever word we use, and whether it takes place before or after a decision by the Heads of State and Heads of Government in the European Council, or by Ministers, or by list A UKReps. I think that we have a deficit in both regards in the House, despite the valiant efforts of my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty) and his European Scrutiny Committee. We do not scrutinise nearly as much as we ought to beforehand, and the flavour of amendment No. 286 would take us some way towards remedying that. Proposed new subsection (A3) addresses health services, public education, social housing, postal services and public transport; proposed new subsection (A5) refers to a special committee, which would deal with tariff and trade agreements; and proposed new subsection (A4) deals with the provisions of the treaty relating to workers' rights.

As I said earlier in an intervention on my hon. Friend the Member for Hemsworth, one cannot conduct negotiations in a meaningful way that is helpful to our country by tipping one's hand completely before those negotiations start. That is why the wording in proposed new subsections (A1), (A2) and (A5), namely

"a statement on their negotiating mandate",

is not helpful. The wording would have been better—I suspect that this is what my hon. Friend meant—if it had been, for example, "a statement on the issues to be discussed".

The thrust of my hon. Friend's remarks earlier today was right. We need better scrutiny and a better idea in advance of the general things that our Ministers, on behalf of the Government and answerable to the legislature, will be saying in negotiations and discussions with representatives of the other 26 member states of the European Union. We do not have enough of that under the current system in the United Kingdom. That does not concern this Government or previous Governments hiding things, although the conspiracy theorists think that it might.

Over the years, matters relating to the European Union have not commanded a great deal of attention in the United Kingdom, apart from, as we have seen in the case of this Bill, among a small group of assiduous hon. Members. With that in mind, we should consider what goes on not only in this House, but in society at large. I studied law in the United Kingdom between 1982 and 1984. That was 10 years after we joined the Common Market and the European Communities, which is now the European Union, but there was no mandatory education on the European Communities—there was a little bit in the course on the UK constitution. Ten years

[Rob Marris]

after we joined, lawyers in training, as I then was, were not taught about the European Communities, despite the power of the European Court of Justice, which undoubtedly existed then—I am sure that the hon. Member for Stone would argue that it has grown in the ensuing years. Not enough attention was paid to the impact, much of which was positive, of the European Union in the United Kingdom, and that lack of attention to parliamentary procedures, which amendment No. 286 seeks to address, has continued. That is not to say that there is no attention, so perhaps "insufficient attention" is an accurate description.

If the Minister opposes amendment No. 286 tonight, I will be with him, because the wording is wrong and it includes one or two points with which I might take issue, but its general tenor and flavour are commendable.

Jon Trickett: My hon. Friend is making a thoughtful speech—hon. Members would expect me to say that, given that I tabled amendment No. 286—but I want to tempt him to take another small step towards us. In my earlier contribution, I referred to agency labour. Does he know either precisely or in general terms what the relevant Minister is negotiating behind closed doors in relation to the agency workers directive in Europe? If he does not know—I am sure that he does not know, because none of us really knows—would it not be a good idea for the Government to lay out their general position and allow it to be subject to scrutiny and debate in this House?

Rob Marris: Even I do not know the Government's position. I say that because the Minister for Employment Relations and Postal Affairs, who is responsible for the matter, is my parliamentary neighbour and friend in addition to being my hon. Friend. I do not know the Government's position, although I have discussed the matter with him and urged movement by the Government.

I do not want to bore the House, but I have difficulty with the word "mandate" in the amendment. However, I agree with my hon. Friend the Member for Hemsworth that we should know what is up for negotiation before the Minister goes to Brussels. We must clarify and tighten up the scrutiny of the legislature over the Executive both before such negotiations take place and, as amendment No. 286 states, after such negotiations have taken place, which would allow clear reporting to all hon. Members. That would allow us to keep an eye on what the Government are doing in the name of the legislature and in the name of our country.

Jo Swinson (East Dunbartonshire) (LD): It is always enjoyable to follow the hon. Member for Wolverhampton, South-West (Rob Marris). I feel like calling him my hon. Friend, because I spend more time with him than with some of my hon. Friends in the Chamber these days.

Rob Marris: I am here to support you.

Jo Swinson: I have hon. Friends with me today, which is welcome.

Parliament should be involved in the balance of decision making between the UK and the EU. Today, we must consider the details of Parliament's role, including how many and which decisions should be addressed by Parliament. At the same time, we should not impose a huge bureaucratic burden that stalls any kind of process both in this House and the EU. We also need to consider how Parliament should decide such matters. The discussion on how it should decide such matters will be addressed by the second group of amendments, so I do not intend to stray into that territory. Suffice to say, there is some merit in the suggestions about greater scrutiny. Indeed, the proposal on passing an Act of Parliament might allay the concerns expressed by various hon. Members that the Bill would give us weaker controls than are currently allowed for.

Many hon. Members have expressed concerns about the passerelle clause. In particular, the right hon. Members for Wells (Mr. Heathcoat-Amory) and for Chingford and Woodford Green (Mr. Duncan Smith) have warned us that the clause is not benign. They gave us the history of previous treaties on which it was stated that there would be parliamentary approval. Although I do not agree with the extent of their scare stories, I think that Parliament should have the right to decide. I therefore welcome the Government's recognition of that point in clause 6(1)(a), which states:

> "A Minister of the Crown may not vote in favour of or otherwise support a decision under any of the following unless Parliamentary approval has been given in accordance with this section".

That is followed by a long list of the different areas to which that provision will apply. Some of those areas are sensitive, particularly clause 6(1)(c), which concerns "Common and Foreign Security Policy".

When parliamentary approval is sought in such cases in the future, it will be incumbent on Ministers to make a strong case as to why further moves to qualified majority voting would be appropriate.

I reiterate that, particularly in less sensitive areas, we do not want to create such a bureaucratic burden that progress is stalled within the European Union, although I suspect that that is the motivation behind some of the amendments. In particular, amendment No. 48, which was tabled by the right hon. Member for Wells, proposes that every decision in the Council should be subject to approval in this place. That is a recipe for paralysis, which some hon. Members may want to see, although I for one do not. Amendment No. 48 makes no sense, because it seeks to establish parliamentary approval for decisions that are currently subject to qualified majority voting. That would effectively reinstate the veto in those areas, which is clearly nonsense and would wreck the treaty.

Amendment No. 286 was tabled by the hon. Member for Hemsworth (Jon Trickett). I suspect that he and I have different views about the benefits of market liberalisation—I am not a fan of protection—but the provisions in his amendment on health services and social housing concern matters where we do not necessarily want European interference. However, we are in a single market, and when it comes to issues such as postal services and transport, we need to recognise that that can be beneficial. We do not want this House to second-guess every decision in those areas. The hon. Gentleman did not take my intervention. I wish he had—he was only too keen to take one from the hon. Member for Forest of Dean (Mr. Harper); I am not sure what that hon. Gentleman has that I do not. If the hon. Member for Hemsworth had taken my intervention, I would

have told him that, unlike some hon. Members, I do not think that we can blame the EU for what has happened to the Post Office in this country. He would be far better off if he directed his comments to his own Front Benchers and at their undermining of post offices through the scrapping of the pension book, the removal of Government services and the heavy-handed way in which they have been forcing benefit claimants to receive direct payments instead of using post offices.

7.30 pm

The hon. Gentleman's amendment was interesting in that it suggested at various points that a statement on the negotiating mandate should be laid before Parliament. There have been genuinely interesting exchanges on the merits or otherwise of that proposal. Like the hon. Member for Wolverhampton, South-West, when I first read the amendment I was very much of the view that if we were negotiating a position, the last thing that we would want to do would be to lay out all our negotiating points in public on the internet so that others in the European decision-making process could see exactly where our lines were. There are such potential problems with the amendment, although I have to say that I like the concept of the democratic link; it is important to try to ensure that there is proper scrutiny in the House and that decisions are therefore closer to our constituents.

There was a suggestion that, although having the negotiating statements in public would be problematic, some other House procedure—perhaps having the discussion in a private sitting of the European Scrutiny Committee—might be a way around that issue. However, I did not detect a great deal of enthusiasm for the hon. Member for Linlithgow and East Falkirk (Michael Connarty) to be receiving telephone calls from the Prime Minister at 3 am as various aspects of EU policy were negotiated. Perhaps that is not the best way forward. I am sure that, given the brains in the House and their knowledge of different parliamentary procedures, there is some way of finding an opportunity for greater scrutiny without laying all our cards on the table so that our EU partners know exactly what we are going to do.

Initially, when I read amendment No. 47, I thought that the change in wording from

"may not vote in favour of or otherwise support"

to

"shall vote against or otherwise reject",

was an issue of slight semantics and that the two wordings essentially meant the same thing. Obviously, the issue is whether an abstention would allow something through. I confess that I am no lawyer, but to my mind if abstaining led to something being implemented into law, would that not be conceived as "otherwise supporting"? However, even if that is the case—as I say, I am no lawyer—the amendment at least makes the issue crystal clear and so is perhaps worthy of support. Furthermore, let us face it—if the amendment listed areas that the Government already recognise should be proceeded with only under parliamentary approval, I would be intrigued to know the Government's objections.

Mr. Mark Francois (Rayleigh) (Con): I was listening carefully to the hon. Lady. Do I take it from her remarks that if amendment No. 47 were pressed to a Division, she and her colleagues would be minded to support it?

Jo Swinson: That is certainly my state of mind at the moment. The Minister has not yet spoken or given us a wonderful reason why making the issue clearer is not a good idea. I look forward to hearing him and seeing whether he can convince me; he will certainly have to work hard.

Amendment No. 18, which was tabled by the right hon. Member for Richmond, Yorks (Mr. Hague), does not seem so sensible. According to my reading, to leave out the option of parliamentary approval for all the areas listed would effectively ban any future moves to qualified majority voting, any use of the passerelle and any move to ordinary legislative procedure—at all, in any circumstances, ever. That does not seem sensible; it is symptomatic of the blinkered and isolationist view on Europe that today's Conservative party seems to take. It is unable to conceive of any future circumstances in which any of those things might be in the UK's interests. Let us bear in mind that we cannot predict the future. Clause 6(1)(f) is about measures on the environment; if, at some future point—to help tackle climate change and after approval by this House—it was in our interests to ease the possibilities for moves in Europe to protect the environment, doing so would be a good idea. Amendment No. 18 cannot be taken seriously.

I have sympathy with amendments Nos. 42 to 46, which, again, would increase parliamentary scrutiny on a variety of issues—moves to qualified majority voting on criminal procedures and on the list of crimes covered. The current list of crimes in the Lisbon treaty seems pretty comprehensive: terrorism; trafficking in human beings and sexual exploitation of women and children; illegal drug trafficking; illicit arms trafficking; money laundering; corruption; counterfeiting of means of payment; computer crime; and organised crime. It is not easy to predict what we might want to add to that. However, 20 years ago we probably could not have predicted cybercrime; it would make sense for the House to have the final say if in future we wanted to add a crime to the list.

Like the other parties, the Liberal Democrats are not in favour of a European public prosecutor. However, again, having the safeguard of the House deciding whether the situation would change in future seems eminently sensible. Amendment No. 46 relates to common EU defence; it brought to mind the fact that we have not had the opportunity to debate that subject properly, which is very much to be regretted. If we were to move to QMV on that issue, it would be a sufficiently big decision to require parliamentary approval. I would certainly be minded to support any of amendments Nos. 42 to 46 if they were pressed to a Division.

I was tempted by amendment No. 49, which would require parliamentary approval for various aspects of the opt-in to justice and home affairs. My issue is about the practicalities, given the short window of six weeks that we might have for opting into some of the provisions. It might be difficult to include such approval in parliamentary timetabling, so I am less convinced by the amendment, although I welcome its spirit.

Mr. David Heath (Somerton and Frome) (LD): Such issues are crucial. It seems to me that we need, if necessary, to make the parliamentary timetable fit the European one to allow for proper scrutiny. We should not just dismiss the idea of giving parliamentary approval.

Jo Swinson: Indeed. There may be ways of ensuring parliamentary scrutiny through the timetabling of the House and other scrutiny methods; the Chairman of the European Scrutiny Committee has made regular contributions, so it may not be beyond us to manage that.

I was slightly disappointed that the right hon. Member for Oldham, West and Royton (Mr. Meacher) was not here to move his amendment No. 283, the sentiment of which I welcome. If the Government are to argue strongly within Europe for measures to reduce carbon emissions, we should make sure that those measures are sufficiently stringent to keep, if possible, to a 2° rise in temperature and to include the impact of aviation and shipping. That seems sensible. Much as I welcome the sentiment behind the amendment, however, I am not convinced that it is the best way to address the issue. Nevertheless, I urge the right hon. Gentleman to press on his ministerial colleagues the fact that a strong Government line on this matter in Europe is incredibly desirable.

Amendments Nos. 66 and 284 have given hon. Members the opportunity to raise concerns about the free market, but I am not convinced that those concerns are best addressed through those amendments.

In conclusion, I hope that the Minister will look favourably on amendments Nos. 42 to 47; perhaps he will be able to reassure the House about them, or even—stranger things have happened—accept some of them.

Mr. Duncan Smith: The hon. Lady has proceeded pretty quickly and it has been difficult to follow her. Will she be clear? What, specifically, is she looking for, and what amendments in this group are the Liberal Democrats likely to vote for?

Jo Swinson: I am happy to repeat myself for the right hon. Gentleman: I feel very much minded to vote for amendments Nos. 42 to 47 inclusive. However, there was a slight caveat on amendment No. 47, on which we have not yet heard the Minister speak. I cannot conceive of any argument that he could make to suggest that the change was not purely for the sake of clarification. However, I shall reserve my judgment until I have listened to what he says; sometimes it is useful to do that in debates. I have set out clearly what I am minded to do and I look forward to the other contributions.

Kate Hoey: I would like to say a few words on amendments Nos. 286 and 284, with particular reference to the latter. I support a number of amendments in this group, and I hope that we will get a chance to vote on amendment No. 284.

Many of the amendments that we are debating go to the heart of the debate on Europe, because they deal with how the EU affects everyday life in the UK in relation to public services, housing, transport and postal services. The European Union has a hugely powerful influence on everything that happens to us in our daily lives, but the reality is that as a result of the way in which EU legislation operates, it is often not clear to many people, including many in this House and in the media, when a particular decision or policy has originated in the EU.

Looking through a list of things that have originated in the EU—it does not matter whether one is for or against them—I find it amazing how many things in our everyday life have come from Europe. It is a diverse range of things, which shows how many people do not understand just how much has come from Europe, such as children under 12 having to sit in car booster seats—I am not saying whether that is right or wrong—fortnightly bin collections, home information packs and the disappearance of the crown sign on pints. Everyday things have changed because of law originating in Europe. The basic premise we should consider is that if we are changing legislation in this country, Parliament has to have a say, and it should have the final say.

My hon. Friend the Member for Stroud (Mr. Drew) outlined eloquently the reasons why he did not agree with the liberalisation of postal services. That process has been a disaster. The wonderful Royal Mail, which for more than 150 years has provided a universal postal service that was the envy of the world, with low uniform stamp prices and six-day deliveries, gave people the ability to post a letter anywhere in the country for the same price. I am not against some liberalisation of some services in the EU, but as my hon. Friend the Member for Hemsworth (Jon Trickett) said, certain things go beyond the simple idea of liberalising. For me, the postal service is one of those things.

Jon Trickett: I do not know whether my hon. Friend has noticed, but the European Property Federation is in conversation with the Commission about what is described as illegal state aid given by municipalities that provide social housing. Does she agree that if council housing were to be liberalised—an idea that I would be totally opposed to—the matter should be a decision for this House and not the Commission, the Council or the European Court of Justice?

Kate Hoey: I agree. Those are the sorts of issues that our constituents care about. They are frustrated when they see things happen about which they feel they have had no say, and on which, when they look to this place, they feel we have not had any say either. I do not want to get into this subject now, because I hope that I will be able to speak about it tomorrow, but it is one of the crucial reasons why we need a referendum. We have abandoned any idea of doing what we said we would do, and people feel that they cannot believe us or trust us.

I am concerned about the way in which liberalisation is destroying our postal service. The wording of amendment No. 284 would not change what has already happened, but it sends a signal that we do not want the process to continue without approval being given in Parliament. I sometimes wonder how on earth my Government could have gone ahead with the process so quickly. Why did we need to forge ahead and be ahead of everybody else? I do not accept the idea that they did not realise that private firms were going to cherry-pick the most profitable routes. That is clearly what they were going to do, leaving the Royal Mail to support many of the isolated rural communities and other unfashionable areas. That has gradually led to the idea that the Royal Mail is a second-class service, rather than the world class service it was and still could be with the right support. Without the revenue from

the most profitable routes, the Royal Mail would also suffer financially, which is why taking away profitable business from Royal Mail has directly led to the closure of our post offices and to rationalisation.

7.45 pm

In London, we face a raft of closures, just as many of my colleagues throughout the country do in their areas. Three post offices are being closed in my constituency, and it is outrageous that one of them in particular should close, because it meets all the criteria: it is in an urban area, it is working its way up and all the little shops are dependent on it. People will have to travel a considerable distance to get to the next post office. I went there this morning. I did the necessary walk and stood in the post office that everyone will have to go to—

The First Deputy Chairman: Order. I hope that the hon. Lady is not going to stray too far. I understand her passion on the subject.

Kate Hoey: I will not, Mrs. Heal. I am sure that there will be another day for that. However, let us not hide the facts. It was our Government who decided to go ahead with the liberalisation, but that is the European Union agenda, and we have to fight wherever we can to ensure that it goes no further. None of my constituents has ever contacted me calling for this process of liberalisation in postal services, for the undermining of the universal service obligation or for further branch closures, but I believe that that is the agenda of the European Union, as promoted in this treaty and constitution. Giving away further powers to the EU in relation to this crucial public service is, to use a cliché, like making wolves protectors of lambs. I have not found many who want this change. Sub-postmasters and postmistresses do not want it, the Communication Workers Union does not want it, and I believe that the majority of MPs do not want it either.

The amendment would send a signal and put a brake on this process that is happening above our heads. It would establish the right of Members to have some say on the future of public services, which our constituents continue to need. I have one more thing to say about post offices and the EU; I will not go back to my walk to the post office, Mrs. Heal, in doing so. A lady said to me this morning that she would like to ask me a question, and it was a question that different people have raised in other ways. She asked why, if the Government can spend £110 billion—£3,500 for each of us—to keep a bank with 2 million customers afloat, they cannot pay £5 from each taxpayer to support a post office network with 11.4 million customers. We know that they will not do that because the European Union does not want us to do it. Other countries do it and get away with it, but we seem to sit back and allow all these things to flow over our heads. That is why it is so important that we have a long debate on the referendum tomorrow.

I hope that many of my colleagues who may not have wanted to vote for a referendum will decide that it is one way of showing that they mean to get power back and take control over what is happening to our public services.

Mr. John Horam (Orpington) (Con): I am always delighted to follow the hon. Member for Vauxhall (Kate Hoey), particularly on this occasion because she mentioned post offices. As a fellow London MP, she will be aware that we have real issues, which she spelled out, with regard to the possible closure of post offices. In my constituency, three are threatened with closure, which is a real worry. That state of affairs reflects an important point about one's attitude to the European Union, which was well summed up by Douglas Hurd, who once said that one of the problems with the EU is that it too often gets into the "nooks and crannies" of British life. That is where my personal objection to European treaties of this kind always lies.

On the other hand, putting on my foreign policy hat as a member of the Foreign Affairs Committee, I welcome many aspects of the treaty. I am glad that the hon. Member for Wolverhampton, South-West (Rob Marris) is in his place because he said that power was not a zero sum game and he is right: we lose, but we also gain. In the foreign policy world, we perceive powerful nations such China emerging, a regenerated Russia, the threat from the oil-producing Muslim countries and so on. We need a strong European Union to add to what Britain can bring to the table. I regard myself as a utilitarian in that I perceive the European Union as a tool that can bring benefits that the nation state alone cannot necessarily get. In that respect, I welcome the foreign policy aspects of the treaty.

None the less, even from that favourable point of view, I am worried about parliamentary control, which amendments Nos. 47 and 48 in particular deal with. The Minister knows about the passerelle clauses and the simplified procedure, which my hon. Friend the Member for Hertsmere (Mr. Clappison) mentioned, especially in relation to foreign affairs. They mean that what is currently determined by unanimity could be decided by qualified majority voting under specific procedures, especially if the high representative goes about matters in a particular manner. There are ways in which unanimity is not required in the Council before we can be presented with a change from unanimity to QMV here. It is therefore important to have some sort of parliamentary brake on the Council's proposals.

The Foreign Affairs Committee report on the treaty concluded

> "that the Government's confirmation that any movement of further Common Foreign and Security Policy decisions from unanimity to qualified majority voting under the 'passerelle' procedure would be subject to a prior vote in Parliament, even where the Lisbon Treaty itself does not provide for national Parliamentary involvement, is welcome, although we recommend elsewhere that all Treaty changes are the subject of primary legislation."

We therefore welcomed the Government's action and I pay tribute to them for it.

On the other hand, we pointed out:

> "However, our concerns remain about the possible use of the provision in the Government Bill which would allow 'amended versions' of decisions moving items from unanimity to qualified majority voting to avoid a separate Parliamentary vote."

As my hon. Friends pointed out, as the Bill stands one could move from unanimity to QMV and bypass Parliament. I therefore welcome the amendments that my Front Benchers tabled and also those of my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory).

The Minister may know that Lord Owen, who was, of course, a former Labour Foreign Secretary, presented evidence to the Foreign Affairs Committee on a UK

[Mr. John Horam]

parliamentary brake on the treaty as enacted in the Bill. He pointed out that the European Assembly Elections Act 1978, for which he was responsible, did something similar. He said:

"What Parliament did in 1978 was to ensure that in future no British Minister could in any European forum commit to enhancing the powers of the then Assembly, now Parliament, without prior primary legislation"—

I emphasise "primary legislation"—

"in the Westminster Parliament. That Parliamentary braking mechanism should now be systematically introduced in the Reform Treaty Bill to cover all of the most sensitive political questions that concern the British people. There are also ways to inhibit any future European Court judgments."

That was a suggestion for a fairly comprehensive UK parliamentary brake, which would prevent the incremental creep that would ensue from the treaty if it were enacted as currently proposed.

That would reassure people that we had reached a point of agreement—if it proves to be agreement—about where we are on European institutions. We can make them work properly without the constant fear, which has prevailed, that the legislation is live, and that we continually get, without the necessity of parliamentary approval, further accretions of power to Europe without our having much say on behalf of the people of the country. Lord Owen's proposal, which the Committee viewed favourably, for a parliamentary brake is interesting.

My colleagues on the Front Bench may wish to take up Lord Owen's additional suggestion. He said:

"If these changes are not made by this Government and there is no referendum, it would be legitimate for a newly elected successor government to pursue detailed delineation of these matters within the EU and include them in UK legislation within two years of taking office."

In other words, should a Conservative Government be elected after the next general election, without the amendments being accepted or a referendum being held, the sensible way of reassuring people about incremental creep would be to introduce a UK parliamentary brake, whereby all change had to be made in primary legislation before action was taken. That would reassure people that Parliament remained in control. I welcome the suggestion and believe that the Government should take it into account.

Mr. Francois: As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) has already introduced his amendments ably and in some detail, I will be relatively brief, not least so that we can preserve time for the main debate on the ratchet clause.

Amendment No. 48 would require a Minister to seek parliamentary approval before voting in the European Council for a proposal that would transfer further powers to the European Union. The amendment has much to recommend it, not least because it would have prevented the Government from signing the Lisbon treaty without first seeking input from Parliament.

The need to put the right of parliamentary consultation before signing important EU documents on a statutory footing is strongly borne out by the case of the Lisbon treaty. The procedure of the European Scrutiny reserve already exists. If the Prime Minister had obeyed that convention, we would have been spared the bizarre spectacle of the Prime Minister's belated signing of the treaty in Lisbon without first even consulting Parliament about his authority to sign it.

However, as is often the case, the Prime Minister did not obey the scrutiny reserve. The European Scrutiny Committee specifically said that there should be a Commons debate before the Prime Minister signed the treaty. There was no such debate. Conservative Members have already proposed putting the scrutiny reserve on a statutory footing, which would require Ministers to consult Parliament before signing important documents, while preserving their ability to negotiate more generally.

I would like to say a few words about amendment No. 47. It would prevent a Minister from voting to transfer further powers to the EU or from allowing, by abstaining, further powers to be given up on a piecemeal basis. Unfortunately, clause 6 has, like most other provisions, survived intact from the wreckage of the original constitution.

Clause 6 will, for the first time, make a European treaty self-amendable on a major scale. It flies in the face of the Prime Minister's contention that the treaty marks the end of EU institutional change.

By amending clause 6 so that a Minister cannot vote to transfer powers through the "ratchet" process, the amendment would remove one of the most worrisome aspects of the treaty without, in the process, wrecking the Bill. It will compel Ministers who wish to transfer powers to the EU to do so by the current method of a full treaty followed by an Act of Parliament. It therefore deserves our support.

Amendment No. 18 is similar in design to Amendment No. 47, so I do not need to reprise the argument but, on balance, the draftsmanship of my right hon. Friend the Member for Wells is slightly superior to ours, so I am minded to support amendment No. 47.

I should like to say a few words about amendments Nos. 42 to 46 and 49. Clause 6(1) includes a list of methods whereby the Government could vote to transfer further powers to the EU without Parliament's consent. At first glance, it looks like an exhaustive list. However, it did not escape the notice of my eagle-eyed right hon. Friend the Member for Wells that the Government have missed several important instances in which further powers can be transferred to the EU by a Minister without a vote in Parliament. Those include and would be addressed by: amendments Nos. 42 and 43 regarding aspects of criminal justice, found in articles 82(2)(d) and 83; amendment No. 44 regarding the adoption of the European public prosecutor under the process of enhanced co-operation; amendment No. 45 concerning the European public prosecutor, amendment No. 46, which concerns the establishment of a European common defence; and amendment No. 49, which includes the opt-ins for the justice and home affairs proposals in the treaty. Given the many years that the Government have had to plan the Bill, working back from the original constitution, it seems incredible that they have still omitted those important powers from clause 6, which should have been set out in the Bill and which should, in our view, be subject to Acts of Parliament. All the amendments that I have listed would therefore improve the Bill without wrecking it.

8 pm

Let me briefly say a few words about the amendments that the hon. Member for Hemsworth (Jon Trickett) has tabled. I am afraid that I cannot follow him entirely, but I can understand why he made his case and conveyed a considerable sense of frustration, which came across as genuine. The Chairman of the European Scrutiny Committee also made the point that when he met COSAC—in effect, the liaison committee of other European scrutiny committees around Europe—he discovered that a number of people in other countries had realised that their postal services were under threat, too, and that they were beginning to worry.

If those people come to the United Kingdom, they will find that members of the Cabinet have realised that their post offices are under threat, too. Now they have started to campaign against that in their constituencies, despite being members of the Government who approved the closure proposals in the first place. Our European partners might look at what is happening in the United Kingdom and feel slightly under-whelmed to see senior members of our Government who think it fine to approve a programme in principle, but who oppose it locally in their constituencies, while being happy to see post offices close elsewhere, including in a number of my right hon. and hon. Friends' constituencies.

Having got that off my chest, I shall conclude. Amendment No. 47 would seek to prevent the use of the passerelles without wrecking the Bill and would therefore remove one of its more worrisome aspects. If I understand the hon. Member for East Dunbartonshire (Jo Swinson) correctly, unless the Minister comes up with something incredible, she and her Liberal colleagues are likely to follow us into the Division Lobby, if we follow my right hon. Friend the Member for Wells on amendment No. 47. I therefore urge my right hon. Friend to press amendment No. 47, as we would be happy to support him, for the reasons that I have outlined to the House.

The Minister for Europe (Mr. Jim Murphy): I am delighted to have the opportunity to respond to this evening's debate. The right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) is currently not in his place, but I will refer to him every evening until he returns in order to get over the humiliation that I felt yesterday. I welcome the tone of this debate, which has been very wide ranging. I am not sure that I followed every detail of the assessment that Europe is to blame for many of the social evils or challenges that we face.

Mr. Bone: It is.

Mr. Murphy: The hon. Gentleman, who is a member of the Better Off Out group, may say that—at least he is honest. We have heard about fortnightly bin collections, straight bananas and much else.

We had the opportunity to hear again from the hon. Member for Stone (Mr. Cash), albeit more briefly than on other evenings. On previous occasions I thought that he broke the parliamentary etiquette—in a humorous way, of course—by quoting himself as an authoritative figure, as I mentioned. However, that etiquette was tested more by my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), when he quoted the right hon. Member for Wells (Mr. Heathcoat-Amory) quoting my hon. Friend the Member for Linlithgow and East Falkirk agreeing with himself—a remarkable passing of the baton of consensus.

My hon. Friend is not in his place now, but I want to put it on record that we are not attracted to the radical change in the Danish system of having pre-agreement scrutiny. That is not because, as my hon. Friend mentioned, the Danish Prime Minister often has to telephone the chair of the scrutiny committee of the Danish Parliament at 3 o'clock in the morning. However, I recall an occasion four years ago when, as my hon. Friend's Whip, I had to call him at 4 o'clock in the morning to ask where he was. I do not want to share the detail of that conversation with the House, but my hon. Friend was not in Denmark; he was in Linlithgow and East Falkirk when I, as a Whip, thought that he should have been here.

Mr. Cash: It is just possible that the Minister gave the Chairman of the European Scrutiny Committee the benefit of his wisdom, because the Committee quite properly condemned the treaty in most respects and described it as substantially equivalent to the original constitution. That is a matter of record—is it true or false?

Mr. Murphy: My hon. Friend the Member for Linlithgow and East Falkirk is not here, so we may have to go through this when he arrives. As I said—and as the hon. Gentleman is aware—the incident happened four years ago. I was simply giving my hon. Friend the benefit of my judgment as a Whip on the matters in hand in Parliament the next morning.

Notwithstanding the comments that the hon. Member for Rayleigh (Mr. Francois) made about the amendments that my hon. Friend the Member for Hemsworth (Jon Trickett) spoke in favour of, I happen to agree with the sentiment of much that my hon. Friend said, because anyone who joins the Labour party has to have at least an emotional attachment and a values-based affection for many of the things that he said. I have held the belief for some time that prosperity in Europe has never been about simply the creation of wealth for the creation of wealth's sake; rather, it has been about a fair deal for workers and consumers across the European Union. That is why, both in these debates and, more importantly, for a long time before they began, I have talked about the need for Europe to deliver for the 92 million people who are economically inactive in the Union. When one in five young people in Europe are without a job, it is perhaps hardly surprising that one in six young people in Europe leave school without any formal qualifications.

My hon. Friend asked about agency workers. I should declare an interest because, as I think my hon. Friend knows, my father is still an agency worker at the age of 60, working on building sites throughout the United Kingdom. I am therefore lobbied about the matter on a daily basis, not only by constituents, but by family.

I agree with my hon. Friend that we must continually try to find more effective ways to scrutinise European proposals and provisions, which is why the process that

[Mr. Jim Murphy]

the Leader and deputy Leader of the House have undertaken on such matters is so important.

My hon. Friend's amendments Nos. 286 and 287 would require the Government's negotiating mandate to be laid before Parliament for approval before the Prime Minister could attend any meeting of the European Council and before any Minister could attend any meeting of the Council. As my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) said, in his own way, we are not attracted to the proposal at this time, but perhaps I can reassure my hon. Friend the Member for Hemsworth on some of the points that he raised, first in respect of health, which has been an EU competence since the treaty of Maastricht.

My hon. Friend has expressed his concern about the matter with respect to public health, but the Lisbon treaty strengthens national control over public health. For the first time, it explicitly classifies the protection and improvement of human health as a supporting competence. In other words, it sets a clear, legally binding limit to EU competence. The treaty specifies that a supporting competence cannot replace member states' competence. Article 2(12) states:

"in certain areas...the Union shall have competence to carry out actions to support...the Member States".

It continues:

"Legally binding acts of the Union...relating to these areas shall not entail harmonisation of Member States' laws or regulations."

On the issue of national control, the new article 168(7) on page 116 of our consolidated treaties states:

"Union action shall respect the responsibilities of the Member States for the definition of their health policy and for the organisation and delivery of health services and medical care. The responsibilities of the Member States shall include the management of health services and medical care and"—

crucially—

"the allocation of the resources assigned to them."

Other points were raised about public education. There has never been an EU competence to decide how member states should organise their education systems or their content. The Lisbon treaty does not alter that at all. Similarly, social housing is not an EU competence, and there is no proposal for it to become one. Social services relating to social housing are outside the scope of the EU internal market as well. So there is no competence because there is no treaty power on social housing.

On the issue of the Common Commercial Policy Special Committee, it is our view that, to insist that the Government present their negotiating position prior to attending a meeting would, as my hon. Friend the Member for Wolverhampton, South-West pointed out, expose our negotiating position on important trade discussions. On the wider point about the Post Office, I must point out that, even after the closure programme that is now under way, the Government are committed to retaining a post office network that, in number of branches and chains, is greater in size than all the major high street banks combined, and three times the size of the five supermarket chains in the United Kingdom combined.

Mr. Drew: One way in which the Government could really show their commitment would be to ensure that all the big couriers, including the Dutch Post Office and the German Post Office, sign up to a universal service obligation. We have had an assurance that Ministers are looking into that matter. Where have the Government got to in that regard?

Mr. Murphy: My hon. Friend has continued to argue that case strongly, today and on previous occasions. We continue to support the further liberalisation of the postal services of other member states. A suggestion was made earlier that there had been a derogation from the proposal, but that is not the case. There has been a two-year delay, particularly for some of the newer member states, to ensure that they can adapt and make progress in that regard. It is because we have taken a decision in the UK Parliament—not with unanimous agreement, of course—to liberalise our own postal network that we believe it important for the UK postal network and other carriers to be able to compete in the European market. We therefore remain committed to liberalisation across the rest of the European Union.

Many points were made about the post office network, and about individual post office closures. The fact remains, however, that the Government are committed to putting £150 million a year in subsidy into the network. That is in great contrast to the fact that the Conservatives never put in a penny piece of subsidy when they were in government. Although there is not unanimity on some of the concerns that have been raised, I hope that I have reassured my hon. Friend the Member for Hemsworth—by the tone and the content of my response to his amendments—that we take these matters very seriously indeed.

One of the assertions underpinning my hon. Friend's comments concerned the potential disconnect between European Union leaders and the citizens of the EU. The fact is that we have spent seven years debating this treaty and the old constitution while China's economy has continued to grow to remarkable levels and the challenges from Russia have started to become apparent. That is why it is important that the European Union collectively has said that the period of institutional change must come to an end, and that there will be no further treaties for the foreseeable future.

8.15 pm

With the permission of the Committee I shall turn to the more specific amendments to clause 6. We have set out provisions on the so-called passerelles that allow member states, by unanimity, to make one-off changes to the treaty. The Government's position on amending provisions is clear. Such provisions can, and could, be beneficial to the UK if we wanted to make a change to the treaty—for example, a minor change to the EU's machinery—without a full-blown intergovernmental conference. The Government's view is that we are unlikely to want to use that option often, but amending provisions to move treaty powers to qualified majority voting have been around not since the Maastricht treaty, as was suggested earlier, but since the Single European Act. They have been used on only one occasion since then. No responsible Government would say, in the abstract, that their use could never be in the UK's interest, as amendment No. 18—tabled by the right hon. Member for Richmond, Yorks (Mr. Hague)—suggests.

Points were raised about prior control in regard to moves to QMV or co-decision. As the Prime Minister promised on 22 October 2007, we have before us in the Bill a series of attempts to change the mechanism of parliamentary control. Amendment No. 47, tabled by the right hon. Member for Wells, seeks to change the Bill so that the Government would be compelled to "vote against", rather than not being able to vote for, any of the listed measures, if Parliament had given its approval. But that is exactly what we would be doing. Under clause 6, the Government

"may not vote in favour of or otherwise support a decision"

to use any of the listed amending provisions. An abstention would not prevent a measure from being adopted. That is important in regard to the specifics in the Bill. The words

"may not vote in favour"

relate to when the European Council votes on an issue, based on unanimity. The words "otherwise support" relate to when the Council seeks to come to a decision by consensus. That relates to not being able to abstain when there is an attempt to reach a decision based on consensus. If the European Council sought to come to a decision based on consensus, the provision in clause 6 would mean that we would have to vote to break that consensus by not abstaining. That is the important protection contained in clause 6(1).

Jo Swinson: I am interested in the Minister's use of semantics. If he is saying that the present wording is effectively the same as that of amendment No. 47—because an abstention would have that effect—what is his objection to the amendment, if it is seen to be written in clearer language?

Mr. Murphy: There is a basic principle that we should not accept redundant amendments, on the basis that they are unnecessary. It is unusual in these debates for some of the votes to be up for influence on the specifics. The hon. Lady has said that my response will influence whether she votes for or against the amendment. The proposed wording in amendment No. 47 is

"shall vote against or otherwise reject".

Our assessment is that, until such time as Parliament came to a conclusion, that would force the UK Government to force a vote and to oppose a measure unless Parliament had agreed it. So the amendment would mean that we would have to pre-empt that decision until such time as Parliament had agreed it, whereas the provision in clause 6 does not force us into that position.

Jo Swinson: Does the Minister not think that it would be better, in such a scenario, for the timetabling to be so organised that Parliament had an opportunity to examine the issue before it came to a vote in the Council?

Mr. Murphy: It is just an issue about whether we wish to tie the Government to a position where, under primary legislation, they would have to force a vote and vote against something when it might be that, after Parliament had considered the matter, we would all be in favour of doing it in any case.

I will try to speak more briefly to amendments Nos. 42 to 45. Extending the powers in the treaty to establish minimum standards at EU level for criminal procedural rules is intended to define additional offences and sanctions for further areas of serious cross-border crime. Though important, it does not permit an existing policy area to move from unanimity to QMV or co-decision.

Justice and home affairs amending provisions do, of course, have to secure legally watertight safeguards in the treaty against any unwanted extension of criminal procedure or criminal offences powers. Under the treaty, we have a triple lock on any use of those amending provisions. Lock 1 is that any move to identify new aspects of criminal law will be subject to our opt-in. Lock 2 is about unanimity, so we have a veto; and lock 3 is an emergency brake, which applies to both these areas of policy.

Amendments Nos. 44 and 45 would allow member states to establish a European public prosecutor, but we have a double lock on that matter, so we see no need to establish such provisions. Lock 1 is that the UK opt-in applies, so we can choose whether to participate. We would be highly unlikely to opt into a proposal to create the European public prosecutor; and on lock 2, unanimity is retained for any decision to establish such a European public prosecutor.

Let me conclude with some wider points about the protections set out in clause 6. We went further in the Bill's provisions than any other Government anywhere in the European Union who are currently using the process of ratification. The Bill gives Parliament a power that is not given anywhere else in the treaty or for any of the passerelles: prior control over the Government's veto. The treaty does not give national Parliaments prior control of any passerelle decision and a parliamentary lock is set out in the treaty.—*[Interruption.]* The Bill also provides a parliamentary lock on six separate passerelles, which, under the treaty, have no parliamentary lock at all—*[Interruption.]*

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): Order. Conversations are breaking out in different parts of the House and I am finding it very difficult to hear the Minister's contribution to the debate.

Mr. Murphy: Thank you, Sir Michael. I was, of course, coming to the conclusion of my comments—[Hon. Members: "Hear, hear."]—as I had sensed that hon. Members were either looking forward to moving on to the second group of amendments or other business or to going somewhere else.

Let me reassert what we have sought to do in clause 6. It is about ensuring in respect of the European Union that only the UK Government are extending the powers in the clause to guarantee Parliament's power of prior approval and the consent of Parliament to any move from unanimity to QMV. On that basis, I invite my hon. Friends to oppose the Opposition's amendments.

Mr. Heathcoat-Amory: I am grateful to my hon. Friends, particularly to my hon. Friends the Members for Hertsmere (Mr. Clappison) and for Stone (Mr. Cash), for their support for my amendments. I apologise for missing the contribution of my hon. Friend the Member for Orpington (Mr. Horam), whose comments I shall read tomorrow morning. I believe that there was a general feeling on both sides of the House that something has gone badly wrong with this part of the Bill.

[Mr. David Heathcoat-Amory]

I listened with interest to the contributions of the hon. Members for Hemsworth (Jon Trickett), for Stroud (Mr. Drew) and for Vauxhall (Kate Hoey). They are absolutely right. The intrusion of the EU into public services is a matter of great concern, and it will get worse under the treaty because of its powers to regulate services of general economic interest by qualified majority voting. They are right: people do not have confidence when such vital matters are decided not here, but in remote institutions that they do not control and do not feel part of.

I probably differ from Labour Members about the degree to which market forces should apply to matters such as the Post Office and public health, but that should be contested here in this House. That is normal. That is part of the democratic process. It is what general elections are about. People must feel that through their votes, they can affect the outcomes of these policy matters. When it is all decided in another jurisdiction in institutions that they feel they do not control, democracy dies. That is why, if Members press their amendments, they will certainly have my support. I hope that they do not accept what I thought were very unconvincing assurances from the Minister when he replied to their perfectly legitimate concerns.

On the passerelle clauses, it remains our contention—and it has certainly been strengthened in my mind during these debates—that the European Union has concluded that the traditional way of making treaty changes is too risky. The people simply say no. Democracy for the EU is too messy, too uncertain and unpredictable. That is why it will never again submit policy and treaty changes to an intergovernmental conference and use referendums. Instead, it will use these passerelle clauses to make big, fundamental and far-reaching changes to the treaty of Lisbon.

My amendments would build on the modest concession that the Government have accepted, whereby this House must agree to the passerelle changes, because all the passerelles are not included. I instance three passerelles that are not subject to the Bill; my amendments would ensure their inclusion. I also believe that a vote of this House is not adequate. Those provisions should be subject to primary legislation. In addition, my amendments include matters such as the setting up of a European public prosecutor—that should be subject to a vote in the House—and the formation of a European defence force, by which we all mean, of course, a European army.

Amendment No. 47, which the Government reject, would correct a defect in the Bill. As it stands, Ministers cannot vote in favour of or support a passerelle change without parliamentary approval, but if they abstain, the measure could go through, because abstention does not stop agreement by unanimity.

The Minister made the specious claim that abstention is somehow a form of support. When we abstain in votes here, we are taking a neutral position, neither supporting nor opposing, so his argument that this was a form of support is wrong—and I am glad to have the support of the Liberal Democrats. They said that their support was conditional on the Minister's reply. In view of his inadequate reply, I confidently expect—at least on this matter—that the Liberal Democrats will vote with us.

Finally, amendment No. 48 would set up a proper system of parliamentary control over EU decisions. It would, in all cases, require prior approval for Ministers to vote in favour of EU measures subject to unanimity—or, indeed, subject to QMV, where it had been inserted under the treaty. Without such approval, Ministers would reject it. If passed over the objections of a Minister in the Council, it would not be binding on the United Kingdom, notwithstanding the European Communities Act 1972.

I understand that the amendment is a little too strong for my Front-Bench colleagues, so I shall not press it to a Division on this occasion, but, with the leave of the Committee, I shall press amendment No. 47. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: No. 286, in page 2, line 39, at beginning insert—

'(A1) The Prime Minister may not attend a meeting of the European Council without having laid before Parliament a statement on their negotiating mandate and receiving Parliamentary approval in accordance with this section.

(A2) A Minister of the Crown may not attend a meeting of any configuration of the Council (within the meaning of Article 9C of the Treaty on European Union) without having laid before Parliament a statement on their negotiating mandate and receiving Parliamentary approval in accordance with this section.

(A3) A Minister of the Crown may not vote in favour of or otherwise support any legislative measure under any article of the Treaty on European Union or the Treaty on the Functioning of the European Union that relates to the internal market, if it applies to, or could be applied in relation to, any of the following, unless Parliamentary approval has been given in accordance with this section:

(a) health services provided by any NHS body,

(b) the statutory system of public education,

(c) social housing,

(d) postal services,

(e) public transport.

(A4) A Minister of the Crown may not vote either in favour of or against or otherwise support or oppose any legislative measure under Article 153 of the Treaty on the Functioning of the European Union, unless Parliamentary approval has been given in accordance with this section.

(A5) A Minister of the Crown may not authorise any person to represent the United Kingdom at a meeting of the special committee to assist the Commission in negotiating agreements with international organisations or third countries established in Article 188C of the Treaty on the Functioning of the European Union without having laid before Parliament a statement on their negotiating mandate; and where any person represents the United Kingdom at such a meeting, the Secretary of State shall lay before Parliament a statement on the matters discussed at the meeting, the positions taken by all persons representing the United Kingdom and the outcomes of the meeting, within 30 days of the meeting taking place.'.—*[Jon Trickett.]*

Question put, That the amendment be made:—

The Committee divided: Ayes 57, Noes 329.

Division No. 113] **[8.29 pm**

AYES

Abbott, Ms Diane	Caton, Mr. Martin
Bone, Mr. Peter	Challen, Colin
Burgon, Colin	Chope, Mr. Christopher
Campbell, Mr. Gregory	Clark, Ms Katy
Campbell, Mr. Ronnie	Conway, Derek
Carswell, Mr. Douglas	Cruddas, Jon
Cash, Mr. William	Davidson, Mr. Ian

Davies, Mr. Dai
Davies, Philip
Dobson, rh Frank
Dodds, Mr. Nigel
Drew, Mr. David
Duncan Smith, rh Mr. Iain
Fisher, Mark
Gale, Mr. Roger
Gibson, Dr. Ian
Gray, Mr. James
Hamilton, Mr. David
Heathcoat-Amory, rh Mr. David
Heyes, David
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Hosie, Stewart
Kilfoyle, Mr. Peter
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Main, Anne
McDonnell, John
Price, Adam
Robinson, rh Mr. Peter
Shepherd, Mr. Richard
Simpson, Alan
Skinner, Mr. Dennis
Spink, Bob
Stuart, Ms Gisela
Taylor, David
Taylor, Dr. Richard
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Walker, Mr. Charles
Wareing, Mr. Robert N.
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Williams, Hywel
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike

Tellers for the Ayes:
Jeremy Corbyn and Kelvin Hopkins

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike

Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mr. Roger
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Mr. Frank Roy and Steve McCabe

Question accordingly negatived.

Amendment proposed: No. 47, in page 2, line 39, leave out

"may not vote in favour of or otherwise support"

and insert

"shall vote against or otherwise reject".—[*Mr. Heathcoat-Amory.*]

Question put, That the amendment be made:—

The Committee divided: Ayes 245, Noes 305.

Division No. 114] **[8.42 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Drew, Mr. David
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne

McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Alan
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mr. Roger
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric

McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and Steve McCabe

Question accordingly negatived.

Mr. William Hague (Richmond, Yorks) (Con): I beg to move amendment No. 19, page 3, leave out lines 21 to 35.

The Second Deputy Chairman: With this it will be convenient to discuss the following amendments:

No. 50, page 3, leave out lines 21 to 25 and insert—

'(2) For the purposes of this section, Parliamentary approval is given if an Act of Parliament authorises Her Majesty's Government's support for a specified proposed decision.'.

No. 20, page 3, line 21, leave out from 'given' to end of line 35 and insert 'by Act of Parliament'.

No. 60, page 3, line 25, at end insert

', by a majority of not less than two-thirds of those entitled to vote in each House'.

No. 61, page 3, line 25, at end insert—

'(2A) No motion under subsection (2)(b) or (c) shall be made unless both the scrutiny reserve resolution of the House of Commons of 17th November 1998 and the scrutiny reserve resolution of the House of Lords of 6th December 1999 have been fully complied with.'.

No. 41, page 3, leave out lines 26 to 35.

Mr. Hague: One of the aspects of the treaty that has caused so much concern in the House and in the country is that it provides, deliberately and extensively, for its own amendment on a huge scale, without recourse to a further treaty. Once again, it is in this respect an almost exact copy of the EU constitution, with articles IV-444 and IV-445 of the old constitution becoming article 48 of the Lisbon treaty. This group of amendments is designed to provide for effective parliamentary scrutiny of any use in the future of those powers of potentially immense importance.

During these debates, it has become a regular refrain to point out that the Government are now trying to win acceptance for aspects of the treaty to which Ministers themselves were long and trenchantly opposed. The self-amending nature of the treaty is no exception to that. The 2003 Government White Paper referred to

"A proposal for a Clause which would allow the European Council to vote by Unanimity to move any Treaty Article to QMV. We oppose anything that would undermine the role of National Parliaments in Treaty change."

And they were right to do so, because previous treaties, such as the Single European Act and the Maastricht, Amsterdam and Nice treaties, have only been amendable on any major scale through the passage of a later treaty, requiring a process of negotiation, publicity, media attention, parliamentary debates of a protracted nature and, in the case of this treaty, a commitment to a referendum—albeit a commitment that the Government seek to break.

Such changes have therefore occurred only periodically. They usually come as a package to be considered in the round and are difficult to bring about, as they should be, since they can change fundamentally the governance of the nation states of the European Union. The ability to make a change as important as moving from a requirement for unanimity to qualified majority voting in any given policy area has always been opposed by the Government. The Secretary of State for Justice, when he was Foreign Secretary, talked of the prospect that

"late at night at an ordinary European Council, a decision on one other country's milk quotas is traded for a concession on moving from Unanimity to QMV...that is not acceptable."

His was not an isolated voice. The right hon. Member for Rotherham (Mr. MacShane), then the Minister for Europe, said:

"We think that a self-amending Constitutional Treaty does not make a lot of sense."

It will be clear to observers of our proceedings by now that this treaty is closer to being a list of things that the Government did not want than of those things that they favour, which is testimony to the abject failure of much of their negotiating effort. That could never be more clearly demonstrated than on this matter, where the self-amending provisions they agreed have ended up being agreed and spelled out in glorious detail in clause 6 of the Bill. These are the passerelle clauses—or ratchet clauses, as they might be more accurately termed—which allow the European Council in any area other than defence to move from decision making by unanimity to qualified majority voting, or from special legislative procedures to so-called ordinary legislative procedures, and all without any further treaty, let alone any consultation with the electorate.

Mr. Edward Davey (Kingston and Surbiton) (LD): We intend to support the right hon. Gentleman's amendment, because we believe that parliamentary control should be retained in those areas, but I am surprised by the way in which he is caricaturing the Government's position. As I understood it, the then Foreign Secretary told the Foreign Affairs Committee back in December 2003 that it was not necessary to have the whole panoply of an IGC to amend the treaties.

Mr. Hague: I am grateful for the hon. Gentleman's statement that he will be with us in trying to ensure that there can be proper parliamentary scrutiny in these areas. On his point about the Government's position in December 2003, I am not sure whether their position changed between November and December 2003. The quotations to which I referred were drawn from November and October 2003. It may be that the Government changed their mind at that time. Until then, or until some time a little after that, they had always opposed the creation of a self-amending treaty.

9 pm

Let me remind the Committee what the treaty means by the ordinary legislative procedure. It means not just qualified majority voting but giving the European Commission the sole right to initiate legislation and the European Parliament a role of co-decision, which will mean that it will have equal rights to national Governments to amend or block EU law. The procedure maximises the role of the EU's central institutions in making EU legislation.

The care and thoroughness with which the passerelles have been inserted into the treaty tells us a great deal about the mindset of its drafters. No clearer signal could be given that in ratifying the treaty we are being invited to join a continuing process of a further reduction in the powers of nation states, exposing the assertions of the Prime Minister that the treaty marks the end of a period of institutional change. If he genuinely means that, that assessment is almost pathetically naive.

Mr. Cash: I very much endorse much of what my right hon. Friend has said—[Hon. Members: "All of it!"] I said what I said. It is not always a question of what is said; it is sometimes about what is left out.

With respect to parliamentary approval, there are many instances where other member states have agreed to things by qualified majority voting with which we would not have agreed and have been through procedures that amount to no more than decree. In other words, they have not scrutinised the stuff properly. Effectively, we are at the end of the line.

Mr. Hague: I endorse the whole of what my hon. Friend just said. He must not be too hard on me for missing some things out when I am only part way through my remarks. He may be able to endorse my whole speech by the time that I come to the end.

Mr. Brian Binley (Northampton, South) (Con): Before my right hon. Friend continues with his speech, which is excellent as usual, does he agree that the fact that not one Government Back Bencher is present is quite shameful?

Mr. Hague: Yes. We have just seen a split in the Labour party's ranks during the last Division and now we see the absence of its Members. Perhaps they have gone on to carry on their argument in the tea rooms and coffee houses of the Palace. I wish that they were back here to hear about the possible implications of the treaty that the Government have signed.

Mr. Davey: As the right hon. Gentleman is talking about the last Division, will he say whether the Conservative party's abstention during the last vote was a principled one?

Mr. Hague: In the last vote, the Conservative party voted. We abstained on the previous vote, but then a commitment to vote on that subject was not part of our election manifesto. That is a point that the hon. Gentleman might wish to bear in mind when we come to the referendum debate tomorrow.

If the treaty were truly the end of a period of institutional change, as the Government have asserted and as the Minister asserted when he wound up the last debate, there would be no need to build into it the ready means to accomplish further change at any time. Although the Government have given the assurance provided for in clause 6 that the agreement of the British Government to the use of such powers will require the explicit approval of a motion in each House of Parliament, it is our contention that the seriousness and scale of what could happen if the ratchet clauses are exercised merits far more thorough parliamentary scrutiny at the time.

Let us take the briefest of looks at what might happen under those clauses. They involve, for instance, changing the general rule on the determination of the common and foreign security policy from unanimity—the Government have been at pains to stress their attachment to that procedure throughout the debates—to qualified majority voting. The implications of ever agreeing to do that would be colossal, as I think Ministers would be among the first to admit. It would mean that the independence of EU member states in foreign policy would effectively be at an end. No doubt Ministers would argue that, because of the declaration on foreign policy, our ability to conduct our own foreign policy had not been affected, but the fact that that declaration is wholly compatible with the abolition of national vetoes proves how well the European Scrutiny Committee was advised when it was told that the declaration was meaningless.

Sir Nicholas Winterton (Macclesfield) (Con): My right hon. Friend has been a high flyer since the beginning of his parliamentary career. Some of us have slogged it out on House Committees such as the Procedure Committee. Does he accept that the Government are bypassing not only the House but all its Committees, which have a duty to ensure that the House properly scrutinises matters of concern to our country?

Mr. Hague: My hon. Friend has had many moments of high flight in his parliamentary career, which has been much longer than mine, and perhaps his highest flights are yet to come. He is absolutely right, because the absence of a commitment to primary legislation when an agreement is made to move from unanimity to QMV cuts out the Committees of the House. Also, only a quick vote would be required, and it is not clear what the length of the debate would be—45 minutes, one and a half hours or another length of time—in which the House would sign off on such an important change.

As parliamentarians, we cannot think that it could ever be right to pass the treaty through Parliament, with or without a referendum, on the basis of explicit assurances from the Government about the general preservation of unanimity in foreign policy, and then for this or any future Government to seek agreement to surrender that crucial unanimity on the basis of a short debate on a single motion, without any substantial legislative process.

Mr. Cash: I was glad to hear my right hon. Friend agree with my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) on the scrutiny process. As he might have noticed, my amendment No. 61 would require any such motion to be operative only in the event that the scrutiny reserve resolution of both Houses had been complied with fully. Unfortunately, the Government frequently do not comply with that resolution fully, so a motion could be passed irrespective of the fact that the ESC's role under the Standing Orders and resolutions of the House had effectively been bypassed.

Mr. Hague: Again, my hon. Friend makes a powerful point, and I have much sympathy with his amendment, on which he might wish to catch your eye later, Sir Michael.

The evidence adds up that Parliament should be given a far greater say than the Government currently plan to give it. The Select Committee on Foreign Affairs made a recommendation on that point in paragraph 112 of its report, stating:

"We conclude that the Government's confirmation that any movement of further Common Foreign and Security Policy decisions from unanimity to qualified majority voting under the 'passerelle' procedure would be subject to a prior vote in Parliament...is welcome, although we recommend...that all Treaty changes are the subject of primary legislation."

That is why I shall wish to press amendment No. 20 to a Division, unless the Government accept it. It makes it clear that primary legislation should be required.

Stewart Hosie: Is there not another reason to support that amendment? If an Act of Parliament was required and had an implication for one of the devolved Administrations, a consent to legislate motion would be required in the Scottish Parliament, for example. Without primary legislation, European law that had a direct impact on Scotland, Wales or Northern Ireland would be given no consideration.

Mr. Hague: I had not considered that point, which the hon. Gentleman makes powerfully. One need consider such matters for only 10 or 15 minutes to see how strong the case is and how innumerable are the points that can be made to show why we need primary legislation in this event.

I have given an example of what could happen in the area of foreign policy, but that is not the only provision for far-reaching change built into the treaty and explicitly provided for in the Bill. Talk of moving from a special legislative procedure to an ordinary legislative procedure may sound dry and technical, but that jargon disguises—deliberately, one suspects—provisions that would have profound effects on the way in which this country is governed and policed. The ratchet clause would allow the Government to agree on a mere motion of the House and a mere motion of the other place an end to national vetoes, with the sole right to proposed legislation belonging to the Commission, on various measures ranging from visas to passports, residence permits, family law, co-operation between police, customs and every other law enforcement agency and even, in article 89 on the treaty on the functioning of the EU, what rights police forces have to operate in other countries.

The notion that a quick debate and a snap vote at a time of the Government's choosing should suffice for scrutiny or comprise adequate debate on such matters is risible. There can be no grounds to trust Government's word that they would never sign up to any of those things. Time and again they have made promises that they would not hand over powers to Europe, particularly on justice and home affairs, and time and again they have done exactly that, not least through the treaty. They said that

"we restate our agreement to justice and home affairs remaining outside Community competence"—[*Official Report*, 16 December 1996; Vol. 287, c. 617.]

They said that just before they agreed that those powers should be within Community competence.

The Government agreed to put asylum and immigration under Community competence within months of coming to office at the Amsterdam negotiations, and the rest of it comes under Community competence in the treaty. They said:

"We will insist that unanimity remain for...key areas of criminal procedural law".

in their White Paper on the constitution, shortly before they gave up our vetoes on criminal procedure in the constitution—provisions that are reproduced word for word in article 82 of the treaty.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I should have read the amendments more carefully, but I have not quite worked out whether they would cover approval by the House of primary legislation if we agreed to the office of European public prosecutor, which requires unanimity. I do not see in any of the amendments a requirement for such approval.

Mr. Hague: I believe that that issue was covered in the debate on the previous group of amendments. This group of amendments does not directly relate to that,

but it covers the general principle of primary legislation being required if the passerelles are employed—something on which the hon. Lady has spoken in the House and, indeed, on which she has asked me to agree. I have responded to her request by moving the amendment.

We all know in the House that statements of policy can change. I remind the House of what the former Home Secretary, the right hon. Member for Airdrie and Shotts (John Reid), said when it was proposed just two years ago that the intergovernmental method on criminal justice and policing should be abolished after the constitution was rejected:

"The constitutional treaty is no more—it is a diseased dead parrot."

He said there would be no attempt to revisit the issue, yet that exact proposal is part of the criminal justice and policing provisions of the treaty, which the Government now say they are fully behind. On the Government's record alone, it would be sheer folly for the House to give not just them but any future Government sweeping powers without the basic safeguard of requiring the proper rigour of primary legislation. Anything less would be a dereliction of the House's duty to hold the Government to account.

Mr. Cash: Implicit in clause 6 is a provision whereby QMV could follow parliamentary approval. In those circumstances, it would be a matter of European law enforceable under the European Communities Act 1972. Does my right hon. Friend accept that the Act of Parliament that he proposes must of necessity override the 1972 Act; otherwise we would effectively be bound by the provisions of that Act unless they were reversed?

Mr. Hague: My hon. Friend is pursuing a familiar argument, which was advanced during the consideration of a previous group of amendments. We all understand and respect that argument, but I hope that he will permit me to make the particular case about the need for primary legislation.

9.15 pm

In order to show the Committee the importance of the issue, I want to provide one more instance in which those powers could be used. Article 312 of the consolidated treaty, which concerns the need for unanimity in adopting the multi-annual financial framework of the Union, is another instance in which the passerelle could be employed by providing for that unanimity to be replaced by qualified majority voting. The adoption of the financial framework of the European Union goes to the heart of its priorities and budgets, and the unanimity rule in negotiating the financial framework is one of the last remaining negotiating levers of substantial power in the hands of nation states. Are the Government serious that such a power, which potentially affects the deployment of billions of pounds of British taxpayers' money, let alone our ability to get our way in European affairs across the board, can be done away with by a Minister getting up in this House on a Thursday afternoon to propose that it be done away with and securing a single affirmative vote? The procedure proposed by the Government is not remotely proportionate to the potential importance of the decisions.

The Government may say that they cannot imagine proposing the changes that I have described, so we need not worry our little heads about them. There are several answers to that. First, if the Government have no intention of proposing such changes, they have nothing to fear from the most extensive possible parliamentary scrutiny or control and the requirement to pass an Act of Parliament. Secondly, the current Ministers will not be Ministers for ever, and if they are to be believed, the treaty is meant to last for a long time. Thirdly, whatever assurances Ministers give, they represent the Government who assured us that there would be a referendum and that there would be line-by-line scrutiny of the entire treaty. It is clear that such assurances cannot be relied on. Fourthly, if the Government have no intention of exercising the powers that I have described, why on earth did they agree to include them in the treaty in the first place?

I put it to hon. Members from all parties, although there are more Opposition Members than Government Members in Committee, that irrespective of our views about the merits of the treaty as a whole—I am pleased that there is common ground with the Liberal Democrats on this—amendment of the Bill is possible in this area without wrecking the treaty. It is possible to provide for proper parliamentary debate and supervision of the exercise of powers by providing that passerelles or ratchet clauses will be subject to primary legislation in the British Parliament.

Sir Patrick Cormack (South Staffordshire) (Con): Will my right hon. Friend remind himself and the Committee that this Government introduced deferred voting, which involves filling in little forms? The next step will be deciding matters of enormous importance on a Wednesday afternoon by filling in bits of paper.

Mr. Hague: My hon. Friend has made a good point. Under the terms of the Bill as drafted, there might be a short debate late on a Tuesday night or Thursday afternoon. In that case, the rules of the House provide that the motion should be decided by a deferred Division, in which case the House of Commons, as a body, would not even be sitting here attentive to the debate when such matters went through. Once again, the case for primary legislation involving a series of debates and votes in this House and in Committee is clear.

The changes that could conceivably be brought about under those passerelle rules are potentially as important as the changes currently contained in the treaty. If they were exercised, it would breach the assurances given by Ministers during the passage of the Bill. If they or their successors abandon those assurances, they should at least have to pass another Bill to the satisfaction of both Houses of Parliament. I put it to the Committee that for decades the amendment of European treaties, whether provided for in the Single European Act, the Maastricht treaty, the Amsterdam treaty, the Nice treaty or this treaty has been a matter for primary legislation. To allow the amendment of such treaties, possibly on a considerable scale, without recourse to primary legislation is a further diminution in the role of Parliament and its power to control the Executive of the day.

Sir Nicholas Winterton: I shall be delighted to continue to listen to my right hon. Friend because he is making a lot of sense. Is not the situation made worse by the fact that how the European Community spends its money has never been fully accepted, passed and audited by

[Sir Nicholas Winterton]

those who undertake that important responsibility? How can we trust the European Union and the Government who now want to take more power and responsibility away from this place and give it to an irresponsible, profligate organisation?

Mr. Hague: With his customary passion, my hon. Friend makes a point relevant to the multi-annual financial framework, to which I referred a few moments ago. If we are ever to satisfy ourselves that the money spent by the European Union is properly audited and accounted for in future—and my hon. Friend will know that the Commission's accounts have not been signed off by the auditors for many, many years—

Sir Nicholas Winterton: For 13 years.

Mr. Hague: Thank you. If we are ever to sort that out, the British Government will be required to use their negotiating power—and negotiating power in the financial affairs of the European Union stems from the unanimity rule in agreeing the multi-annual financial framework. Yet now it turns out that that rule could be done away with for ever and a day by the Government coming to the House, holding one of those short debates late on a Tuesday and having a deferred Division on a Wednesday. That would be the only scrutiny of the decision that the House would ever have.

Bob Spink (Castle Point) (Con): Will my right hon. Friend confirm that the auditors have failed to sign off the accounts for 13 consecutive years not because of some minor issues but, as they themselves said, because of major problems in all the key spending areas?

Mr. Hague: I do not want to stray too far from the amendments, Sir Michael, but my hon. Friend is absolutely correct.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): My right hon. Friend has made a cogent case. These are indeed very serious clauses. Can he envisage a situation in which all the Government had to do was pass a one-clause treaty of Lisbon (miscellaneous provisions) Bill, all of whose provisions were dealt with by secondary legislation upstairs for an hour and a half? Given their majority, the Government would always get their way. Would that not be an even worse scenario?

Sir Nicholas Winterton: It could not be worse.

Mr. Hague: It is possible for the scenario to become even worse, although my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) says that it could not. One can imagine the further delegation of the powers, to make matters worse still. Again, the requirement for a Bill to be presented to the House and have its Second Reading on the Floor of the House, whatever happens to it afterwards—whether it goes to a Committee of the whole House or elsewhere—is a strong one that parliamentarians across the House would like to see.

The Prime Minister has assured the nation that the treaty of Lisbon means an end to institutional change in the European Union. If it turns out that it does not mean that, surely the abandonment of such an assurance should be subject to the maximum parliamentary scrutiny. In effect, the Government are asking us to trust them that the use of the passerelles will be limited and that they will provide for adequate parliamentary debate on the basis merely of a motion. Yet after all the broken promises that have characterised the very process in which we are now engaged, they must understand that trust is in very short supply.

Parliament should ensure that its right to decide on the amendment of treaties is preserved in full; it should insist that changes comparable to those that have always required primary legislation should continue to require primary legislation. It would cost the Government nothing to accept these amendments this evening; if they refuse to do so, it would cost the House nothing—whether we are for or against the treaty—to insist on passing them.

Mr. Davey: It is a pleasure, for once during our proceedings, to agree almost entirely with what the right hon. Member for Richmond, Yorks (Mr. Hague) said. Like the hon. Member for Stone (Mr. Cash), I agreed with much of what the right hon. Gentleman said.

The amendments are incredibly important, because they go to the heart of the democratic accountability of decision making. Unlike the right hon. Member for Richmond, Yorks and many of his hon. Friends, I believe that the European Union allows for a lot of accountability through the European Parliament and the scrutiny of the Council of Ministers—once this House has taken decisions in the proper way through a proper primary legislative process. That is fundamental, and if anything, the right hon. Gentleman underplayed his points.

Many of the policy areas contained in the passerelles referred to in clause 6 go way beyond the treaties of Lisbon, Nice or Amsterdam. They are exceedingly significant. The idea that we might have qualified majority voting on common and foreign security policy is exceedingly serious. The idea that such a change could happen through a mere motion in the House is extraordinary. Moreover, the idea that the control of budgets through the multi-annual financial framework, which the right hon. Gentleman described in some detail, could move from unanimity to qualified majority voting through a mere motion of both Houses is absurd.

The House does an appalling job on finances already. When I was a member of my party's shadow Treasury team, I often used to say that I would love it if we had parliamentary sovereignty over the way in which the Executive spend money. Indeed, I wrote a pamphlet in 2000 entitled, "Making MPs Work for Our Money". In that pamphlet—it is a cure for insomnia, I readily accept—I point out that the last time the House voted against an expenditure request from the Executive of the day was in 1919. Since 1919, every expenditure request from the British Executive, whatever party has been in control, has been nodded through. This Parliament, this House of Commons, has given up control of expenditure by the Executive of the day, and we should reform that process. I was delighted to sit on the Procedure Committee, which was excellently chaired by the hon. Member for Macclesfield (Sir Nicholas Winterton), when we made those points about financial scrutiny.

If the House is already so poor on this matter, we should not allow the small, remaining powers that we have, which are more related to the European Union's budget than that of the UK Government—that is how

ridiculous this situation has got—to move to qualified majority voting at the European level without an Act of Parliament. Given that Parliament is so weak on such financial affairs already, it would be a mistake to give up those powers without the controls proposed, particularly in amendment No. 20. I am glad to hear that the right hon. Gentleman wants that to be the amendment that we divide on.

I often have to read the right hon. Gentleman's speeches; I am sure that I have read more of his speeches than he has of mine because he has a rather illustrious—*[Interruption.]* I am sure that they have more jokes. I read a speech that he made at the last Conservative party conference in which he said clearly that there should not be any further European treaties without a referendum being held first. If I am misquoting or in any way misrepresenting him, I hope that he will intervene. As I understand it, his position is that there should be a referendum on any European treaty in the future.

Mr. Hague: The position of the Conservative party that I explained at the party conference was that there should be no further treaties that transfer new competences to the European Union without a national referendum.

Mr. Davey: I am grateful for that clarification, which describes a significant difference. Moving from unanimity to qualified majority voting is not a transfer of competence, so the point that I was about to make is not quite valid. I had been wondering whether the right hon. Gentleman should call not for Acts of Parliament but for referendums on such issues, but I shall withdraw the point.

9.30 pm

Amendments Nos. 50 and 41, which the right hon. Member for Wells (Mr. Heathcoat-Amory) tabled, are similar to amendments Nos. 19 and 20. Of the four, amendment No. 20 is by far the clearest and goes to the heart of the matter. The hon. Member for Stone tabled amendments Nos. 60 and 61; he will doubtless speak about them, and perhaps I will intervene on him. It is slightly ironic that he wishes the House to move to qualified majority voting, given his stance on QMV at European Union level. I will not say much about his amendments because I want to hear his arguments. However, Parliaments in the EU countries that currently use QMV for constitutional changes or changes in their relationship with the EU are elected by proportional representation. Clearly, that creates a different dynamic in their legislatures.

Mr. Cash: The hon. Gentleman is in danger of confusing himself. Amendment No. 60 does not propose qualified majority voting in the sense that it is used in the treaty. He can describe my two-thirds proposal as QMV, but it is not that in the United States Senate and Congress. The two-thirds provision derives from the United States and it is simply a gesture of despair, given that the motion would otherwise be whipped through under the normal arrangements. However, I shall explain that when I make my speech.

Mr. Davey: We could hold a long debate about different names—super majorities, qualified majority voting and so on—but the point has been made. It is interesting that the hon. Gentleman takes the proposal from America, where the system of government is different, with the separation of powers. However, I am not attracted to his amendments. I will listen to his speech, but on the face of it, I am not attracted to them.

Amendment No. 20 is the right way forward. I hope that the Government are listening to the debate and that there will be some contributions from the Labour Benches. The hon. Member for Birmingham, Edgbaston (Ms Stuart) and I have already clashed during our proceedings, but I believe that we are as one on the subject that we are considering because it is extraordinary that we could amend treaties without a proper primary legislative process.

Ms Gisela Stuart: I am beginning to wonder whether I am right as I agree with the hon. Member for Kingston and Surbiton (Mr. Davey), which almost causes me to reconsider.

I want to make a couple of brief points about the importance of amendment No. 20. Passerelle clauses and ratcheting are the essence of what many people in European politics think of as organic law. Through such provisions, one reaches the position whereby the European Union can create its own competences. Most countries with written constitutions have protection from their constitutional courts; certain things cannot be done because their written constitutions do not allow it. We do not have such protection and that is why we need additional safeguards. Using primary legislation for any further extension of qualified majority voting would be one such protection.

I am interested to learn whether anybody knows whether votes in Special Standing Committees on European Affairs have ever changed a Government proposal.

Mr. Cash: The short answer is that, on one or two occasions, after recommendations from the European Scrutiny Committee, a matter has gone to a European Standing Committee, which has reversed a decision. I have been there—egging the members on, as hon. Members can imagine. However, under sections 2 and 3 of the European Communities Act 1972, the Committee's decision is automatically, without further ado, reversed on the Floor of the House. The House appears to be supine on overriding the 1972 Act.

Ms Stuart: I am grateful for that, but I think that we all agree that the House is not very effective in holding the Executive to account in respect of actions in the Union, and that is the case even on policy. When it comes to institutional changes, the issue is even more important.

Sir Nicholas Winterton: Does the hon. Lady not accept that the answer that my hon. Friend the Member for Stone (Mr. Cash) gave to her question is no? No Special Standing Committee has ever changed the legislation that it has considered, because the Government hold a majority on the Floor of the House.

Ms Stuart: That is very much my take. Most Governments can get their way and will even whip primary legislation through—that is the essence of how this place works. However, both Chambers will be required to consider any proposals properly, so primary legislation must be the way forward, as the Foreign Affairs Committee recommended.

[Ms Gisela Stuart]

The other point, which may seem slightly bizarre, is that many people see the continuous move towards qualified majority voting as progress. However, unless we retain unanimity in certain areas, we will become part of what I would regard as a federal state. If anyone asked me how I would define federalism, I would say that it means that on all occasions the majority can overrule the minority. We still have a few key areas, such as finance and defence, but with devolution in Wales, Scotland, Northern Ireland and even London, as well as what is going to Brussels, this place may ultimately end up doing nothing other than raise taxes and authorise war. Those are two significant areas, but if there was any further erosion, there would have to be primary legislation at a minimum. Therefore, although I will probably again be a member of an eccentric minority on the Labour Benches, I will certainly support amendment No. 20.

Mr. Cash: My right hon. Friend the Member for Richmond, Yorks (Mr. Hague) has made some extremely important points and I am glad to be able to give somewhat qualified support for the proposal in amendment No. 20.

Mr. Simon Burns (West Chelmsford) (Con): Be generous!

Mr. Cash: My hon. Friend, the Whip on duty, may say that, but it is extremely difficult to be generous with the rights of our constituents and the voters of this country. In essence, that is one of my concerns.

With respect to subsection (2), which is what we are talking about, I would like to add a number of things to what my right hon. Friend said. Where a Minister of the Crown moves a motion under the arrangements proposed, there is a difficulty—I speak as a member of the European Scrutiny Committee, on which you served with me for 14 years, Sir Alan, so you understand this very well—in that where a scrutiny reserve has not been complied with, it is perfectly possible that the cart and the horse are not in the order which one would expect.

The net result is that it is possible that parliamentary approval could be followed by a decision, particularly in the context of qualified majority voting in the Council of Ministers. Where that happens, such a decision automatically becomes binding on the House, without further implementation in the House, under sections 2 and 3 of the European Communities Act 1972. In no way do I apologise for, or resile from, my insistence upon the necessity of saving our House, this country and Acts of Parliament by the insertion of the words "notwithstanding the European Communities Act 1972", in order, apart from anything else, to make sense of the amendment that my right hon. Friend has moved.

I will explain. To take my right hon. Friend's amendment No. 20, for example, if we were to insert the words "by Act of Parliament" but not include "notwithstanding the European Communities Act 1972", the following would happen—I do not say that it could happen, but that it would happen. In the case of the Merchant Shipping Act 1988—I hope that my right hon. Friend will listen carefully to this—an Act of Parliament was passed that the European Court regarded as inconsistent with the 1972 Act. A case called the Factortame case went to the House of Lords and was heard by Lord Bridge and others. As a result of the lack of the words "notwithstanding the European Communities Act 1972" in the Merchant Shipping Act, our own House of Lords, effectively on instruction from the European Court of Justice, struck down our Act of Parliament. The House might find that incredible because, after all, that Act of Parliament had been passed in pursuance of Government policy, and in pursuance of the interests of British fishermen and, therefore, the interests of the people of this country.

Mr. Duncan Smith *rose—*

Mr. Cash: I shall give way in a moment.

The reality is that that case demonstrated the assertion of primacy by the European Court of Justice, which is contained in declaration 17 of this treaty, by the way. That is a restatement of the case law, which has much more significance as a result of the restatement than hon. Members might think. Incorporating the reassertion of the primacy of European Union law by the European Court of Justice, not only in respect of individual pieces of legislation but of our entire constitutional arrangements, including everything that we do in this House on behalf of the people who vote us in here, will result in all those things being overridden by the arrangements that are specifically stated by the European Court of Justice in its assertions as against this House. I do not want to minimise the importance of that. For that reason, I have put the words

"notwithstanding the European Communities Act 1972"

into another amendment, which we might have an opportunity to deal with tomorrow.

Mr. Duncan Smith: Will my hon. Friend give way?

Mr. Cash: I will certainly give way to my right hon. Friend in a moment. I just want to get this on the record.

It is absolutely essential to protect the provision that my right hon. Friend the Member for Richmond, Yorks explained so well just now from being overridden by the European Court. I know that my right hon. Friend does not want that to happen. I have pleaded with him on a number of occasions to listen carefully to what I am saying on this subject. He is right: these changes should be brought about through primary legislation. He is also right that the provisions would ride roughshod over our parliamentary procedures here, and that the proposed motion would get nowhere. The hon. Member for Birmingham, Edgbaston (Ms Stuart) is also right to say that this measure will be driven through by the Whips, and that that is a reason why an Act of Parliament should be used.

However, it is also necessary to protect such an Act of Parliament from the predations and assertions of the European Court of Justice in circumstances in which we, as a nation—and we, as a Parliament, on behalf of our own citizens and voters—have decided that we want to take a position that differs from what is being prescribed, sometimes in defiance of the wishes of our own Government. We already know, from contributions from the Minister for Europe and others, that the Convention overrode a lot of the decisions that the Government

wanted to make. We are therefore already implementing in the Bill things that we know the Government did not want. That is because they were weak-kneed and they buckled. In the circumstances that I am describing, we would be overridden and kicked into touch.

Mr. Duncan Smith: My hon. Friend has moved on slightly from the point on which I wanted to intervene on him. I just wanted to make the point that the Factortame case was a critical moment for us. I also wanted to re-explain to the Committee—particularly some Labour Members, although not the hon. Member for Birmingham, Edgbaston (Ms Stuart), who understands these things—the reason why the position of European law and the European Court is much more damaging to us than to almost any other country. That is because we have no checks or balances to stop the direct judicial activism that has flowed here directly as a result of European law. The Conseil d'Etat and other constitutional courts make their Parliaments revisit this matter and study it, but we do not. That is why so much has flooded through this place. Now those countries anticipate that and act accordingly, so they do not get struck down in the courts. That is the big problem that we face with the clause.

9.45pm

Mr. Cash: My right hon. Friend is right in his general principle, but let me add one or two points to what he said. First, there are already cases in the German and Italian courts—and perhaps the courts of one other country, too—that until recently and in some instances still remain in defiance of arrangements made by the European Court of Justice. That is because there is a conflict between what those courts want, what the European Court wants and the individual national constitutions. I am afraid to say that the tendency has been—it is part of the process of negotiations over the treaty of Lisbon—effectively to move past that as if it were not like an ectoplasm and as if it really did not matter very much. Actually, each of the countries concerned has displayed a tendency to roll over, even where there is a written constitution, as in Germany, as I explained earlier.

I have been working over a number of months with German jurists of great eminence who oppose this treaty precisely because they fear it will have the effect of overriding the German constitution. About 10 years ago, there was the Brunner case, which dealt with similar questions. There are serious problems, as constitutions are being overridden by the ideology of the European Union. It is rather like the divine right of Kings, which overrode Parliament, leading to a pretty catastrophic result in 1649. I want hon. Members to take this very seriously, as this is not just a historical lecture, but what actually happened. I started my speech on the issue of the supremacy of Parliament and referred to the Putney debates for this reason—*[Interruption.]* The hon. Member for Birmingham, Edgbaston may laugh, but I am not absolutely—

Mr. Duncan Smith: No, the hon. Lady was not laughing.

Mr. Cash: I am very glad to hear that, because these are matters of English historical significance. I simply make that point, because it is important for us to remember that Governments—whether it be the Stuarts, or, more recently, in the mid-20th century, with Government nationalisation programmes—have periodically in our history attempted to drive through legislation with the effect of imposing an authority that did not have parliamentary approval of the kind that we are searching for in these amendments.

Ms Gisela Stuart *rose—*

Mr. Bone *rose—*

Mr. Cash: I shall give way to the hon. Lady first, and then to my hon. Friend.

Ms Stuart: As an aside, I recommend to every Member a recent book on the Putney debates, written by a member of staff who works for an MP. Does the hon. Gentleman accept that whenever the European Court of Justice has confronted a constitutional court head-on, so far it has always backed off? The real problem is that we do not have a similar buffer line to say that a decision goes against our constitutional structure, and I am not entirely sure that the hon. Gentleman's amendment would achieve that either.

Mr. Cash: I do not want to go into the specific details of the "notwithstanding" formula now, except to say that it would have that effect, because if we were to legislate in a manner specifically, expressly and positively inconsistent with European legislation and we were to say so, our courts would be obliged under the rulings of Lord Denning, Lord Diplock, Lord Justice Laws and others in a well established line of cases to give effect to that latest express inconsistent law—irrespective of the European Communities Act 1972. That was said clearly by Lord Denning.

Mr. Bone: Although I agree with the thrust of my hon. Friend's argument, would it not be better to accept the amendment that specifies the need for an Act of Parliament rather than accept the Government's position, under which they will not have an Act of Parliament or primary legislation? If that entailed a huge row between us and the EU over sovereignty, would it be a bad thing?

Mr. Cash: The short answer is that if I were to choose between the amendments, I would most emphatically choose that tabled by my right hon. Friend the Member for Richmond, Yorks, because it would go a long way towards what I would like.

The problem is that that amendment would be ineffective in law, along the same lines as the Merchant Shipping Act 1988 in the circumstances that I have described. If there were conflict between the proposed Act of Parliament and the European Community decision or regulation made by the European Commission or a decision made by the EU—the treaty contains many embellishments and enlargements of the powers to make those various provisions effective in European law—we would immediately come up against that problem.

I say this in all seriousness and, I hope my right hon. Friend understands, a spirit of friendship, but also of some guidance, perhaps. He might carefully listen to what I am saying and take account of it. This is a matter not just of theology, but of whether his amendment would be effective.

Sir Patrick Cormack: My hon. Friend and neighbour has taken us a little beyond the point at which I wanted to intervene, but I would like to say that nobody was quite as rough with Parliament as Cromwell was. My hon. Friend ought to remember that.

Mr. Cash: Yes, indeed. The hon. Member for Birmingham, Edgbaston has been reading about the Putney debates. An extremely good book by Mr. Yerbey describes in great detail everything that took place between 1640 and 1649, and demonstrates that the principle of common consent included trying to save the King but unfortunately, the Government and, I have to say, my right hon. Friends, rather like the EU, sometimes get into a position that is indefensible. In those circumstances, it is necessary for some people to get up and say, "So far and no further." We have to protect the House and our voters by using the formula I have described.

Sir Nicholas Winterton: I respect my hon. Friend's knowledge of the history of this country and the development of laws over the centuries, but I want to come right up to date. From my position, it is increasingly apparent that the courts in this country believe that our laws are subordinate to those that come from the EU. Is that not a correct understanding of the situation? Where does it place the primacy of the House of Commons and the United Kingdom Parliament?

Mr. Cash: My hon. Friend makes an important point, and basically he is right. There is an increasing tendency in that direction, and it exists in a number of academic circles as well.

To those who take an interest in these things—I hope Members do, because these issues will affect their constituents, which is my main concern in raising these points—I recommend their reading the section in the 14th edition of Bradley and Ewing that sets out in a crystal clear fashion the question of parliamentary supremacy and how it operates in relation to the EU, and effectively recommends that the formula I am adopting is the only way to achieve the objectives in relation to clause 6 or, indeed, the Bill as a whole. That is the subject of tomorrow's debate on new clause 9.

There was a time when Professor Wade, who was one of the great authorities, purported to suggest that there had been a revolution in 1972, and therefore that the idea of European legislation was utterly entrenched. However, by the end of his distinguished career, he had already had it demonstrated to him that that was not the case.

Mr. Clappison: May I take my hon. Friend back to 1649, and its direct relevance to the amendments? Given the lack of any evidence that power has been returned to the House in the past, when it has been ceded under earlier constitutional treaties dealing with matters that will now be dealt with through qualified majority voting or the simplified revision procedure, does he agree that there is less chance of its doing so in future than there was of the restoration of the King in 1660?

Mr. Cash: On 3 May 1660, if we want to be absolutely precise.

My hon. Friend is right. That is why the kind of change that took place then, and subsequently in 1688—I have tabled an amendment relating to the Bill of Rights, which must also be considered for voting purposes—is so important. Although we talk as if we were completely up to date, the principles on which we are operating represent the gradual dynamic and evolution of our constitution. I am glad that it is as it is, and I want to keep it that way. We can adjust to changing circumstances, as was agreed by Edmund Burke and others who founded the Conservative party.

Let me return to the intervention by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith). The acquis communautaire, which clause 6 would enshrine in these provisions, is effectively unalterable within the legal parameters of the European Union and its legal framework. We may be locked into decisions that cannot be changed, notwithstanding practical circumstances such as the economy, globalisation, overregulation and all the other factors that create the system by which we are governed. If we want to make changes, we will have to be able to unlock that arrangement.

Written into the European Union is an internal implosion mechanism. When things go wrong—when the unemployment level reaches a certain point, or globalisation and competition with China have an effect—it can apply in the context of several of the provisions in clause 6: provisions relating to social policy, the environment, European finance, enhanced co-operation, common foreign and security policy, and issues on which the adoption of qualified majority voting arises. In any of those contexts, the problem will be that Europe will need to get rid of the overregulation, and we in this country will need to make changes to bring us up to date.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The Merchant Shipping Act 1988 relates to circumstances that were not specifically foreseen. My hon. Friend has always maintained in private that if the House legislates for specific circumstances, for example in the European Human Rights Act, it is very difficult for the European Court to overturn that specific legislation. Where on the scale does he put this amendment? Would the European Court be able to strike down specific primary legislation from the House?

Mr. Cash: I will not become involved in discussing the Human Rights Act because it is not the subject of this debate, but in response to the general question I will say that because of the root of the problem—namely, sections 2 and 3 of the European Communities Act—it is open to our courts to invoke that Act, as Lord Bridge did in the Factortame case. In 1972 the House entered into a voluntary arrangement, and for as long as it remains a voluntary arrangement the courts are quite properly entitled to say that we are in breach of our own Act of Parliament. We have to unravel that to be able to ensure that we can meet the changing circumstances that will enable us to make sense of legislation that would otherwise inhibit the proper conduct of our affairs. The European Union can come along and impose that on us, and we will have no recourse unless we use the formula that enables our courts to extricate us.

Sir Nicholas Winterton: My hon. Friend is making a most encouraging case. He has given an example in which the courts have used our legislation to stand up for British interests. Why do the courts of this land not take such action more often to support the interests of the United Kingdom and its people?

10pm

Mr. Cash: The short answer is that it is precisely because of the judicial activism that we discussed earlier and the fact that there is a growing tendency for the European legal authorities, in concert and discussion with our judicial authorities, to arrive at decisions to amplify the application of European integration, whereas we on this side of the House want to diminish it, which is why we voted against the Second Reading of the Bill in principle. We are now engaged in a process. The Minister for Europe said that my party is tending to move in the direction of some of the arguments that I have made over a number of years, not because of anything specifically wonderful that I may have said—

Mr. Duncan Smith: Don't go there, Bill. *[Laughter.]*

Mr. Cash: I am absolutely determined not to go there under any circumstances. I am saying that the most important thing is the recognition of the fact that this House matters to the people of this country. It has nothing to do with any individual's contributions. It has to do with the fact that we are talking about fundamental principles of democracy. That is why it worries me so much when I hear the Liberal Democrat spokesman saying that the reason his party is adopting a certain position is because of its idea of democracy. I say to the Government that it is not possible to advance the argument that they are being democratic in putting this through when they have broken their promises and following all the utterly disgraceful reasons that they have given.

Sir Nicholas Winterton: My hon. Friend may take a long time to say what he has to say, but he knows more about European treaties than any other single member of this House and bravo to him.

Mr. Cash: I apologise for having at times to explain things at greater length than even I would like. *[Laughter.]* That is a remarkable admission from any Member of this House, although Gladstone once spoke for six and half hours. I have no intention of doing anything like that tonight, I can assure you, Sir Alan. I would not be allowed to do so, either.

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. The hon. Gentleman almost anticipates me. I was about to say that he would perhaps face a sterner test with me on that particular point.

Mr. Cash: And may I say, "With some relief," Sir Alan, because I know that we are time-limited.

To summarise, I have other proposals concerning the two-thirds majority. I proposed that to demonstrate that although I thought an Act of Parliament was a good idea, subject to the arguments that I have just presented, it might run into serious difficulties. I said, almost in a gesture of despair, that to have two thirds of each House required as a matter of law to have to give effect to a proposal would be a kind of block. It is intended as an indication of the fact that these arrangements under the clause should not be allowed to go through without a serious block. The two-thirds block is loosely based on the arrangements in the US, recognising that the US constitution is different from ours. However, it was an attempt to demonstrate that to push something like this though required a very stiff hurdle.

The other amendment I tabled concerned the insistence that the scrutiny reserve should be fully complied with. Again that links back to my point on the difficulty in terms of the timetable and the chronology into which we could be locked simply by saying that we want to have an Act of Parliament, as that itself might fall victim to a provision agreed by QMV or some other way through the aegis of the Council of Ministers, and therefore become binding in UK law under the European Communities Act 1972. I proposed a requirement that we would have to comply with all the scrutiny arrangements so there would be no excuse for a Government Department to override the European scrutiny arrangements. That would therefore protect any legislation that we decide we want to approve by this procedure. The procedure is faulty, and it is also fraudulent because it is not possible to disapply legislation that has been passed in pursuance of the 1972 Act. I have made my case. We must not allow the Government to get away with any more of these fraudulent activities.

Sir Nicholas Winterton (Macclesfield) (Con): I congratulate my hon. Friend the Member for Stone (Mr. Cash) on the case he has presented. As someone who is totally committed to the integrity, independence and authority of the House, often against the Executive of the day and certainly against the unelected bureaucracy in Brussels, I fervently believe that this clause will be hugely damaging to the House. I follow entirely my hon. Friend's case. He has quoted with knowledge historical precedent, and I believe he is right. I only wish that more Members had been present tonight to listen to a speech that is of critical importance to the future of the authority of the House.

My main purpose, however, is to support the brave and thoughtful, but very brief, contribution of the hon. Member for Birmingham, Edgbaston (Ms Stuart). I remind Members that the hon. Lady represented the House on the constitutional Convention. She is well aware that the Lisbon treaty is in substance precisely the same as the proposed constitution that was defeated in the Netherlands and France. She has stated tonight, with conviction and knowledge, that if we move towards an increase in qualified majority voting and pass dozens of additional competences to the EU, this House will become part of a federal structure. I might be paraphrasing her exact words, but that is what she stated would be the case. To pass a huge number of competences in areas of critical importance would be extremely damaging not only to this House but, more importantly, to the people of our country, who are represented by the Members of this House. I do not believe that they consider it appropriate for the House to pass to the European Union authority over areas that are of such critical importance.

Andrew Selous (South-West Bedfordshire) (Con): Does my hon. Friend agree that more Labour Members should be emboldened to take the principled stand of the hon. Member for Birmingham, Edgbaston (Ms Stuart)? As the Prime Minister has said that he wants full parliamentary scrutiny, he should support amendment No. 20, because given that the treaty can amend itself, all the amendment does is support his wish for proper parliamentary scrutiny of the treaty.

Sir Nicholas Winterton: My hon. Friend is absolutely right. I have always considered the Prime Minister to

[Sir Nicholas Winterton]

be a man of Christian integrity. I believe that he probably meant what he said, but, unfortunately, that is not what is happening in his name.

Mr. Duncan Smith: My hon. Friend is a kind man.

Sir Nicholas Winterton: Perhaps I am a kind man. I believe that after a good many years in this place one perhaps moderates some of one's views and considers most Members of this House with respect, regardless of the side on which they sit. I am pleased that I have many friends on both sides of the House, because that is what Parliament is all about. Unfortunately, Parliament is reaching a situation whereby people believe in and perhaps even speak in support of something but too few of them vote in the Lobby in support of their words.

Mrs. Theresa Villiers (Chipping Barnet) (Con): The Government's main argument on the passerelle clauses, with which the amendments are concerned, seems to be that they are all very technical, and therefore not that interesting, and will not be used in any case. Is that not the classic tactic that has been used over the entire 50 years of the European project to disguise major constitutional change and prevent it from being properly scrutinised by the people whose rights are being removed by proposed changes?

Sir Nicholas Winterton: My hon. Friend, who has a great parliamentary career in front of her and who has recently been speaking from the Front Bench with great authority, is right. I came into this House at the beginning of the passage—

Andrew Miller (Ellesmere Port and Neston) (Lab): To India.

Sir Nicholas Winterton: No. I must tell the hon. Gentleman that I have some experience under my belt, but it does not go back that far.

I came into this House when we were debating joining the European Union. I recall assurances given by a Conservative Prime Minister as well as by Labour Prime Ministers that we would always have the ultimate authority over all important matters concerning this country. We were sold out, misled and deceived. My hon. Friend the Member for Chipping Barnet (Mrs. Villiers) is right to say that the passerelle clauses are of critical importance to this debate and this treaty. We will be handing over a huge range of competences to the European Union and, as the hon. Member for Birmingham, Edgbaston said, we will be immersed and submerged in a federal state because at no time will Parliament have the right to change what has been done.

I have established that I would like us to come out of the European Union. After all the time that I have been in this House I have no doubt that what we are doing is not in the best interests of this country. The clause is of critical importance, and I fully support amendment No. 20, upon which we will vote. It would retain for this House the sort of authority that gives us some say in what is being done in our name and allows us to stand up in this House for those whom we represent.

Finally, I yet again commend the hon. Member for Birmingham, Edgbaston on her courageousness. Despite her party, she has done a great service to this House, to those whom she represents and even to those whom I represent by her courage in taking the positions that she does.

Sir Patrick Cormack: I do not want to make a long speech; nor do I wish to embarrass the hon. Member for Birmingham, Edgbaston (Ms Stuart), although I endorse the encomiums delivered so magniloquently by my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton). She served this House without regard for party on the European Convention. She went to it thinking she would come back commending and endorsing what was agreed, but instead she returned convinced that what had been agreed was not in Parliament's best interests, and she has spoken out consistently and bravely on the subject ever since.

I do not share all the views on Europe that have been expounded ad infinitum by my hon. Friend the Member for Stone (Mr. Cash), with great passion and sincerity. Nor do I share the desire of my hon. Friend the Member for Macclesfield, whom I greatly respect as a parliamentarian of real stature, to come out of the European Union. However, I do believe that what has been done over the past few weeks in this place has done a great disservice to the European Union and to Parliament.

10.15 pm

We have been taking part in a parliamentary farce. The Government decided that debate was to be time limited and have allowed little opportunity for proper debate of the actual substance of the Bill. Tonight is one of the first occasions when Parliament has had the chance to say, "Hold on a minute, we are going to retain certain matters within our own jurisdiction." My right hon. Friend the Member for Richmond, Yorks (Mr. Hague) made a magnificent speech, with which I agreed entirely. He spelled out clearly what an utter farce it would be to allow the treaty to be changed darkly, at dead of night, with a pink slip of paper handed in the next morning. That is what we have to reckon with unless the Government accept the amendments.

The Minister can choose to accept the amendments or he can give a pledge that something similar will be introduced in the other place. Unless he does one of those two things he will be taking part in a ministerial abdication of parliamentary authority that should shame any Government. I put it to him, quietly and soberly, that if he has true regard for parliamentary government—and a real regard for this place—he will accept these amendments in spirit, if not in substance. If the Government steamroller this clause through this evening and ignore the substance of the amendments, it will constitute a handing over of parliamentary sovereignty.

I cannot plead with the Minister too earnestly to have regard for the position that he holds and the people whom he represents—just as we should all have regard for the people whom we represent. We know that the people of this country feel cheated. As I have said before, I am not a great advocate of referendums, but we have established the precedent for them in constitutional issues. This is a constitutional issue, and the people were promised an opportunity to pronounce on this treaty. That has been taken away from them. It

would not have been quite so bad if there had been proper, exhaustive parliamentary debate, but instead we have a parliamentary charade and farce.

The least that any self-respecting Government—or Minister speaking for that Government—could do is to say, "This House will always have the opportunity, through primary legislation, to decide on any subsequent changes. We will not allow such changes to be made in this quiet, hole-in-the-corner manner." One of the worst innovations produced by this so-called modernising Government was the deferred Division. I would be ashamed to think that this Parliament would, by deferred Division, change its whole substance and stature and reduce itself to the level of a county council. That is, ultimately, what would happen. I hope that the Minister will speak tonight not for the Government, but for Parliament.

Mr. Clifton-Brown: I have not participated in any of the Lisbon treaty debates up until now. I am moved to participate in the debate because I believe that the passerelle clauses are the most serious part of the treaty. They are the most serious because they allow the European Council, by qualified majority voting, not unanimity, to change the treaty without any reference whatsoever to this Parliament.

I do not believe that we were elected to this Parliament to give powers away to the EU or to anyone else. We were elected to this Parliament to do the right thing on behalf of our constituents, the electors of this country. The minimum that we need is amendment No. 20, so that if the passerelle clauses are proposed they will have to be sanctioned by primary legislation in this House. That is the very least that we should do.

We are talking about serious issues—about the possibility of changing through qualified majority voting the whole European foreign and security policy, home affairs and justice, and environmental matters. Those are far-reaching matters that we deal with on behalf of our constituents and the people of this country. If the European Council can alter such things on its own, without reference to this Parliament, my hon. Friend the Member for Stone (Mr. Cash) was so right to go back to the events of the 17th century. That is where autonomies and tyrannies are born.

We are elected to this place to debate such serious matters and to come to a conclusion through debate. We are not elected to give powers away to a body that does not debate and does not have to obtain the sanction and approval of this Parliament. The matter is far worse than my hon. Friend even envisaged. As I intimated in an intervention, even if his amendment is passed—I shall certainly support it with alacrity tonight, and I hope that the Liberals and some Labour Members will, too—all the Government will have to do is pass a miscellaneous provisions Act on the treaty of Lisbon, and then such provisions could be passed through secondary legislation. They would be passed upstairs, with a vote after an hour and a half. Proceedings would be whipped and there would be no possibility of rejecting or voting for the provision, as you know too well, Sir Alan.

The Government have a reputation—all one can do with any Government is consider what they have done in the past—of abrogating the rights of this Parliament. We need only to consider what happened with Northern Rock and what huge powers were given away under secondary legislation. It is not impossible that the Government, and the Minister—who is not even listening to what I have to say—will vote against the amendment. That shows their arrogance and how little they regard this Parliament, which was elected by the people of the UK.

I hope that even at this late stage the Government will see the folly of what they are doing by not allowing the British people to have a say on this far-reaching treaty. The Government promised the people that say in their manifesto. If the constitution of this country means anything at all, they should uphold the promises that they made in their manifesto. For my whole life I have been brought up with the premise that if one promises something, one should deliver it. I do not understand how the Government of this country—the UK is supposed to have one of the most upstanding Governments in the world—can promise something and then abrogate that promise. That is a shocking omission.

I hope that the Government, at the very least, will ameliorate that situation to a degree and uphold the tradition of this Parliament by encouraging their Members to vote for amendment No. 20. It is the very least that they can do as regards some of the most important clauses in the treaty, which are giving away some of the biggest powers. I bet my bottom dollar that they will not do that. I bet that the Minister will not stand at the Dispatch Box tonight and urge the Committee to vote for the amendment. He will not do it; I bet he will not.

Mr. Clappison: It is a great pleasure to follow those of my hon. Friends who have spoken to this amendment. Their feeling for the House, and their commitment to parliamentary democracy, is self-evident and beyond peradventure.

It is a particular pleasure to follow my hon. Friend the Member for Stone (Mr. Cash), who made a most careful speech in support of amendment No. 60. I very much support that amendment, and also amendment No. 20, which was moved so ably by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague).

The Minister has quite a weighty responsibility in answering the arguments in support of the amendments. They are so strong that he will have to argue very convincingly if he is to do them justice. He will correct me if I am wrong, but my understanding is that the amendments could be passed without putting this country's ratification of the treaty in doubt. We could ratify the treaty and still adopt the amendments, which offer a much stronger safeguard than the one in the Bill, to whose weaknesses various hon. Members have rightly drawn attention.

My concern is that the passerelle provisions will mean that constitutional change will come thick and fast. In an earlier debate, I put it to the Minister that they made constitutional change much easier to accomplish than at present. In fairness to the Minister—who has been very fair in these debates—I think that he accepts that.

I have another question in the same vein: does the Minister believe that constitutional change will happen much more often under the passerelle provisions than it has in the past? I suspect that he does. The passerelle provisions mean that there is no need for any of the paraphernalia and rigmarole—that is, an intergovernmental

[Mr. Clappison]

conference, its associated mandate and a lengthy process of ratification—that have accompanied a constitutional treaty in the past. They also mean that no spotlight of attention will focus on the treaty and the package of changes that it contains. Instead, change will come before the House on a case-by-case basis. As the Bill stands, that change will be subject to a most lightweight parliamentary procedure.

Why cannot we have primary legislation on this matter? At least such legislation would embody and highlight change and make it transparent, so that everyone could see what was happening. It would also mean that this House had an opportunity to debate the change in full.

As far as I am concerned, these amendments—even if the Government accepted them—could be only second best. That is because I simply do not want the provisions in the treaty of Lisbon that enable the proposed changes to be made. I do not like the treaty: some parts may not be as bad as others but, on balance, I do not want it to be brought into law. I think that the treaty marks a sea change in this country's relationship with the EU, and that it will result in much faster incremental change than in the past.

Earlier, I was challenged by a Liberal Democrat Member to say whether there was anything in the treaty that I liked. I shall have another look through it, but I shall make the following deal with the Liberal Democrats. If I were given a choice between keeping the European flag and anthem and getting rid of the rest of the treaty, I would not have much hesitation about keeping the flag and the anthem. I would run up the European flag—I would have to build the flagpole first—and I would learn how to hum the anthem. I would much rather adopt all that than the provisions in the treaty.

The passerelle clauses are very important because they make change much easier to accomplish and, as a result, it will come thick and fast. Some people in Britain are worried about the amount of incremental change that has happened already. Various Labour Members talked earlier about how the democratic deficit had caused power and authority to slip away to a political elite in Europe. However, if the passerelle clauses operate as I fear that they will, there will be many more instances of power slipping away to Brussels, bit by bit and case by case, on an incremental basis.

People are worried about the steady drip of power and authority away from this country and this Parliament, and towards Europe. However, if they are worried about what has happened through conventional treaties—and many would say that those treaties led to enough incremental change—there is one message that they need to bear in mind: if the passerelle clauses are allowed to operate without a proper safeguard, they ain't seen nothing yet.

Mr. Jim Murphy: I am delighted to have the opportunity to respond to the debate on this group of amendments. I am delighted, too, that the hon. Member for Macclesfield (Sir Nicholas Winterton) has taken part in the debate because, like everyone in the House, I hold him in great regard. We disagree on Europe, but he was frank enough to acknowledge his in-principle objection to our continued membership of the European Union. He is an entirely reasonable man, so I hope that he accepts the way in which I have tried to engage in these debates over the past month or so. My record in recent years shows that I hold the House in great regard, and I would like the Chamber to continue to play an important role in national life. I have genuinely spoken about that in the past, and did so even before I became Minister for Europe.

10.30 pm

The hon. Member for Macclesfield rightly paid tribute to the informed and relatively brief tutorial on the treaties by the hon. Member for Stone (Mr. Cash), who took us back to 1649, up and down St. George's hill and everything else. We enjoyed his interventions, too. At the beginning of the debate, we heard about the paucity of attendance by Labour Back Benchers. There was one contribution from a Labour Back Bencher, and I am reminded never to confuse Back-Bench attendance with support. We heard from the hon. Member for South Staffordshire (Sir Patrick Cormack), whom I also hold in great personal regard. Although we had a limited opportunity to hear from the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), I am glad that he is here and has heard me say so. I am pleased, too, that the hon. Member for Blaenau Gwent (Mr. Davies) is in the Chamber. Unbeknown to most hon. Members, he has quietly and patiently paid great attention to the detail of our debate. As the Committee will acknowledge, he is a one-man band—that is not meant disparagingly—and he has paid great attention to the detail of the treaty.

Clause 6(2) provides that, if any draft decision under the listed provision comes before the European Council or the Council, the UK may not agree to the adoption of the decision unless parliamentary approval has first been given. Approval must be signified by the agreement of both Houses of Parliament to motions approving the Government's intention to support the decision as it was received. Clause 6(3) provides flexibility, if Parliament agrees, to allow the Government to agree a text that is worded differently from the motion approved by Parliament.

There are two scenarios. In the first, a Minister asks Parliament to agree a motion under subsection (1)(g) on a straight yes-no question. That is the basis of the amending measures or passerelles, and it provides the House with an opportunity to decide a yes-no question. There is no flexibility built into that first scenario. If, after the Minister asks Parliament to agree the motion, Parliament says no, the motion falls. If Parliament assents, the motion is agreed and the Minister can take it forward.

In the second scenario, a Minister asks Parliament to agree a motion, for example under subsection (1)(g), with flexibility built in. The Minister asks Parliament to agree to the motion. If Parliament says no to the motion, it falls, but if it says yes, the motion is agreed. The Minister would have to return to the House to confirm that the Government had voted in line with the parameters granted by either House on the amended motion. As for the specifics of clause 6, as I have suggested, the Bill goes much further than it needs to in terms of the ratification of the treaty.

In my conversations with Europe Ministers in many Governments across the EU, I have discovered that the UK, in ratifying the Lisbon treaty, is alone in taking

the opportunity to enshrine the right of Parliament, in both Houses, to make the decision on prior assent. I think that there are nine passerelle clauses.

A parliamentary lock is set out in the treaty on three of the nine passerelles in the Bill, namely the two general passerelles and the passerelle on family law with cross-border implications. In those three passerelles, where the treaty requires parliamentary approval or adoption in line with national constitutional requirements, national Parliaments would only have the chance to object after a decision has been made. The Bill gives us the opportunity to go much further than the treaty envisaged with a further lock on six passerelles, which have no parliamentary lock under the treaty—I suspect that the Committee will thank me if I do not go into the detail of each of those locks, although I will do so if that is what hon. Members want.

The European Union has agreed that the process of continuing reform on IGC processes and treaties must end. Passerelles represent a safety valve inside that declaration, for example, to ensure a minor change for the amending of the treaties without going through a full-blown IGC process. Those passerelle processes are not new, because they were agreed in 1986 in the Single European Act. Before the Single European Act, there was no opportunity enshrined in legislation for either House of Parliament to have prior assent in the exercise of passerelles. We are the first Government in the European Union of whom I am aware to use the process to ensure that the powers are enshrined to Parliament. This is also the first time in UK law that a Government have sought the opportunity in ratifying a treaty to ensure the prior assent of either House of Parliament on passerelles.

Passerelles are potentially important. The one implementation of passerelles concerned the creation of a European order of payment, which has simplified procedure for court judgments on uncontested claims and established a small claims procedure for disputes involving less than €2,000. With the right framework to ensure Parliament's prior assent, passerelles are an important way to make minor changes given the end of the IGC process for new treaties.

Mr. Clifton-Brown: Will the Minister accept that his argument sounds reasonable, until one examines it in detail? The procedures of this House are such that the vote that he is discussing could be arranged by business managers to take place on an order after 10 o'clock. That would involve a deferred vote on a Wednesday afternoon, which would be whipped. This Parliament could therefore vote through important powers on a Wednesday afternoon without any debate whatsoever.

Mr. Murphy: I do not accept that. The House will reach a decision on the rules that govern it, and it is not for the Government to stipulate how that should happen. However, we have given my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), who is not currently in his place, an assurance that we will work with the Select Committees on the best way in which to structure those agreements.

The hon. Member for Stone has discussed scrutiny override. In its 12th report, which was published earlier this year, the European Scrutiny Committee accepted that—I can claim no personal credit for this—the number of scrutiny overrides has decreased to five, which is the lowest figure ever. The report "warmly welcomed" the improvements in the reduction of scrutiny override.

Sir Patrick Cormack: The Minister must acknowledge what my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) said a moment ago and what I said earlier, when my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) agreed with me from the Front Bench, about such votes becoming the subject of deferred Divisions. That new procedure was introduced into this House by this Government, so there is no reason why such votes should not take place. Will the Minister acknowledge that fact?

Mr. Murphy: The hon. Gentleman is well regarded by hon. Members on both sides of the House. I say to him that the new power is established in the Bill, but that the exact detail on the timetabling of the debates is not stipulated in it. Clause 6 stipulates simply the power and protection for Parliament.

Mr. Cash: Will the Minister give way?

Mr. Murphy: Very briefly, because I wish to allow the shadow Foreign Secretary the chance to respond.

Mr. Cash: The Minister must understand that the European Scrutiny Committee resolutions are absolutely integral to this issue. I do not think that the Minister has understood the dangerous waters that the Government are getting into.

Mr. Murphy: We continue to discuss all such issues with the Chairman of the European Scrutiny Committee and all its members. As the process continues, we will happily, as Ministers, avail ourselves to the Committee to discuss the exact details of how the business could work.

I wish to conclude, so that the shadow Foreign Secretary has the opportunity to respond to the amendments. As I mentioned, the passerelles were introduced two decades ago. They are an important way of introducing minor changes. In those two decades, no Government have sought the opportunity to provide for the right of parliamentary protection on the passerelle proposals.

Of every EU country seeking to ratify the Lisbon treaty, we are the only Government to seek to ensure that Parliament has these additional protections. That makes good my right hon. Friend the Prime Minister's commitment after the signing of the Lisbon treaty that any moves from unanimity to QMV would need the prior consent of this and the other place. On that basis, I invite my right hon. and hon. Friends to reject the amendments.

Mr. Hague: My hon. Friend the Member for Hertsmere (Mr. Clappison) said that so strong had been the arguments put in favour of the amendments, particularly amendment No. 20, that the Minister would have to have a very convincing reply. I am afraid that I do not think that he has made one. For all his continually good-humoured efforts in these debates, he has on this occasion been the only Member in the past two hours to have spoken on this matter and in any way defended the Government's position. He is paid to defend the Government's position,

[Mr. Hague]

and it is not at all surprising that he has done so. However, during a debate in which a wide variety of Members have spoken, not a single Member in any other quarter of the House has supported that position.

Several hon. Members have spoken as parliamentarians rather than as party politicians in this debate. The hon. Member for Kingston and Surbiton (Mr. Davey) and I have not seen eye to eye throughout most of this debate—

Mr. Andrew Robathan (Blaby) (Con): Throughout most of today.

Mr. Hague: The hon. Member for Kingston and Surbiton and I have not seen eye to eye throughout most of today's proceedings, but on these amendments we see absolutely eye to eye. He even said that I had underplayed the arguments in their favour. Amendment No. 20 is not a wrecking amendment, but something to ensure—whether one is in favour of the treaty, like the hon. Gentleman, or against it, as I am—that the provisions are subject to proper parliamentary scrutiny in future.

The hon. Member for Dundee, East (Stewart Hosie) mentioned the necessity of primary legislation to provide the time to consult with the devolved Administrations. Having taken part in the Convention on the Future of Europe, the hon. Member for Birmingham, Edgbaston (Ms Stuart) spoke with her enormous experience of these matters. She also cogently put the argument for the amendments.

I have already made it clear that amendment No. 20 is the particular one that I want to press to a Division because, as so many hon. Members have said, it most accurately accomplishes what Members across the House have spoken in favour of this evening. In the exercise of passerelles—the ratchet clauses, as we term them—the movement from unanimity to qualified majority voting could be of sufficiently immense importance to have to be considered exhaustively by the British Parliament.

The Minister said that the passerelles—plural—had first been introduced in the Single European Act 1986. However, on 6 February this year I asked the Foreign Secretary about the issue and it turned out that the 1986 Act had introduced

"one amending provision...This was article 130S, relating to environment policy."—[*Official Report*, 6 February 2008; Vol. 471, c. 1166W.]

[Interruption.] It is no good the Minister arguing with the Foreign Secretary's reply.

What is envisaged in the treaty of Lisbon is a wholesale extension of the passerelle. It is the ability for the European Council almost across the board, except for defence, to—*[Interruption.]* It is no good the hon. Member for Huddersfield (Mr. Sheerman) saying that he does not believe a word of it when he has not been present for the whole of the debate, or shouting out from a sedentary position when we have had a perfectly reasonable debate for the past two hours. This is the wholesale extension of the passerelle and therefore—

It being six hours after the commencement of proceedings in Committee, THE SECOND DEPUTY CHAIRMAN *put forthwith the Question already proposed from the Chair, pursuant to Orders [28 January and 3 March].*

Amendment negatived.

THE SECOND DEPUTY CHAIRMAN *then put the Question on an amendment selected for separate decision.*

Amendment proposed: No. 20, page 3, line 21, leave out from 'given' to end of line 35 and insert 'by Act of Parliament'.—*[Mr. Hague.]*

Question put, That the amendment be made:—

The Committee divided: Ayes 240, Noes 307.

Division No. 115] **[10.46 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart

Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Peterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Ms Gisela
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gummer, rh Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric

Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and Steve McCabe

Question accordingly negatived.

THE SECOND DEPUTY CHAIRMAN *then put the remaining Question necessary to dispose of the business to be decided at that hour.*

Question put, That clauses 6 and 7 stand part of the Bill:—

The Committee divided: Ayes 301, Noes 238.

Division No. 116] [10.59 pm

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry

George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Frank Roy and Steve McCabe

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick

Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Jeremy Wright and James Duddridge

Question accordingly agreed to.

Clauses 6 and 7 ordered to stand part of the Bill.

To report progress and ask leave to sit again.—*[Mr. David.]*

Committee report progress; to sit again tomorrow.

PETITIONS

Post Office Closures (Oxfordshire)

11.11 pm

Tony Baldry (Banbury) (Con): I am glad to see the House so well attended, and glad to be able to present a petition on behalf of the residents of Neithrop. Some 5,000 to 6,000 constituents have signed the petition, which states:

The Petition of the residents of Neithrop,

Declares that the Petitioners are extremely concerned about the threat to close Orchard Way sub-Post Office.

Further declares that this Post Office is at the heart of this community. It offers a vital service to some of the most vulnerable people, including those on low wages, unemployed and the elderly.

Further declares that the Government has persistently undermined our Post Office network over a number of years. Ministers have prevented the Post Office competing in the market by penalising them and instead playing to the High Street bank network, by seeking to withdraw the Post Office Card Account, and by preventing Post Offices selling TV Licences and other products to keep them competitive.

Further declares that the Federation of Small Business has said that small business will also be adversely affected by Post Office closures and that the Federation of Sub-Post Masters and Mistresses, which presented the largest ever petition in support of Post Offices, has said the closures will devastate communities.

The Petitioners therefore request that the House of Commons urges the Government to stop action which will lead to the immediate closures of Post Offices and urgently review funding for Post Offices and the services offered by them to enable Post Offices to continue to serve as a cornerstone of the community for individuals, business and the most vulnerable in society.

And the Petitioners remain, etc.

[P000128]

Support for Armed Forces

11.13 pm

Bob Spink (Castle Point) (Con): It is both a great honour and a heavy responsibility to be a Member of Parliament, and we have few weightier duties than protecting and provided for our armed forces, whose members put their lives on the line at our command. I warmly congratulate every person who signed this petition, which states:

The Petition of residents of Castle Point and others,

Declares that members of HM Armed Forces in Iraq and Afghanistan are fighting and dying, and that they lack basic equipment to do their job and there is insufficient appreciation and support from the Government for them and their families, particularly when they return from active service, and, in welcoming the provision of limited free postage, feels that the Government should go much further to give help and recognition.

The Petitioners therefore request that the House of Commons urges the Government to adopt more generous policies for serving and returning members of HM Armed Forces, and to give them priority in housing, in recognition of the contribution made by these brave men and women.

And the Petitioners remain, etc.

[P000137]

People's Mujahedeen Organisation of Iran

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. David.]*

11.14 pm

Mr. David Amess (Southend, West) (Con): I am grateful for the opportunity to raise an issue that is of great concern to many Members. I must say immediately that it is rather sad that it is having to be raised at all. In my view, the treatment of the organisation about which I shall speak briefly tonight is perverse in every sense. I regard its members as the good guys.

Dr. Rudi Vis (Finchley and Golders Green) (Lab): I thank the hon. Gentleman for raising this issue. He and I do not disagree on it. He described the treatment of the organisation as "perverse"; has it gone before any courts?

Mr. Amess: The hon. Gentleman has raised an important point. Yes, it has gone before courts, which have made a decision, and as I proceed with my speech the hon. Gentleman will become absolutely certain that it is perverse.

The issue to which I refer is the Home Secretary's refusal to lift the ban on the main democratic Iranian opposition movement, the People's Mujahedeen Organisation of Iran. Two unequivocal court rulings—this is relevant to the hon. Gentleman's question—were made in the United Kingdom and the European Union. They stated that the PMOI, as I shall refer to it from now on, was not connected in any way with terrorism. The Government, however, are still proscribing it as a terrorist organisation, which is bizarre, particularly as it is the only Iranian movement capable of producing democratic change in Iran. I know that at least one of my colleagues hopes to catch your eye, Mr. Deputy Speaker, to support what I have just said.

The Iranian regime is well known for its lack of respect for basic freedoms of speech, association and religion. A recent excellent report by the Foreign Affairs Committee received a submission which described Iran as

"the biggest prison for journalists in the Middle East".

Moreover, both Human Rights Watch and Amnesty International have revealed that in 2007, on a per capita basis, Iran executed more people than any other country on earth. That is absolutely disgraceful.

Stoning, public beheading and flogging are still acceptable practices in Iran. One man was stoned to death in 2007, and two sisters are currently on death row awaiting execution by stoning for committing the crime—in Iranian law—of adultery. The practice of stoning involves throwing stones at the convicted individual—a man is buried up to the waist and a woman up to the chest—until he or she dies from the impact of the blows. In 2007 more than 150 people were publicly beheaded in Iran, while most hangings were also carried out in public. Surely those facts, which are indisputable, could not lead anyone to support the Iranian regime in its present form rather than supporting those who want democratic, peaceful regime change, namely the PMOI.

Dr. Vis: Is it not also true that another part of the opposition of which the hon. Gentleman speaks—the National Council of Resistance of Iran—has resolved, as part of its home programme, not to pursue the nuclear path?

Mr. Amess: The hon. Gentleman is right, and that is yet another matter that I hope the Government have taken into account.

On good evidence, Iran stands accused of harbouring terrorists and funding the terrorist activities of both Hamas in the Palestinian territories and Hezbollah in Lebanon. On July 25 2006, Henry Crumpton, the US State Department's co-ordinator for counter-terrorism, said that Iran is

"clearly directing a lot of Hezbollah actions. Hezbollah asks their permission to do things, especially if it has broader international implications."

Apart from specific assistance to organisations whose sole aim is the destruction of Israel, President Mahmoud Ahmadinejad has called for the Jewish state to be "wiped from the map" while questioning the existence of the holocaust. In addition, he must be the scruffiest head of state I have ever seen. I could not believe his appearance recently when he met the gentleman in charge of the regime in Iraq. I know it is fashionable in all quarters not to wear ties these days, but there are occasions when one would expect the Head of State to be smartly dressed.

With an individual like Ahmadinejad leading a regime imbued with religious zealotry of the worst kind; the Iranian regime must be viewed as a serious threat to the interests and security of the United Kingdom.

Mark Williams (Ceredigion) (LD): On the subject of the President of the Iranian Republic, does the hon. Gentleman share the despair of many when we reflect that he was elected on a turnout of 9 per cent. of the Iranian population and owed his position to a prescribed list of candidates? Does not that question the very value of democracy in Iran?

Mr. Amess: That certainly was not in my speech but I wish I had included it, as it is a powerful indictment of the regime. I thank the hon. Gentleman for drawing attention to that parody of democracy.

The Iranian regime must be viewed as a serious threat to the interests and security of the UK, as was witnessed last year when 15 British sailors were illegally taken by the revolutionary guard and paraded through Tehran. This again seems to have been forgotten.

The PMOI, in aid of the UK and its allies, recently exposed the fact that the Iranian regime's revolutionary guards have set up a vast network to gather intelligence on the movements of British troops in southern Iraq. This network also monitors the activities of Iraqis who co-operate with British forces.

Owing to its belief in a democratic and tolerant interpretation of Islam, its vast popular support and its three-decade confrontation with the epicentre of Islamic fundamentalism, the PMOI is completely opposed to the current Administration in Tehran.

Mr. David Jones (Clwyd, West) (Con): Is it not also the case that the PMOI revealed to the west the full extent of Iran's nuclear ambitions and, indeed, the secret installations at Natanz and Arak?

Mr. Amess: That is in my speech, my hon. Friend will be pleased to hear, but his pronunciation is far better than I could aspire to.

Accusing the PMOI of terrorism gives credit to the fundamentalists who are perpetrating countless atrocities under the banner of Islam in Iran. The PMOI has been the unrivalled source of revelations of the regime's terrorist activities in Iraq. Last year it exposed the list of names and particulars of 32,000 Iraqis on the Iranian regime's payroll.

The Iranian Resistance, led by Mrs. Mary am Rajavi, a brave, heroic and wonderful lady, seeks to establish a secular democracy, gender and religious equality and the abolition of the death penalty and of barbaric punishments carried out under the banner of Islam, such as stoning.

Mr. Nigel Evans (Ribble Valley) (Con): My hon. Friend has talked about the abolition of the death penalty. Does he agree that it takes some form of hideous regime not only to have the death penalty, but to execute publicly teenagers accused of being gay? Does not that indicate the type of regime that there is in Iran?

Mr. Amess: I absolutely agree with my hon. Friend. That point was raised not long ago in Westminster Hall, and it has also been raised in Question Time.

The PMOI promotes peace, security, human rights, stability, development, friendship and a nuclear-free Iran, as well as economic co-operation and development in that region of the world. It has also undertaken to abide by international laws and conventions.

On 30 November 2007, following an appeal by 35 cross-party parliamentarians from both Houses of Parliament, the UK's Proscribed Organisations Appeal Commission—POAC—ruled that the Government's continued ban on the PMOI is "flawed" and "perverse" and "must be set aside". Following seven days of hearings, the POAC ruled that there was no evidence that the PMOI "is concerned in terrorism", a requirement of the Terrorism Act 2000 for inclusion in the terrorist list. The hon. Member for Finchley and Golders Green (Dr. Vis) was absolutely right that this matter has been handled in a perverse fashion.

Dr. Vis: The hon. Gentleman mentioned the president of the Iranian Resistance. Will he confirm that she is not in favour of appeasement, but also that she is not in favour of war? What she is in favour of is the PMOI being taken off that list.

Mr. Amess: I agree with everything the hon. Gentleman has said.

Having ruled that the Secretary of State had misinterpreted the 2000 Act, the POAC stated:

"Having carefully considered all the material before us, we have concluded that the decision"

of the Secretary of State

"is properly characterised as perverse...We recognise that a finding of perversity is uncommon. We believe, however, that this Commission is in the (perhaps unusual) position of having before it all of the material that is relevant to the decision."

The POAC also stated that

"intense scrutiny of the material requires the conclusion"

that the PMOI has not engaged in terrorist acts in Iran or elsewhere since August 2001; that the PMOI's military structure inside Iran had ceased to exist by at the latest

the end of 2002; that in May 2003 the PMOI in Iraq disarmed; and that there is no material that indicates that the PMOI has obtained or sought to obtain arms or otherwise reconstruct any military capability, despite its capacity to do so, after May 2003.

Mr. Brian Binley (Northampton, South) (Con): Does my hon. Friend recognise that not only do the courts say that that is perverse, but most commentators believe it to be shameful, not least because on 1 February 2006 the then Foreign Secretary, the right hon. Member for Blackburn (Mr. Straw), openly admitted that the designation of proscription was granted to appease the mullahs in Iran? Is that not a totally shameful situation for this country to be in, and is it not equally shameful that the Government should not abide by the laws of the European Court of Justice?

Mr. Amess: My hon. Friend has a gravelly voice tonight, but he makes the point far better than I could have hoped to.

The POAC also concludes that there is no material to suggest that the PMOI has sought to recruit or train members for military or terrorist action; that there is no evidence that the PMOI has at any time since 2003 sought to re-create any form of structure that was capable of carrying out or supporting terrorist acts; that there is no evidence of any attempt to "prepare" for terrorism; that there is no evidence of any encouragement to others to commit acts of terrorism; and nor is there any material that affords any grounds for a belief that the PMOI was "otherwise concerned in terrorism" at the time of the decision in September 2006.

Mr. David Drew (Stroud) (Lab/Co-op): The hon. Gentleman is making an excellent speech. Does he agree that not only the UK Government are culpable but so is the EU, which has used every opportunity to deal savage blows to the PMOI?

Mr. Amess: In the true spirit of the debate, I again agree with the hon. Gentleman. I have the point that he makes in the closing remarks of my speech.

On 14 December, the Government lost their attempt to seek leave to appeal the POAC judgment, yet they continue to defy the courts and have thus far refused to de-list the PMOI. They presented their grounds for appeal at a preliminary hearing from 18 to 20 February. Their argument appeared to be that the POAC did not have the authority to annul the PMOI's proscription as a terrorist organisation. Such an argument fails any test of scrutiny, as Parliament set up the POAC to allow for a de-proscription process.

Mr. Ben Wallace (Lancaster and Wyre) (Con): I am sorry to dampen the debate. The Government's ruling was based on an assumption that the PMOI had been engaged in terrorism at the time of proscribing, which it had not, and that is why the court or tribunal ruled it perverse, but it is widely accepted that before 2000-01 the PMOI had been engaged in terrorism on behalf of, or in conjunction with, Saddam Hussein's regime. Have we not learned the lesson that if we accept that the PMOI should be allowed to ignore its past, members of the IRA would be allowed to sit in this House because they are no longer engaged in terrorism?

Mr. Amess: I am sorry that I do not agree with my hon. Friend's argument for many reasons.

Dr. Vis: It was suggested in a previous intervention that the PMOI was a terrorist organisation. I would not wish to talk about the intervention in a negative way, but I ask the maker of that comment to suggest whether anything took place outside Iran.

Mr. Amess: The point has been made, and perhaps it would be best if I just moved on.

The Foreign Affairs Committee's annual report on Iran, which was published last Sunday, highlighted the treatment of the PMOI by the UK Government. I am delighted that the hon. Member for Thurrock (Andrew Mackinlay), who is a member of that Committee, is present. The report stated:

"We recommend that the Government in its Response to this Report sets out fully why it has resisted the decisions of both the High Court in the UK and the European Court of Justice that the People's Mujahideen of Iran (PMOI)...should no longer be listed as a terrorist organisation".

On 23 January, the Assembly of the 47-nation Council of Europe adopted resolution 1597, describing the POAC's verdict on the PMOI case as a "slap in the face" for the UK Government and calling on the EU/UK to

"implement immediately the decisions of competent European and national judicial institutions affecting the status of the listed persons or entities."

Condemning the Council of Ministers' decision to ignore the European Court ruling, the resolution stated:

"By these actions, the Council is no longer following the rule of law...The Council has not only breached its obligations under the EC Treaty, but defied the Court of First Instance as well. The PMOI's fundamental rights continue to be violated."

On 31 January, the European Parliament adopted a similar resolution taking note of the

"decision of the British Proscribed Organisations Appeal Commission of 30 November 2007 calling on the UK Home Secretary to remove the People's Mojahedin Organisation of Iran (PMOI) from the list of proscribed organisations immediately"

and the

"judgment of the Court of First Instance of the European Communities of 12 December 2006".

The pre-eminent jurist Lord Slynn of Hadley said on 13 December:

"To keep the PMOI on the list was thoroughly unjustified, was perverse and was unlawful. In my view, in the view of POAC and in the view of the European Court of Justice the law is on the PMOI's side".

The Home Secretary should de-proscribe the PMOI and conduct dialogue with the true representatives of the Iranian people, the National Council of Resistance of Iran.

11.35 pm

Andrew Mackinlay (Thurrock) (Lab): I shall be brief. I have had a word with the Minister and he kindly agreed to let me add a few words to the views of the hon. Member for Southend, West (Mr. Amess), whom I congratulate on initiating this debate. I draw attention to my entry on the Register of Members' Interests, because I am proud to be one of the Members of Parliament of both Houses who took this case to the POAC. I am proud of that because it is a distinguished list from across the political spectrum, including Lord Waddington, a Home Secretary under Margaret Thatcher;

[Andrew Mackinlay]

Lord Fraser, a former Conservative Solicitor-General; Lord Archer, a former Labour Solicitor-General; Baroness Boothroyd, a former national agent of the Labour party; and Lord Corbett, the leader of the Labour peers.

We say that the proscription by the Government is wrong, and we have gone to the courts. We now come to the highest court in the land—the House of Commons—to appeal to the Minister to reflect again. I hope that he will discuss with his ministerial colleagues whether it would be more dignified, just and appropriate—as well as good politics—to take the initiative and to de-proscribe the PMOI before they are made to do so by the ultimate decision of the courts in the Strand. That is the issue tonight.

In response to the hon. Member for Lancaster and Wyre (Mr. Wallace), it is a matter of fact that there has been no military activity—some might call it terrorist activity—since 2001. That is not only my view, because the Government have, reluctantly, acknowledged that the PMOI sat out the war with Saddam Hussein. Lord Corbett went to the Government and told them the co-ordinates of the PMOI's location, and he confirmed that it made no attempt to fight in that conflict. Subsequently, the coalition forces spent 16 months examining the conduct of the PMOI and found that it had behaved properly. It had not been involved in any combat.

The PMOI members are protected persons under the Geneva protocols, and I wish to use this occasion tonight—especially in view of the visit by President Ahmadinejad, the dreadful man, to Iraq in the past few days—to ensure that the coalition will stand by the people in Ashraf who have disarmed and are extremely vulnerable. We need a reaffirmation by the UK and US Governments that we recognise the protected status of those people and that we look to the Iraqi Government to honour that too. That is the issue for us tonight.

It was not our Government's proudest moment when they tried to sit it out and hoped that they might win in the courts. They are heading for an acute embarrassment and it would be much better, both domestically and internationally, if they recognised that they made the wrong call while they still have the opportunity to remedy it. It would be a matter of justice and it would send the right signals to Tehran that we will no longer appease that dreadful regime. It would show that we will stand by people in exile who are bravely standing against injustice. They look forward to the liberation of their land and the creation of a pluralistic parliamentary democracy. May that be soon achieved.

11.39 pm

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Tony McNulty): I start, as is traditional, by congratulating the hon. Member for Southend, West (Mr. Amess) on securing this debate, and on engaging in discussion before the debate, which was very courteous of him. I further congratulate him on the debate's timeliness. Sadly for the hon. Gentleman and the House, that very timeliness means that my interjection at the Dispatch Box will be brief, perhaps unusually. My verbosity is legend, but it will not be forthcoming this evening. The hon. Gentleman will be aware that the issue is being considered by the Court of Appeal—I note that there is potentially a further avenue of appeal to the House of Lords, which either party may choose to take up once the judgment is handed down—and so it simply would not be appropriate or wise for me today to touch on any of the details of the specific case.

However, let me touch on one aspect of the process. The Terrorism Act 2000 states that the POAC will allow an appeal if it considers that the decision to refuse an application was flawed when considered in the light of the principles applicable on an application for judicial review. As the hon. Gentleman rightly pointed out, on 14 December the Government lost their attempt to seek leave to appeal against the POAC judgment. However, either of the parties may bring a further appeal on a question of law to the Court of Appeal or its equivalents in Scotland or Northern Ireland. That is where we are now. Ultimately, an appeal can be taken to the House of Lords. The Secretary of State is not required to take any action until the final determination of an appeal, up to and including an appeal to the House of Lords.

I am afraid that the hon. Gentleman's saying that the Government defy the courts is not an accurate characterisation of the position. When the pre-eminent jurist whom he quoted—

Mr. Binley: Will the Minister give way?

Mr. McNulty: I shall, not least because the hon. Gentleman had the courtesy to inform me that he would like to have a little word. I am more than happy to give way.

Mr. Binley: I thank the Minister; he has been very generous. Is it not true, in respect of the comment that he has just made, that the court that we are discussing is the European Court of First Instance? It is that court that the Government are defying. It defeats me totally how we can argue tonight that we should take note and give more powers to Europe, when in truth we disregard an order of a European court that says that the proscription should be as though it had never happened. Will the Minister comment on that?

Mr. McNulty: Probably not, is the short answer. I am describing, as is more than appropriate, the Terrorism Act 2000, and where we are in the course of our own jurisprudence. It is not for the European court to pre-empt a process that has been firmly laid down by this place in that aspect of the 2000 Act.

I repeat—it is important to say it—that whatever people's views on the respective merits of the case, that process, underlined by our law, has not yet been exhausted. Any notion that we are seeking to defy the courts, as the hon. Member for Southend, West courteously suggests, is not the case. The matter is before the Court of Appeal, and it may or may not go up to the House of Lords. Once the matter is settled one way or the other, I do not doubt that there will be a fuller, more substantive debate about the issues. That cannot be the case now.

Mr. Graham Stuart (Beverley and Holderness) (Con) *rose—*

Andrew Mackinlay: Will my right hon. Friend give way?

Mr. McNulty: Members have run out of time; I apologise. We have about 30 seconds left.

That, I am afraid, is an unusually brief speech from me. As I say, the challenge that the hon. Member for Southend, West has set by securing this timely debate is met by other matters, because of its timeliness and because the subject is before the court. I look forward to a subsequent substantive debate on the serious issues—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at sixteen minutes to Twelve o'clock.

House of Commons

Wednesday 5 March 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Electricity Generation

1. **Mr. David Marshall** (Glasgow, East) (Lab): What assessment he has made of the electricity generation capacity in Scotland. [190393]

The Minister of State, Scotland Office (David Cairns): The most recent estimate is that Scotland has about 10.5 GW of generating capacity.

Mr. Marshall: Generating capacity has an effect on prices. As my hon. Friend is aware, Ofgem has launched a welcome investigation into the electricity and gas markets. In view of the similarities between the price increases imposed on consumers by energy companies, will the Minister ask Ofgem specifically to look into the possibility that the companies are operating a nice, cosy cartel against the public interest and are a major cause of fuel poverty?

David Cairns: My hon. Friend has reflected the concerns of many by talking about fuel poverty. As he is aware, given that in today's climate the cost of a barrel of oil is now in excess of $100, the issue affects not only the UK but countries right around the world. My hon. Friend is right to point out that Ofgem's role is to ensure that no cosy cartel exists, and I am sure that that will be part of the review that it is undertaking.

As a Government, we can ensure that those discussions can take place. My hon. Friends in the Treasury and the Department for Work and Pensions have been talking with Ofgem representatives about those matters, too. In the meantime, we will continue our attack on fuel poverty through measures such as the winter fuel payment—now worth up to £300 in households where somebody is aged 80 or more—and by ensuring that the great inroads that we have made to reduce fuel poverty are not undone by rising fuel prices.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): Does the Minister agree that it is important to ensure Scotland's future generating capacity? In that regard, is he aware that the Pentland firth is estimated to have 31 GW of potential? People on both sides of the firth are working to exploit that potential. The last Scottish Executive helped, and the current one is helping; on the other hand, the Department for Business, Enterprise and Regulatory Reform is being somewhat slow. What can the Minister do to help that UK Department ensure that there is a UK supply of electricity from the far north?

David Cairns: I commend the hon. Gentleman for his question. He is, of course, a distinguished former Liberal Democrat Scottish spokesperson, and if press reports are to be believed, he may be back in that job tomorrow. I look forward to welcoming him back to the post, following the outcome of this evening's vote.

As the hon. Gentleman knows, I am well aware of the potential of Solway firth; I have been to look at it twice in the past couple of months, and the Minister for Energy has been to the hon. Gentleman's constituency as well.

I do not accept that DBERR is dragging its heels. We have ensured the correct levels of subsidy at the correct time in the development of technology. Because we have international targets to meet and the threat of climate change is real, those have been designed predominantly to meet the needs of onshore wind technology. However, the next generation of tidal and wave power will have a part to play and the Government stand ready to assist it.

Anne Moffat (East Lothian) (Lab): Does my hon. Friend agree that nuclear power generates more electricity than any other form of power in Scotland, and that the Scottish Executive are irresponsible and short-sighted to rule out building any new nuclear power stations?

David Cairns: Factually, my hon. Friend is entirely correct. Nuclear power is responsible for producing about 40 per cent. of Scotland's electricity. It should be part of a balanced portfolio of energy that includes renewables, which have a very important part to play, as well as clean coal technology and carbon capture and storage. I also agree with my hon. Friend's criticism of the Scottish Executive.

Mr. Mike Weir (Angus) (SNP): The Minister is, of course, quite wrong. The last figures from DBERR itself show that nuclear power made up only 26 per cent. of generation and was falling as renewables rise. Is the future not with renewable energy, such as that to be produced by the Glendoe hydro-station, which, when it comes on line, will produce enough energy to cover the whole of Glasgow?

David Cairns: I support the Glendoe hydro-scheme, which the previous Labour-led Scottish Executive consented to. The fact is that, even if we accept the hon. Gentleman's figures—which are only the case because of temporary outages at Hunterston—historically speaking, nuclear power has been responsible for 40 per cent. of Scotland's electricity. How would the hon. Gentleman replace that? He could not replace it with intermittent renewables, and he is attempting to con the Scottish people if he says that he can.

Devolution

2. **Mr. Gordon Prentice** (Pendle) (Lab): What recent assessment he has made of powers and functions which might be transferred between the UK Parliament and the Scottish Parliament. [190394]

The Secretary of State for Scotland (Des Browne): As my right hon. Friend the Prime Minister has made clear, the time has come to assess how we can strengthen devolution. The cross-border, cross-party Scottish parliamentary review is the right place for that assessment to be made and I am not in a position to prejudge its outcome.

Mr. Prentice: We have another review, but I remind my friend that Joel Barnett called for a review of the Barnett settlement, which gives to Scotland £1,500 more in public spending per head than it does to England. My question is this: should Holyrood have additional tax or revenue-raising powers, and if so, what are the implications for the Barnett formula?

Des Browne: I say to my hon. Friend that, as he is well aware, the Scottish Parliament has tax-raising powers under the Scotland Act 1998, but it has chosen not to exercise them. Members of the Scottish Parliament, in a motion that they overwhelmingly passed, accepted that proper financial accountability must be looked at in the context of the review, and we shall have to wait and see what comes out of that process. The Barnett formula has delivered stable and transparent settlements for Scotland, Northern Ireland and Wales for about 30 years. Despite the lurid headlines in some of the newspapers this morning, there are no plans for any review of the Barnett formula.

Angus Robertson (Moray) (SNP): Last August, the First Minister called for the reconvening of the Joint Ministerial Committees, and we have heard today that that will happen, which my colleagues and I welcome. We also learned today that when Scottish voters last year were deciding in favour of change, there was an embarrassing secret meeting between the Prime Minister and the leader of the Liberal Democrats to stop that change. Still going against public opinion, the Prime Minister says that he wants to take away democratic powers that the Scottish Parliament holds as part of the devolution settlement. Which powers would those be?

Des Browne: The hon. Gentleman sometimes gets slightly over-excited in these circumstances. We saw there a fine example of the Scottish National party's attitude to Scotland. His question was not, "another day, another grievance", but "another day, another three grievances". As I recollect—I was not party to any of the discussions—in the aftermath of the Scottish Parliament elections, discussions took place between all sorts of people about the formation of a Government in Scotland. I am absolutely certain that the man who is currently the First Minister in Scotland took part in such discussions. If the hon. Gentleman wants to reveal which discussions took place with various other parties, I would be delighted to hear about them.

As far as the powers of the Scottish Parliament are concerned, as the hon. Gentleman well knows, the settlement for that Parliament includes a degree of flexibility that has, over the years, allowed powers to be transferred to the Scottish Parliament and, on occasions, from it. The test that we will apply as to which powers go and which powers come will be what is in the best interest of the people of Scotland and the Union. If he wants to join me in those discussions, he is welcome to do so.

Mr. Jim Hood (Lanark and Hamilton, East) (Lab): Does my right hon. Friend agree that if we are going to discuss the powers of Westminster and the Scottish Parliament, one of the best places to do so is not in the media or commissions, but on the Floor of this House or within parliamentary structures? Would it not be a good idea, as I have suggested to my right hon. Friend in the past, for the Grand Committee to discuss all matters concerning Scotland—*[Interruption.]* My right hon. Friend will note that the Liberals and the SNP do not want to discuss Westminster issues in Scotland in this Parliament. I hope that my right hon. Friend agrees with me.

Des Browne: My hon. Friend has raised a point that he has been raising consistently for some time. He is to be commended for his consistent championing of that agenda, but it is a matter for the House rather than the Executive. However, he has made a good point. Those issues are alive, and they ought to be discussed in this Parliament and in the Scottish Parliament. The democratic deficit in Scotland is that, allegedly, a conversation is going on, although it is a pretty muted one, instigated by the Scottish Executive and paid for with public money, but without the authority of the Scottish Parliament. The democratic deficit in Scotland is that the SNP has been unwilling—dare I say it, afraid—to bring the national conversation to the Scottish Parliament to get it endorsed.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I thank the Secretary of State for his input so far into discussions leading to the setting up of the Scottish Constitutional Commission. He has always been very positive and engaged. However, he will need to explain to the Prime Minister that there is no appetite in Scotland for the transfer of powers between here and Edinburgh to be a two-way street. Unless that can be explained to the Prime Minister, the prospects for the commission's success will be diminished.

Des Browne: I thank the hon. Gentleman for his recognition of my contribution. For my part, I reciprocate that and look forward to building the same sort of relationship with his successor. Our discussions have been constructive, because all the people at the heart of those discussions have the best interests of the Scottish people at heart and reflect the overwhelming view of the Scottish people that devolution must be made to work. Currently, we see a significant reduction in support for independence in Scotland, but that is no wonder, given that we have an Executive running Scotland who are more interested in powers that they do not have than in using those that they do for the people of Scotland. As for the point that the hon. Gentleman has made, I well understand his party's

position, but the reality is that the transfer of powers under the 1998 Act has been a two-way street, and we should not deny it.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I understand that the Secretary of State does not want to pre-empt the outcome of the commission, but does he agree that it is a matter of principle that where a Government have responsibility for spending money, they should also have responsibility for raising it and not just have tax-raising powers as an option?

Des Browne: It is interesting that the current Scottish Executive aspire to that position but are taking such powers away from local government in Scotland. There is no question but that financial accountability is an important part of democracy, and I am sure that the review consideration will come up with an answer to that.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I have heard what the Secretary of State has said about reviewing the Barnett formula, but is he really telling the House that no one on the Government Benches believes that such a review should take place? Specifically, will he confirm the position of the Justice Secretary on the Barnett formula, as he appears to be playing an increasingly shadowy role in Scottish devolution?

Des Browne: The hon. Gentleman knows what I have said at the Dispatch Box, but I cannot speak for everybody who sits on the Government Benches, any more than he can speak for everybody who sits on the Conservative Benches behind him. If he wants to know what each person believes, he should ask them. To describe the Secretary of State for Justice, who has responsibility for devolution in departmental terms, as a shadowy figure is a distortion of the truth. The fact of the matter is that no review of the Barnett formula is planned, and I understand from the Leader of the Opposition's comments yesterday that he does not plan one, either.

David Mundell: Perhaps the Secretary of State will explain to the House how it is tenable for Labour to agree to review the financial powers of the Scottish Parliament on the one hand, as he and the Prime Minister have done, but on the other hand to declare the Barnett formula to be sacrosanct.

Des Browne: It is as tenable for the Government to be in that position as it is for the Conservative party, and that is exactly the position that the Conservative party is in.

Armed Forces (Health Care)

3. **Ann Winterton** (Congleton) (Con): When he next plans to discuss health care for members of the armed forces with the First Minister. [190395]

The Secretary of State for Scotland (Des Browne): I have had various discussions with the First Minister on a range of subjects, including armed forces personnel. The Scottish Executive have the duty to ensure that NHS boards in Scotland implement their responsibilities to the armed forces, service families and veterans. The Ministry of Defence has numerous regular discussions at various levels to assist the Executive and NHS Scotland in that respect.

Ann Winterton: Although I acknowledge the excellence of the medical facilities for our military personnel at Selly Oak, what discussions has the Secretary of State had with the First Minister about providing an equally good range of facilities—a centre of excellence—for those serving who are based or living in Scotland, such as those in 52 Brigade, which is currently in Afghanistan? Most personnel will be based in Scotland, but there will be people from the north of England, too. Should they not receive equal treatment to that which people being looked after at Selly Oak receive?

Des Browne: I am grateful for the hon. Lady's recognition of the world-class clinical care that our troops receive at Selly Oak hospital. That has not always been recognised, but the Defence Committee has done the House, Selly Oak hospital and our troops a significant service by clearly confirming that a world-class service is provided there. The reason the service is world class is that there is a concentration of expertise at Selly Oak hospital that would be almost impossible to replicate anywhere else. I am aware of one occasion, for example, on which a soldier returning from Afghanistan required the attention of 16 trauma consultants. Only Selly Oak hospital can provide that. Any attempt to replicate that anywhere else in the United Kingdom would run the risk of diluting the care that we can give. Selly Oak should be built up.

Mr. David Hamilton (Midlothian) (Lab): May I draw my right hon. Friend's attention to the Defence Committee's report, which highlights the fact that veterans in Scotland do not receive the same treatment as veterans in the rest of the United Kingdom? The Select Committee was highly critical of that. When my right hon. Friend meets the First Minister of the minority Government in Scotland, will he make it clear that our troops deserve to be treated in exactly the same way in Scotland as they are throughout the rest of the UK?

Des Browne: I pay tribute to my hon. Friend, who is a member of the Defence Committee, and to the work of the Committee. It has done a service to our armed forces by identifying that one criticism among a small number of criticisms in a report that was otherwise substantially complimentary about medical care. The Scottish Executive—in particular, the Health Minister in Scotland—have responded immediately to that matter. They have suggested that their dealings with the Ministry of Defence are very good on that issue, and I can confirm that they are. We will work together to deal with that and sort it out.

Mark Pritchard (The Wrekin) (Con): Given that many veterans are now retired and elderly, does the Secretary of State agree with the report by the Convention of Scottish Local Authorities that free health care for the elderly should now be subject to eligibility criteria?

Des Browne: I am not aware of the individual report that the hon. Gentleman has mentioned, but I will consider the matter in the context in which the report is written and get in touch with him.

Pete Wishart (Perth and North Perthshire) (SNP): If there have been any failings in the treatment of veterans in the past, the Secretary of State has only his Scottish colleagues in the previous Labour Executive to thank. Will he join me in congratulating the Scottish Government on putting an extra £500,000 into helping veterans with mental health issues, and on the priority treatment that veterans with service-related conditions are now about to receive from the Scottish Government? Does that not contrast vividly with the failings and shortcomings of the previous so-called Executive?

Des Browne: That is unworthy of the hon. Gentleman—

Mr. Alistair Carmichael (Orkney and Shetland) (LD): But not surprising.

Des Browne: Indeed. It is unworthy of the hon. Member for Perth and North Perthshire (Pete Wishart) to play party politics with the health and welfare of our troops, particularly those who are serving in Afghanistan or Iraq and who might come back injured. His party has responsibility for the delivery of that service. I have told the House that I am pleased with the response by the Health Minister in Scotland that she will engage with the issue now that it has been brought to her attention. The fact is, however, that it took her some months to find out that it was even an issue.

John Robertson (Glasgow, North-West) (Lab): Does my right hon. Friend agree that the treatment of our veterans is of the utmost importance to Members on both sides of this House—except, it would appear, to Members from one party, which happens to be in a minority Government in Scotland? Does he agree that, if we were to open up the Scotland Act 1998, the important function of looking after our veterans might be one of the powers that we should bring back to this House, so that we can look after the people who defend this country?

Des Browne: There is growing consensus across the House that, in regard to the delivery of our public services, we ought, as a country, to recognise our commitment to our veterans and our serving troops, and to the families and extended families of those who serve our country in that way. It is disagreeable and disappointing that the Scottish National party should choose to make party advantage in that matter. However, I have no doubt that, as it learns more about the responsibilities of Administration, it will learn that that does not help, and that it will not be forgotten by the people of Scotland in the long term.

Mr. Ben Wallace (Lancaster and Wyre) (Con): The recent Defence Committee report made it clear that the Scottish Executive were not giving high enough priority to the medical care of our service personnel. Last year, Scottish nationalist MSPs supported a ban on the Army visiting schools. Does the Secretary of State agree that the SNP's treatment of our soldiers as second-class citizens is simply the worst kind of politics? Will he seek an urgent meeting with the Secretary of State for Defence to ask him to raise that matter with the First Minister, in order to remind the First Minister that our armed forces personnel are part of the British Army, and that we stand together and fight together?

Des Browne: I will do what I can to get an early meeting with the Secretary of State for Defence, but I know that his diary is very busy. However, the hon. Gentleman has made the good point that one party in the House plays around with those issues for political purposes. In the absence of a coherent defence policy, it is not surprising that it chooses to exploit circumstances as it does. Members of that party should not continue to believe, however, that our armed forces do not recognise that. Those Members do not provide the coherent strategic support that our armed forces need, and they should not play about with those issues as they do.

Unemployment

4. **Ann McKechin** (Glasgow, North) (Lab): What recent discussions he has had with the Secretary of State for Work and Pensions on Government support to assist unemployed people to return to work in Glasgow. [190396]

The Minister of State, Scotland Office (David Cairns): I have discussed the issue of Government support to assist unemployed people to return to work in Glasgow with my right hon. Friends the Secretary of State for Work and Pensions and the Minister for Employment and Welfare Reform on a number of recent occasions.

Ann McKechin: I welcome the good work of the Department for Work and Pensions in Glasgow and Glasgow city council in focusing on employment in the city. They have identified two main challenges, namely the lack of skills among low-paid workers and the lack of appropriate after-school care for lone parents. When my hon. Friend next meets the First Minister, will he remind him that Glasgow needs more, not fewer, apprentices and more funding for comprehensive after-school care rather than taking money out of the voluntary sector?

David Cairns: I agree with my hon. Friend that, after many years of decline, the city of Glasgow has undergone an astonishing renaissance in recent years. It is now important that economic opportunity is expanded out from the centre to all Glasgow's inhabitants. We will be able to do that only if we ensure that people have the right skills and training to be part of Glasgow's economic success. That will not happen by capping the number of available apprenticeships, which is what the SNP has done, in sharp contrast to the big expansion in apprenticeships that my right hon. Friend the Secretary of State has announced. We have ambitions for Glasgow, but it seems that the SNP does not.

Miss Anne Begg (Aberdeen, South) (Lab): One way of getting more people into employment in Glasgow and elsewhere is through the Department for Work and Pensions' Workstep programme, which provides job subsidies to employers of people with severe disabilities. What would my hon. Friend say about a local authority that signed a Workstep contract with the DWP to supply work for 35 disabled people a week after SNP and Liberal Democrat councillors effectively voted to close the same factory in which those people work? How can that help people get into employment?

David Cairns: My hon. Friend is an acknowledged and nationally respected champion of disabled people, who has championed many programmes to help disabled people get into work not only in Glasgow, but in her own Aberdeen constituency. I am very concerned to hear about that proposed cut by Aberdeen city council, so I beg it not to take any action that would make it more difficult for disabled people to get into work, which would be entirely wrong.

Devolution

5. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent discussions he has had with the First Minister on the devolution settlement. [190397]

The Secretary of State for Scotland (Des Browne): I have discussions with the First Minister on a range of issues and I look forward to further constructive discussions in the interests of the people of Scotland in the future.

Sir Nicholas Winterton: I speak as a Conservative and Unionist Member. Will the Secretary of State explain why the Minister of State, who is sitting alongside him, has concluded:

"There is no case for the massive restructuring"

of the current fiscal arrangements for Scotland, when apparently the Labour leader in the Scottish Parliament believes that they should be fundamentally reviewed? May I have a straightforward answer?

Des Browne: The hon. Gentleman does not need to remind us of his qualifications to ask that question, as the whole House knows who he is. May I say that if I infer from his question correctly, he is a welcome convert to the improvement of the devolution settlement? This Government believe in devolution and we delivered it. I am delighted to be working with the Conservative Front Benchers both here and in the Scottish Parliament to devise a method for the review of the devolution settlement in order to improve it for the people of Scotland. I welcome his contribution.

Employment

6. **Mr. Jim Devine** (Livingston) (Lab): If he will make a statement on employment levels in Scotland. [190398]

The Minister of State, Scotland Office (David Cairns): The employment level in Scotland stands at 2.53 million, with the rate of employment at 76.5 per cent. In my hon. Friend's constituency, the employment rate stands at 78.4 per cent.

Mr. Devine: Unemployment in my constituency stands at 2.4 per cent., but that figure will increase because of the cuts being implemented by the Scottish National party. Along with a 6 per cent. increase in rents, there are cuts in the Education Department, cuts in the Health Department and cuts in the Development Department, yet the SNP is spending £70,000 on a tent. Does my hon. Friend agree with me about that?

David Cairns: My hon. Friend is right. Since 1997 there have been more than 250,000 additional jobs in the Scottish economy thanks to Labour's management of the economy, and it is a great shame to see that good work being undone by the SNP, both in the Administration in Edinburgh and locally. I am sure that the voters of Livingston will bear that in mind the next time that they go to the polls.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [191537] **Mr. Fabian Hamilton** (Leeds, North-East) (Lab): If he will list his official engagements for Wednesday 5 March.

The Prime Minister (Mr. Gordon Brown): Before I list my engagements, let me say that I am sure the whole House will wish to join me in sending condolences to the family and friends of Royal Air Force Sergeant Duane Barwood, who died in Iraq on Friday. To him and to others who have lost their lives we owe a huge debt of gratitude.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr. Hamilton: I endorse the Prime Minister's comments.

Poverty pay in this country was largely eradicated by the national minimum wage legislation introduced by this Government 10 years ago. Will my right hon. Friend reassure my constituents and the House that the minimum wage will continue to rise in line with average earnings, and that he will maintain his commitment to high employment and investment in our public services?

The Prime Minister: I am pleased to announce that the minimum wage will rise to £5.73 this October. That is a 60 per cent. increase on the original minimum wage introduced in 1999. Some people said that the minimum wage would cost us 2 million jobs. We have a rising minimum wage, and we have created 3 million jobs. I am also delighted to say that in contrast to what others are suggesting—£10 billion of tax cuts will be paid for by huge cuts in public spending—we will maintain public services in health, education and transport infrastructure, and those for children and pensioners. We will keep our promises on public services.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Sergeant Duane Barwood, who was killed in Basra on Friday. His family live in my constituency, and our thoughts and prayers are with them as they honour his memory.

Does the Prime Minister think that if he held a referendum on the Lisbon treaty he would win it?

The Prime Minister: No country in Europe apart from Ireland is holding a referendum on the constitutional treaty—*Interruption.]*

Mr. Speaker: Order. Hon. Members should not be shouting down the Prime Minister, or the Leader of the Opposition.

The Prime Minister: If this were a constitutional treaty, we would hold a referendum. If there were a vote on the euro, we would hold a referendum. But the constitutional concept was abandoned, and that is why the nine countries that proposed a referendum—including Ireland—are not holding one.

The question that the Opposition must answer is this. If after ratification they hold a referendum, they will essentially be renegotiating our membership of the European Union, and that would put thousands of jobs in this country at risk.

Mr. Cameron: Everyone who is watching will see that the Prime Minister will not answer the question. The truth is that all of us in the House promised a referendum. We have the courage of our convictions and are sticking to that promise. The Prime Minister has lost his courage, and that lot—the Liberal Democrats—have lost their convictions. So let me ask the Prime Minister again: does he think that if he held a referendum, he would win it?

The Prime Minister: The last time a referendum was held on Europe, it was won with a massive majority. Let me also say to the right hon. Gentleman that his proposals put our membership of the European Union at risk. When will he wake up to the fact that three and a half million jobs are dependent on our membership of the European Union, that 700,000 companies are trading with Europe, that 60 per cent. of our trade is with Europe, and that all that is put at risk by Conservative intransigence on Europe?

Mr. Cameron: And answer came there none.

The Prime Minister says that the constitutional concept has been abandoned, yet this treaty includes provision for an EU Foreign Minister, an EU president and an EU diplomatic service. I do not think that Tony Blair is running for president of some feeble organisation. He is running for president of the United States of Europe.

This treaty gets rid of dozens of vetoes, and gives the European Union, for the first time, the ability to get rid of further treaties without another treaty. If it looks like the constitution and sounds like the constitution, that is because it is the constitution. Tony Blair found the courage to back a referendum; why will not the Prime Minister?

The Prime Minister: The Conservative party is wrong: this is not "the United States of Europe". The Conservative party is wrong: foreign policy is decided at intergovernmental level. As far as what the right hon. Gentleman says about this institutional arrangement, a former Conservative Chancellor says:

"What we have now is far less important than Maastricht"

—and their party did not have a referendum on Maastricht.

Mr. Cameron: If the Prime Minister wants to trade quotes, why does he not try this one from the hon. Member for Birmingham, Edgbaston (Ms Stuart), who was Labour's appointment to the organisation that drew up the constitution? She said:

"A referendum was promised. It should be delivered. If Labour can't trust the people, why should the people trust Labour?"

Does not the Prime Minister understand that this is one of the reasons why our political system is so badly broken? All three main parties in this House made a promise to our constituents for a vote on the EU constitution. When we turn around and say, "You can't have it any more," it is no wonder people feel cheated and cynical because promises are being made and broken. Why cannot the Prime Minister see the damage that he is doing?

The Prime Minister: I have explained to the House that if this was a constitutional treaty, we would be having a referendum. The constitutional concept was abandoned. If the right hon. Gentleman wishes to persist in talking about "the United States of Europe" and a "constitutional treaty", he will have no support in the rest of Europe. Indeed, the only party that supports him in Europe, the Czech ODS party, says:

"The document is no constitution any more."

If the right hon. Gentleman's party had truly changed and moved to the centre, he would be standing up to his Back-Benchers: he would be leading them instead of following them, he would be standing up to the Eurosceptics instead of appeasing them, and he would be moving to the centre of Europe instead of being left at the margins of Europe.

Hon. Members: More, more.

Anne Snelgrove (South Swindon) (Lab): The opportunities for young people to receive a higher education are greater than ever before. Is Swindon, with its high employment level but low skills base, a suitable candidate to bid for a much needed new university?

The Prime Minister: My hon. Friend is absolutely right. Many towns and cities in this country will want a university or higher education institution in the next few years. We are expanding higher and further education because we are investing more in education and not cutting it, and as we do so there will be scope for towns and cities in this country to apply to have universities or higher education institutions. That is the right way forward for Swindon and for many other towns and cities, and I hope that people will support the increase in education investment that makes that possible.

Mr. Nick Clegg (Sheffield, Hallam) (LD): May I—*[Interruption.]*

Mr. Speaker: Order. I call the right hon.—*[Interruption.]* Order. I call the right hon. Gentleman.

Mr. Clegg: May I add my own expressions of sympathy and condolence to the family and friends of Sergeant Duane Barwood?

The Prime Minister once said that he would,

"build a wider pro-European movement in Britain".

How does he think he can achieve that by colluding with the anti-European Conservatives to block the in out referendum that the British people really want?

The Prime Minister: By not walking out of the House of Commons, for a start. By not saying that there is a principle in abstention when it comes to a European issue. I tell the right hon. Gentleman that we will lead the agenda on the future of Europe, and that we will lead on the environment, international development, the approach to globalisation and security. There is not much principle in recommending abstention.

Mr. Clegg: The Prime Minister talks about leadership, but the fact is that he has bottled it and, as far as I can make out, the leader of the Conservatives wants to leave the European Union but has not got the guts to say it. Is not the truth that this country will never lead in Europe until politicians who believe in the European Union have the courage to stand up for it, and politicians who want to leave it are flushed out in an honest debate on our membership?

The Prime Minister: I agree with the right hon. Gentleman entirely. The Conservative party leadership is being driven by the Eurosceptics on the Back Benches. I also agree with him that we need to put the pro-European case in the country, but I have to say that to go back to the 1970s and relive a referendum in the 1970s is not the way to plan for the future. The way to plan for the future is to have an agenda for a global Europe, which is exactly what this Government have.

Q2. [191538] **Shona McIsaac** (Cleethorpes) (Lab): In a couple of weeks' time, free national bus travel is being introduced for pensioners. However, North East Lincolnshire council is chucking pensioners off the bus before 9.30 in the morning and blaming the Government. Will my right hon. Friend tell the residents of Grimsby and Cleethorpes that it is not the Government doing this, but a case of the Lib Dems stealing their bus passes?

The Prime Minister: I am proud that this Government have made it possible to have free local pensioner travel and now free off-peak national pensioner travel. That is why we have made available £650 million over the next three years. We consulted local authorities and we agreed to the scheme that they put forward. There is no excuse for local authorities denying pensioners their right to travel throughout the country. This is a scheme that is right, that can be done and that should happen from next month.

Mr. David Cameron (Witney) (Con): There are currently six police investigations under way into the conduct of government in London. The most recent allegations are that the London Mayor's director for equalities and policing has been channelling public funds into organisations run by friends and cronies. Does the Prime Minister agree with me that that is completely unacceptable?

The Prime Minister: As on any occasion when a matter referring to a police investigation is raised, I have to say this is a matter for the police. It should be fully investigated, but it is not a matter for this House until the police complete their investigations.

Mr. Cameron: The point is that while these accusations are going on and this investigation is under way, the Mayor—the Labour Mayor—has said that he

"trusts Lee Jasper with his life",

and last night he said that he is already planning to reappoint him. Does not every element of the Prime Minister's moral compass tell him that this is wrong?

The Prime Minister: As I understand it, the person whom the right hon. Gentleman is talking about has resigned and is no longer in that employment. If the right hon. Gentleman wishes to support the police in their investigation, why does his candidate for the Mayor of London say that the first target for cuts is transport and policing? That is the Conservative party—cutting transport and cutting policing.

Q3. [191539] **Mr. Edward O'Hara** (Knowsley, South) (Lab): Has my right hon. Friend seen reports in today's press of condemnation by the United Nations drug control agency of a celebrity cocaine culture in the United Kingdom? I have seen the devastating effect of drugs on young lives in my constituency, so will he take this opportunity to agree with me that, quite simply, there is nothing glamorous about drug abuse?

The Prime Minister: One of the good things of recent years is that the number of people using drugs appears to have fallen. It is also true that the number of people receiving drug treatment is up, and we have doubled the budget available for people receiving treatment for drugs. But I have to agree with my hon. Friend that it is very important, when there are celebrities and role models for young people, that they send out the proper messages. Some of our role models and celebrities send out the right message about the damage of drugs, but I hope that those people who take a casual attitude to drugs will think again and remember the message, as celebrities, that they are sending out to young people in our country.

Mr. John Hayes (South Holland and The Deepings) (Con): The Prime Minister, speaking of education, boasts of opportunity for all, but has he forgotten that under his stewardship, the number of young people not in education, employment or training has soared to 1.25 million? Does he believe that the principal reason for that failure is that nine in 10 jobs go to foreign workers, or is it that 40,000 school leavers leave at 16 functionally illiterate and/or innumerate?

The Prime Minister: The hon. Gentleman seems to forget that about 500,000 more young people are in education after school than when we came into power in 1997, so far from there being fewer young people in education, there are more. He has also forgotten that more young people are in work now than there were in 1997, and that youth unemployment has fallen by 80 per cent. Yes, there is an issue to address about young people who fall through the net and young people who leave school without qualifications, but the only way to deal with it is through the measures that we are taking to raise to the age of 18 the opportunities for young people and not to cut them, as the Conservative party would do.

Q4. [191540] **Mr. David Marshall** (Glasgow, East) (Lab): In view of soaring energy costs for consumers and soaring profits for energy companies, will my right hon. Friend give serious consideration to imposing a windfall levy on those profits with a view to increasing the winter fuel allowance for pensioners by £200 for next winter?

The Prime Minister: As my hon. Friend knows, the head of Ofgem has set up an inquiry into the market in electricity and energy in this country. It is right that he pursues an investigation to see whether competition is working effectively in the industry. It is also true that as a result of the European emissions trading scheme windfall profits have been made by the energy companies. That is a matter on which the head of Ofgem has also commented. The energy companies have made additional money available this year to help people on low incomes pay their fuel bills, but that is a small amount in relation to what the Government are doing through the winter allowance. Our winter allowance is £200 for the over-60s and £300 for the over-80s. This winter, when people are experiencing high utility bills, the winter allowance that we are giving is crucial.

Mr. Edward Garnier (Harborough) (Con): Since last November, the Government have secretly trebled the bribe offered to foreign national prisoners to go home. Have the Government done that in secret because they have failed?

The Prime Minister: Two years ago, only 1,500 foreign national prisoners were leaving and being thrown out of this country. Last year, as a result of the actions that we have taken, the figure more than doubled to 4,200. I think it is right that we get as many foreign national prisoners in British prisons back to their country of origin as quickly as possible. I would have hoped that the hon. and learned Gentleman would support the measures that we are taking to return people to their country of origin.

Q5. [191541] **Chris McCafferty** (Calder Valley) (Lab): Question 5, Mr. Speaker.

The Prime Minister *rose—*

Hon. Members: Answer. *[Laughter.]*

Mr. Speaker: Order. I will remember some hon. Members when they make a mistake.

Chris McCafferty: In the week when we are celebrating both mother's day and international women's day, would my right hon. Friend commit to helping improve maternal and child health programmes in developing countries through improvements in reproductive health services and, in particular, through the international health partnership?

The Prime Minister: There would be no better way to mark international women's day than by taking action to deal with infant and maternal mortality. I would have thought that both sides of the House would think it a tragedy that 500,000 mothers die unnecessarily each year in childbirth and that in a country such as Sierra Leone one in every seven mothers dies in childbirth, bringing into life a baby while dying herself. That is why it is very important that the international health partnership that we have formed takes action to deal with maternal mortality. It needs more nurses, more midwives and more help with treatment in those countries. I am grateful to my hon. Friend, because she has put this issue on the agenda in this country. If the Opposition would get serious about issues relating to maternal mortality, perhaps together, as a House, we would take action on this matter.

Mr. Gregory Campbell (East Londonderry) (DUP): Will the Prime Minister join me in congratulating my right hon. Friend the Member for North Antrim (Rev. Ian Paisley), and First Minister of Northern Ireland, on the announcement that he made yesterday that he plans to stand down from his position as Northern Ireland's First Minister? Will he also join me in congratulating my right hon. Friend on almost 40 years in this House and on his resolve and determination not to give in to terrorism? Will he also join my right hon. Friend, my colleagues and me in reassuring all of those who want to see continuity in Northern Ireland that true democrats will have nothing to fear from the next Democratic Unionist party First Minister in the Assembly?

The Prime Minister: The hon. Gentleman is right: all of us want to pay tribute to the work that the First Minister did in making possible the final stages of the peace process, the work that he has done as First Minister, his resolute determination to stand up to terrorism at every point and his decision to work with other parties for reconciliation in Northern Ireland. I had the privilege of phoning him last night to thank him for the work that he has done as First Minister, and I hope that the whole House will join me in acknowledging his 40 years of service in this House and the historic role that he has played in the peace settlement in Northern Ireland.

Q6. [191542] **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): In Milton Keynes, the Open university, De Montfort university, the university of Luton, University College Northampton and Milton Keynes college are already collaborating, through Universities for Milton Keynes, to provide higher education course for 700 students locally. Would my right hon. Friend agree that that is just the type of initiative that the new university challenge has been designed for, and that Milton Keynes will be successful in its bid for one of the 20 new universities?

The Prime Minister: The Secretary of State for Innovation, Universities and Skills made an important announcement on Monday about the designation of 20 towns or cities for new universities or higher education institutes. I hope that all cities and towns will consider whether they could add to their higher education and university amenities, and I hope that many will make submissions as part of that process. Milton Keynes has done a historic job as the home of the Open university, which is known throughout the world, and given Milton Keynes' size, its application for university status will be welcomed in every part of the country.

Peter Bottomley (Worthing, West) (Con): To return to the European treaty, what polling or survey evidence did the Prime Minister have on what the result of a referendum would have been?

The Prime Minister: The one poll that people look at is an actual referendum. In 1975 there was a referendum that recorded a yes vote, with more than two thirds of the population voting yes. I remind Conservative Members that most of those who were here in 1992 walked through the Lobby to oppose a referendum on Maastricht, and now they want a referendum on a treaty that is far less significant. They should think again about their position.

Q7. [191543] **Julie Morgan** (Cardiff, North) (Lab): I know that my right hon. Friend wants to engage and involve young people in their communities as volunteers and in the democratic process. Does he agree that lowering the voting age to 16 would help to bring that about?

The Prime Minister: In the White Paper on the constitution, the Government said that we would consider lowering the voting age to 16 and that is now part of the debate that will take place in the country. On Friday, we announced the appointment of Jonathan Tonge as chair of the Youth Citizenship Commission, which will consider a range of issues including not only the voting age, but the curriculum on citizenship and whether there is a case for a citizenship ceremony when people come of age. All those issues should be part of a public debate.

Q8. [191544] **Ann Winterton** (Congleton) (Con): Is it not ironic that while our armed forces are fighting so courageously and losing lives to bring democracy to Iraq and Afghanistan, this House through the Lisbon treaty is handing powers to our masters in Brussels, thereby further destroying the democratic right of the British people to bring about change through the ballot box?

The Prime Minister: We have a Parliament, we have a democracy and we are having debates on that very treaty in this House as part of our democracy. The hon. Lady should be honest with the House, because she was a member of the campaign—*[Interruption.]* I hope that Conservatives who are putting the case for the referendum will tell the House what they really want. They want a no vote in the referendum and many of them want to renegotiate our membership of the EU. They are not simply anti the amending treaty; they are anti-Europe.

Ministerial Visits

Q9. [191545] **David Taylor** (North-West Leicestershire) (Lab/Co-op): When he next plans to visit north-west Leicestershire.

The Prime Minister: I visited Leicestershire in September, when I visited policing in the community. I look forward to returning to the area soon.

David Taylor: When he comes to north-west Leicestershire, the Prime Minister will receive a warm welcome, not least from the area's general practitioners, who have implemented our Government's primary care policies very successfully since 1997. Will he meet those GPs, such as the highly respected Dr. Orest Mulka, whose experience with polyclinics abroad indicates that they will be a step too far and that they might lead to a lower regard for generalist doctors, damage the GP-patient relationship and be wasteful and demoralising as a consequence?

The Prime Minister: The key priority is that we have more doctors who are serving their communities, not just during working hours but during evenings and weekends. That is why it is right that in every area of the country we are investing more in the GP service. I hope that our GPs will vote for the three extra hours that will allow half the practices in this country to offer weekend opening or evening opening so that doctors are available for people when they need them.

Engagements

Q10. [191546] **Mark Hunter** (Cheadle) (LD): Is the Prime Minister aware that St. Ann's hospice in Heald Green in my constituency needs to raise £16,000 a day just to keep going? Is he further aware that the respected charity Help the Hospices claims that Government fund only one third of the total requirement needed? Will the Prime Minister tell us what he will do about the problem and will he agree to meet an all-party delegation to discuss the matter in more detail?

The Prime Minister: Of course, I would be very happy to meet an all-party delegation. The work of hospices and the great contribution that they make should be commended in every part of the country. It is true to say that we are providing more finance for hospices than ever before. We will continue to look at what we can do and to value the service that is given by volunteers, as well as professionals, in this area. When we meet, we will discuss the future funding needs of hospices.

Q11. [191547] **Geraldine Smith** (Morecambe and Lunesdale) (Lab): Does the Prime Minister agree, and I think that he will, that holding a referendum on the EU treaty would be tantamount to Parliament's abrogating its responsibilities? However, does he accept that many people in Britain regard the EU as a bureaucratic monolithic monstrosity that unduly interferes with the economic, social and political issues facing our nation? What will he do to alter that perception?

The Prime Minister: I do not entirely agree with my hon. Friend's second point. We are proposing major changes in the EU so that it is more outward looking, more global in its orientation, more flexible and less bureaucratic. On her first point, let us be absolutely clear that on every other amending treaty for the EU, the decision has been made by this House and not through a referendum. The Single European Act, Nice, Amsterdam and Maastricht were all decided on in this House. It is the Conservative party that has changed its mind, not the Labour party.

Q12. [191548] **Steve Webb** (Northavon) (LD): With the prison population at record levels, Prison Service managers are understandably trying to use every available place that they can find. For Members of this House with open prisons in their constituencies, there is a concern that security vetting is being relaxed because there are spare places in open prisons. Will the Prime Minister ensure that there is an investigation and will he guarantee that security vetting will not be relaxed simply because of pressure on prison places?

The Prime Minister: I understand that security vetting does take place. The important thing for the hon. Gentleman to recognise is that we have created 20,000 more prison places over the past 10 years. Even this year there will be a rise in prison places from 82,000 to 85,000 and we will create 15,000 more prison places in the years to come. The reason that we are doing that is that we have brought more offences to justice. Five years ago, 1 million offences were brought to justice; now the figure is 1.4 million. That is a tribute to good policing in this country, and it is because we have been prepared to invest in the police services through our public expenditure.

Q13. [191549] **Mr. Martin Caton** (Gower) (Lab): Over the past few years, cluster munitions have killed and maimed tens of thousands of innocent civilians. Now the Oslo process, involving more than 130 nations, including the UK, offers us a way of ridding the world of those weapons for ever. Can my right hon. Friend commit to showing the same sort of resolve in dealing with cluster munitions that this Government showed when we rid the world of land mines?

The Prime Minister: I can tell my hon. Friend that weapons that cause unacceptable harm are something that we have got to negotiate about. We are engaged in a negotiation on this, and of course the Defence Secretary will report back to the House when that negotiation is completed.

Fireworks Act 2003 (Amendment)

12.31 pm

Rob Marris (Wolverhampton, South-West) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision about the noise emitted by fireworks supplied in the United Kingdom.

Fireworks used in the United Kingdom are too often too noisy. We need a lower limit on their noise, and improved labelling of fireworks to go along with it. I thank the Royal Society for the Prevention of Cruelty to Animals, of which I am a long-time member, for its assistance with background information to the Bill. I pay tribute to my former colleague Bill Tynan for the work that he did to bring in the Fireworks Act 2003, which has benefited millions of people and millions of pets in the United Kingdom.

Under the 2003 Act, there is a ban on those aged under 18 buying fireworks. It introduced a curfew on the use of fireworks between 11 pm and 7 am, except on four major festivals: Diwali, Guy Fawkes night on 5 November, new year's eve and Chinese new year. Regulations made under the Act in 2004 introduced a limit of 120 dB for fireworks.

Fireworks fall into four categories. Category 1 fireworks are suitable for use inside domestic buildings; category 2 fireworks are suitable for outdoor use in relatively confined areas; category 3 fireworks are suitable for outdoor use in large open spaces, and category 4 fireworks are incomplete or not intended for sale to the general public. Most fireworks with which the Bill is concerned, and which concern our constituents, fit into category 3.

The 2003 Act also introduced criminal sanctions for contravention of fireworks regulations—an offence punishable on summary conviction by up to six months' imprisonment or a fine up to level 5, which is currently £5,000. Unfortunately, a recent poll suggested that 60 per cent. of people in this country think that the Act and the regulations made under it are not effective.

Like many Members, I love fireworks—I love the visuals of fireworks. I am not against fireworks or against their use in domestic situations, but I am against the antisocial use of fireworks, which is generally connected to their noise.

Over the years, I have received lots of letters about fireworks, but I have never received a letter about the visual pollution of fireworks, although I appreciate the fact that certain nights of the year may be difficult for astronomers. However, what my constituents write to me about is the noise of fireworks, and I suspect other Members receive similar letters from their constituents.

As I said, the current limit is 120 dB. To give the House some idea of what that sounds like, it would be like being 120 m from a passenger jet. A road drill is 100 dB, and 95 dB is roughly equivalent to a book being dropped 1 m on to a table. At a lower level, 70 dB is the normal sound one would hear on a television and, depending on traffic volume, between 70 and 80 dB is the background traffic noise that many of us experience.

We continue to receive letters from constituents understandably complaining about the noise of fireworks, even though most fireworks sold and used in the United Kingdom are below the current 120 dB limit. However, they still disturb humans and pets, so the Bill would lower the threshold from 120 to 95 dB in the interests of improving the lives of all of us—human beings and pets. There would also be safety implications.

Secondly, the Bill would improve the labelling of fireworks. Three and a half years ago, I tabled early-day motion 1549:

"That this House believes that, in the interests of helping to promote good neighbourliness and animal welfare, regulations should soon be made under the Fireworks Act 2003 requiring all those selling fireworks to label them clearly specifying the decibel level produced by each firework when used."

I want informed choice for consumers. I am sure that many people who buy fireworks have no intention of disturbing their neighbours. However, unless we have clear labelling on the noise level to be emitted by fireworks it is difficult for people to know until they use them whether they will in fact disturb their neighbours or animals in the neighbourhood. We should lower the level allowed for fireworks used in the United Kingdom from 120 dB—the current limit—to 95 dB, and we should make sure that fireworks supplied for use in the UK have a clear label specifying the decibel level to be emitted by the firework.

Question put and agreed to.

Bill ordered to be brought in by Rob Marris.

FIREWORKS ACT 2003 (AMENDMENT)

Rob Marris accordingly presented a Bill to make provision about the noise emitted by fireworks supplied in the United Kingdom: And the same was read the First time; and ordered to be read a Second time on Friday 17 October, and to be printed [Bill 83].

Orders of the Day

European Union (Amendment) Bill

[11TH ALLOTTED DAY]

(Remaining Proceedings on Clause 8 and proceedings on New Clauses and New Schedules)

Further considered in Committee.

[SIR ALAN HASELHURST *in the Chair*]

The Chairman of Ways and Means (Sir Alan Haselhurst): Before I call the right hon. Member for Richmond, Yorks (Mr. Hague) to move his amendment, may I say to the Committee that we will have a single debate on the amendments that have been selected? It is not usual for hon. Members to write in to signify a wish to speak in Committee, but a good number of colleagues have indicated such a wish to me, so I suspect that this will be a well-subscribed debate. As time limits cannot be imposed by the occupant of the Chair, I would appreciate it if right hon. and hon. Members took account of the fact that there is heavy demand today.

Clause 8

COMMENCEMENT

12.40 pm

Mr. William Hague (Richmond, Yorks) (Con): I beg to move amendment No. 293, page 4, leave out line 8 and insert—

'(2A) Section [*Referendum*] comes into force on Royal Assent.

(2B) The other provisions of this Act come into force if an affirmative answer has been given to the question asked in a referendum held in accordance with section [*Referendum*] and any legal challenge made under an order made under that section has been disposed of by the court or courts in question.'.

The Chairman: With this it will be convenient to discuss the following: Amendment No. 296, page 4, leave out line 8 and insert—

'(2A) Section [*Referendum on the Treaty of Lisbon (No. 2)*] and Schedule [*Conduct of the Referendum (No. 2)*] come into force on Royal Assent.

(2B) The other provisions of this Act come into force if an affirmative answer has been given to the question specified in section [*Referendum on the Treaty of Lisbon (No. 2)*] in a referendum held in accordance with that section and Schedule [*Conduct of the Referendum (No. 2)*] and any legal challenge made under that Schedule has been disposed of by the court or courts in question.'.

Amendment No. 297, page 4, leave out line 8 and insert—

'(2A) Section [*Referendum on the Treaty of Lisbon (No. 3)*] and Schedule [*Conduct of the Referendum No. 2*] come into force on Royal Assent.

(2B) The other provisions of this Act come into force if an affirmative answer has been given to the question asked in a referendum held in accordance with section [*Referendum on the Treaty of Lisbon (No. 3)*] and Schedule [*Conduct of the Referendum (No. 2)*] and any legal challenge made under that Schedule has been disposed of by the court or courts in question.'.

Amendment No. 63, on page 4, line 8, leave out 'on Royal Assent' and add

'only if an affirmative answer has been given to a referendum held in accordance with Schedules (*Referendum on the Treaty of Lisbon*) and (*Conduct of the Referendum*) (which shall have effect) and any legal challenge made under paragraph 3 of Schedule (*Referendum on the Treaty of Lisbon*) has been disposed of by the court or courts in question'.

New clause 1—*Referendum*—

'(1) A referendum shall be held throughout the United Kingdom and Gibraltar on the day specified by an order made by a Minister of the Crown.

(2) The question to be asked in the referendum is—

"Should the United Kingdom approve the Lisbon Treaty?"

(3) A Minister of the Crown may by order make provision in relation to the referendum which—

(a) determines the referendum period for the purposes of Part 7 of the Political Parties, Elections and Referendums Act 2000 (c. 41); and

(b) requires ballot papers to be used by voters in Wales, after having set out the question and the possible answers in English, to set them out again, with equal prominence, in Welsh.

(c) makes provision as to the conduct of the referendum, entitlement to vote in the referendum and legal challenge to the referendum result.

(4) The question in Welsh is—

"A ddylai'r Deyrnas Gyfunol gymeradwyo Cyfundeb Lisbon?"

(5) Every power of a Minister of the Crown to make an order under this section shall be exercisable by statutory instrument.

(6) An order under this section may be made only if a draft of the order has been—

(a) laid before Parliament; and

(b) approved by a resolution of each House.

(7) The Secretary of State may by order made by statutory instrument bring the provisions of this Act into force provided that a majority of votes in the referendum shall have been cast in favour of approving the Lisbon Treaty.'.

New clause 18—*Referendum on the Treaty of Lisbon (No. 2)*—

'(1) A Referendum shall be held, not later than six months after Royal Assent, throughout the United Kingdom and Gibraltar on the day specified by an order made by a Minister of the Crown.

(2) This question shall be asked in the referendum—

"Should the United Kingdom approve the Lisbon Treaty?"

(3) A Minister of the Crown may by order vary the wording of this question, or add a supplementary question.

(4) An order under this section may be made only if a draft of the order has been—

(a) laid before Parliament; and

(b) approved by a resolution of each House.

(5) The referendum shall be conducted in accordance with Schedule [*Conduct of the Referendum (No. 2)*].'.

New clause 19—*Referendum on the Treaty of Lisbon (No. 3)*—

'(1) A Referendum shall be held, not later than six months after Royal Assent, throughout the United Kingdom and Gibraltar on the day specified by an order made by a Minister of the Crown.

(2) This question shall be asked in the referendum—

"Should the United Kingdom approve the Lisbon Treaty?"

(3) The referendum shall be conducted in accordance with Schedule [*Conduct of the referendum (No. 2)*].'.

New schedule 1—*Referendum on the Treaty of Lisbon*—

'Holding a referendum

1 (1) A referendum shall be held, not later than six months after Royal Assent, throughout the United Kingdom and Gibraltar on the day specified by an order made by a Minister of the Crown.

(2) The question to be asked in the referendum is—

"Should the United Kingdom approve the Treaty of Lisbon?"

(3) A Minister of the Crown may by order make provision in relation to the referendum which—

(a) determines the referendum period for the purposes of Part 7 of the Political Parties, Elections and Referendums Act 2000 (c.41); and

(b) requires ballot papers to be used by voters in Wales, after having set out the question and the possible answers in English, to set them out again, with prominence, in Welsh.

(4) The question in Welsh is—

"A ddylai'r Deyrnas Gyfunol gymeradwyo Cyfundeb Lisbon?"

(5) Every power of a Minister of the Crown to make an order under this paragraph shall be exercisable by statutory instrument.

(6) An order under this section may be made only if a draft of the order has been—

(a) laid before Parliament; and

(b) approved by a resolution of each House.

Entitlement to vote in the referendum

2 (1) Subject to subparagraph (2), a person is entitled to vote in the referendum, if on the day it is held, he has—

(a) an individual who would be entitled to vote as an elector at a parliamentary election in a constituency in the United Kingdom;

(b) a peer who would be entitled to vote as an elector at a local government election in an electoral area in Great Britain or at a local election in an electoral area in Northern Ireland;

(c) a peer who, by virtue of section 3 of the Representation of the People Act 1985 (c.50) (peers resident outside the United Kingdom), would be entitled to vote as an elector at a European Parliamentary election in an electoral region; or

(d) a Commonwealth citizen who would be entitled to vote in Gibraltar as an elector at a European Parliamentary election in the combined electoral region in which Gibraltar is comprised.

(2) A Minister of the Crown may by order made by statutory instrument make provision for the purposes of subparagraph (1) for disregarding alterations made after a specified date in a register of electors.

(3) An order under subparagraph (2) may—

(a) apply or incorporate, with or without modification, any provision of any enactment or subordinate legislation relating to elections;

(b) make different provision for different cases;

(c) make provision subject to such exemptions and exceptions as the Minister making the order thinks fit; and

(d) make such incidental, supplemental, consequential and transitional provision as that Minister thinks fit.

(4) An order under subparagraph (2) may be made only if a draft of the order has been—

(a) laid before Parliament; and

(b) approved by a resolution of each House.

(5) In subparagraph (1)—

"electoral area" means—

(a) an electoral division or ward (or, in the case of a parish or community in which there are no wards, the parish or community) for which an election of councillors is held in England and Wales under the Local Government Act 1972 (c.70);

(b) an electoral ward for which an election of councillors is held in Scotland under the Local Government etc. (Scotland) Act 1994 (c.39); or

(c) an area for which an election of members of a district council is held in Northern Ireland under section 11 of the Electoral Law Act (Northern Ireland) 1962 (c.14);

"electoral region" means an electoral region mentioned in section 1(2) of the European Parliamentary Elections Act 2002 (c.24);

"European Parliamentary election" means an election of a representative to the European Parliament.

Legal challenge to the referendum result

3 (1) No court may entertain any proceedings for questioning the number of ballot papers counted or votes cast in the referendum, as certified—

(a) by the Chief Counting Officer, or

(b) by counting officer,

unless the proceedings are brought in accordance with this section.

(2) The proceedings may be brought—

(a) in England and Wales, only by a claim for judicial review;

(b) in Scotland, only by a petition for judicial review;

(c) in Northern Ireland, only by an application for judicial review;

(d) in Gibraltar, only by a claim for judicial review.

(3) The court in England and Wales or Gibraltar must not give permission for a claim unless the claim form is filed before the end of the permitted period.

(4) The court in Scotland must refuse a petition unless it is lodged before the end of the permitted period.

(5) The court in Northern Ireland must refuse an application for leave to apply for judicial review unless it is lodged before the end of the permitted period.

(6) In this paragraph "the permitted period" means the period of six weeks starting with—

(a) the date on which the Chief Counting Officer or (as the case may be) the counting officer gives a certificate as to the number of ballot papers counted and votes cast in the referendum; or

(b) if he gives more than one such certificate, the date of the last to be given.'.

New schedule 2—*Conduct of the Referendum*—

'Introductory

1 (1) In this Schedule "the 2000 Act" means the Political Parties, Elections and Referendums Act 2000 (c. 41).

(2) Expressions used in this Schedule and in Part 7 of the 2000 Act have the same meanings in this Schedule as in that Part.

Encouraging voting

2 The Electoral Commission may do anything they think necessary or expedient for the purpose of encouraging voting at the referendum.

3 (1) For the purpose of encouraging voting at the referendum the Electoral Commission may, in particular, direct each counting officer to provide such impartial information as may be specified in the direction to every person who is entitled, in the referendum, to vote in the counting officer's voting area.

(2) A direction under this paragraph may also include requirements as to the form and manner in which the information is to be sent.

(3) A direction under this paragraph may not require the inclusion of additional information in a document or part of a document the form of which is prescribed by or under any enactment.

(4) In subparagraph (1) "voting area", in relation to a counting officer, means—

(a) in the case of a counting officer appointed for a relevant area in Great Britain, that area;

(b) in the case of the Chief Electoral Officer for Northern Ireland in his capacity as a counting officer, Northern Ireland; and

(c) in the case of a counting officer for Gibraltar, Gibraltar.

Provision of information to voters

4 (1) This paragraph applies if the Electoral Commission have not, before the appropriate day, designated an organisation under section 108 of the 2000 Act (organisations to whom assistance is available under section 110 of that Act) in relation to each possible outcome of the referendum.

(2) The Electoral Commission shall take steps to provide such impartial information for persons entitled to vote in the referendum as will promote a proper and fair understanding and awareness among those persons about the arguments for each answer to the referendum question.

(3) The Electoral Commission shall ensure that expenditure in money or money's worth in any form by those persons responsible for promoting the arguments for each answer to the referendum question is as far as possible of equal value and shall require those persons to produce audited accounts to ensure compliance with this paragraph within the permitted period for proceedings under paragraph 3 of Schedule (*Referendum on the Treaty of Lisbon*).

(4) No public expenditure nor any expenditure in money or money's worth from the European Union or its institutions shall be provided or spent in pursuance of the referendum campaign.

(5) In this paragraph "the appropriate day" means—

(a) the day specified for the purposes of this paragraph in an order under subsection (6) of section 109 of the 2000 Act;

(b) if no such order is made and one or more applications under that section are made in relation to each possible outcome of the referendum before the 29th day of the referendum period, the 43rd day of the referendum period; and

(c) in any other case in which no such order is made, the 29th day of the referendum period.

(6) Information provided in pursuance of this paragraph must be provided by whatever means the Electoral Commission think is most likely to secure (in the most cost-effective way) that the information comes to the notice of everyone entitled to vote in the referendum.

(7) The Electoral Commission shall publish rules and guidelines for and shall monitor compliance by the broadcasting authorities regulated in the United Kingdom by Charter or statute as providers of programme services in relation to the referendum so as to ensure that the provision of those services complies with the same impartiality as is required of the Electoral Commission itself under paragraph 4(2).

Combination of polls

5 (1) A Minister of the Crown may by order make provision for, or in connection with, the combination of polls at the referendum with those at an election or at another referendum, or both.

(2) An order under this paragraph may include provision creating criminal offences.

Payment of the charges and expenses of relevant officers by the Electoral Commission

6 (1) A Minister of the Crown may by order make provision for the payment by the Electoral Commission of any of the following—

(a) the charges in respect of services properly rendered, or expenses properly incurred, in connection with the referendum by a relevant officer; and

(b) the sum equal to any increase in the superannuation contributions required to be paid by a local authority in respect of a person in consequence of a fee paid as part of those charges.

(2) The order may include provision as to—

(a) the services and expenses, or descriptions of services and expenses, in respect of which payment may be made;

(b) the maximum amount to be paid or reimbursed in respect of such services and expenses, or descriptions of services and expenses;

(c) payments in advance; and

(d) accounts to be submitted.

(3) Before making an order under this paragraph, the Minister in question must consult the Electoral Commission.

(4) The consent of the Treasury is required for the making of an order under this paragraph.

(5) In this paragraph "relevant officer" means—

(a) a counting officer; or

(b) a person appointed by the Chief Counting Officer or a counting officer to discharge all or any of his functions.

Accounts relating to expenditure under paragraph 6

7 (1) As soon as reasonably practicable after the holding of the referendum the accounting officer of the Electoral Commission and—

(a) prepare and sign an account of the payments made by the Commission in accordance with an order under paragraph 6; and

(b) submit a copy of the account, as signed, to the Comptroller and Auditor General.

(2) The account must be in such form as the Treasury direct and must set out—

(a) the aggregate amount of charges and expenses falling within subparagraph 6(1)(a) in respect of which those payments have been made; and

(b) the aggregate amount of sums falling within paragraph 6(1)(b) in respect of which they have been made.

(3) The Comptroller and Auditor General must—

(a) examine and certify the account submitted to him under this paragraph; and

(b) lay a copy of the account, as certified, and of his report on it before each House of Parliament.

Gibraltar

8 (1) A Minister of the Crown may by order make such provision as he considers appropriate for the purposes of, or in connection with, one or both of the following—

(a) the holding of the referendum in Gibraltar; and

(b) the regulation there of the conduct of the referendum.

(2) The provision that may be included in an order under this paragraph includes, in particular—

(a) provision about any matter as respects which the Political Parties, Elections and Referendums Act 2000 (c. 41) makes provision for the United Kingdom in connection with referendums;

(b) provision for applying any provision made under section 7(2) of this Act to Gibraltar with modifications;

(c) provision about donations to political parties and others who campaign, or are proposing to campaign, for one or other of the possible outcomes to the referendum;

(d) provision imposing obligations in relation to the referendum on the providers of programme services;

(e) provision conferring functions in relation to the referendum on any public authority in Gibraltar that is responsible for regulating those providers;

(f) provision conferring jurisdiction on courts in Gibraltar that are specified in the order or which are determined in the manner so specified;

(g) provisions conferring jurisdiction in relation to matters arising in Gibraltar on courts in the United Kingdom;

(h) provision for expenses incurred by specified persons in accordance with the order to be charged on and paid out of the Consolidated Fund.

(3) Before making an order under this paragraph the Minister in question must consult both—

(a) the Government of Gibraltar; and

(b) the Electoral Commission.

(4) An order under this paragraph may—

(a) provide for conduct to constitute a criminal offence under the law of Gibraltar;

(b) extend and apply to Gibraltar, with or without modification, the provisions of any enactment or subordinate legislation relating to any matter mentioned in subparagraph (2);

(c) modify any such enactment or subordinate legislation (including any imposing criminal liability) so far as it has effect in relation to any part of the United Kingdom;

(d) modify or apply or incorporate, with or without modification, the provisions of any legislation in force in Gibraltar relating to elections or referendums or to any such matter.

(5) The capacity of the Gibraltar legislature to make law in relation to any matter in relation to which provision may be made under this paragraph is not affected by the existence of the power conferred by this paragraph.

(6) But subparagraph (5) is not to be construed as restricting the operation in relation to a law made by the Gibraltar legislature of the Colonial Laws Validity Act 1865 (c. 63) (under which colonial laws are void if repugnant to provision made under an Act of Parliament).

Supplementary provision

9 This Act does not affect the power of the Secretary of State to make provision under section 129 of the 2000 Act (orders regulating the conduct of referendums) for or in connection with the referendum.

10 Section 126 of the 2000 Act (identification of promoter and publisher of referendum materials) does not apply to any material published for the purposes of the referendum if the publication is required under or by virtue of an order under section 129 of that Act.

Orders under this Schedule

11 (1) Every power to make an order under this Schedule shall be exercisable by statutory instrument.

(2) An order under paragraph 5 or 8 may be made only if a draft of the order has been—

(a) laid before Parliament; and

(b) approved by a resolution of each House.

(3) An order under this Schedule may—

(a) apply or incorporate, with or without modification, the provision of an enactment or subordinate legislation relating to donations, elections or referendums;

(b) make different provision for different cases, including different provision for different parts of the United Kingdom and different provision for Gibraltar;

(c) make provision subject to such exemptions and exceptions as the Minister making the order thinks fit; and

(d) make such incidental, supplemental, consequential and transitional provision as that Minister thinks fit.

Interpretation of Schedule

12 (1) In this Schedule—

"donation" means anything which is or corresponds to a donation within the meaning of Part 4 of the Political Parties, Elections and Referendums Act 2000 (c. 41); and

"programme services" means any services which would be programme services within the meaning of the Broadcasting Act 1990 (c. 42) if Gibraltar were part of the United Kingdom.".

New schedule 3—*Conduct of the Referendum (No. 2)*—

Introductory

13 (1) In this Schedule "the 2000 Act" means the Political Parties, Elections and Referendums Act 2000 (c. 41).

(2) Expressions used in this Schedule and in Part 7 of the 2000 Act have the same meanings in this Schedule as in that Part.

Referendum period

14 A Minister of the Crown may by order make provision which determines the referendum period for the purposes of Part 7 of the Political Parties, Elections and Referendums Act 2000 (c. 41).

Wales

15 A Minister of the Crown may by order make provision which—

(a) requires ballot papers to be used by voters in Wales, after having set out the question and the possible answers in English, to set them out again, with prominence, in Welsh; and

(b) determines the question in Welsh.

Entitlement to vote in the referendum

16 (1) Subject to subsection (2), a person is entitled to vote in the referendum if, on the day it is held, he is—

(a) an individual who would be entitled to vote as an elector at a parliamentary election in a constituency in the United Kingdom;

(b) a peer who would be entitled to vote as an elector at a local government election in an electoral area in Great Britain or at a local election in an electoral area in Northern Ireland; or

(c) a Commonwealth citizen who would be entitled to vote in Gibraltar as an elector at a European Parliamentary election.

(2) A Minister of the Crown may by order made by statutory instrument make provision for the purposes of subsection (1) for disregarding alterations made after a specified date in a register of electors.

(3) An order under subsection (2) may—

(a) apply or incorporate, with or without modification, any provision of any enactment or subordinate legislation relating to elections;

(b) make different provision for different cases;

(c) make provision subject to such exemptions and exceptions as the Minister making the order thinks fit; and

(d) make such incidental, supplemental, consequential and transitional provision as that Minister thinks fit.

(4) An Order under subsection (2) may be made only if a draft of the order has been—

(a) laid before Parliament; and

(b) approved by a resolution of each House.

(5) In subsection (1)(b) "electoral area" means—

(a) an electoral division or ward (or, in the case of a parish or community in which there are no wards, the parish or community) for which an election of councillors is held in England and Wales under the Local Government Act 1972 (c. 70);

(b) an electoral ward for which an election of councillors is held in Scotland under the Local Government etc. (Scotland) Act 1994 (c. 39); or

(c) an area for which an election of members of a district council is held in Northern Ireland under section 11 of the Electoral Law Act (Northern Ireland) 1962 (c. 14).

Encouraging voting

17 The Electoral Commission may do anything they think necessary or expedient for the purpose of encouraging voting at the referendum.

18 (1) For the purpose of encouraging voting at the referendum the Electoral Commission may, in particular, direct each counting officer to provide such information as may be specified in the direction to every person who is entitled, in the referendum, to vote in the counting officer's voting area.

(2) A direction under this paragraph may also include requirements as to the form and manner in which the information is to be sent.

(3) A direction under this paragraph may not require the inclusion of additional information in a document or part of a document the form of which is prescribed by or under any enactment.

(4) In subparagraph (1) "voting area", in relation to a counting officer, means—

(a) in the case of a counting officer appointed for a relevant area in Great Britain, that area;

(b) in the case of the Chief Electoral Officer for Northern Ireland in his capacity as a counting officer, Northern Ireland; and

(c) in the case of a counting officer for Gibraltar, Gibraltar.

Provision of information to voters

19 (1) This paragraph applies if the Electoral Commission have not, before the appropriate day, designated an organisation under section 108 of the 2000 Act (organisations to whom assistance is available under section 110 of that Act) in relation to each possible outcome of the referendum.

(2) The Electoral Commission may take such steps as they think appropriate to provide such information for persons entitled to vote in the referendum as the Commission think is likely to promote awareness among those persons about the arguments for each answer to the referendum question.

(3) In this paragraph "the appropriate day" means—

(a) the day specified for the purposes of this paragraph in an order under subsection (6) of section 109 of the 2000 Act;

(b) if no such order is made and one or more applications under that section are made in relation to each possible outcome of the referendum before the 29th day of the referendum period, the 43rd day of the referendum period; and

(c) in any other case in which no such order is made, the 29th day of the referendum period.

(4) Information provided in pursuance of this paragraph must be provided by whatever means the Electoral Commission think is most likely to secure (in the most cost-effective way) that the information comes to the notice of everyone entitled to vote in the referendum.

Combination of polls

20 (1) A Minister of the Crown may by order make provision for, or in connection with, the combination of polls at the referendum with those at another referendum.

(2) An order under this paragraph may include provision creating criminal offences.

Payment of the charges and expenses of relevant officers by the Electoral Commission

21 (1) A Minister of the Crown may by order make provision for the payment by the Electoral Commission of any of the following—

(a) the charges in respect of services properly rendered, or expenses properly incurred, in connection with the referendum by a relevant officer; and

(b) the sum equal to any increase in the superannuation contributions required to be paid by a local authority in respect of a person in consequences of a fee paid as part of those charges.

(2) The order may include provision as to—

(a) the services and expenses, or descriptions of services and expenses, in respect of which payment may be made;

(b) the maximum amount to be paid or reimbursed in respect of such services and expenses, or descriptions of services and expenses;

(c) payments in advance; and

(d) accounts to be submitted.

(3) Before making an order under this paragraph, the Minister in question must consult the Electoral Commission.

(4) The consent of the Treasury is required for the making of an order under this paragraph.

(5) In this paragraph "relevant officer" means—

(a) a counting officer; or

(b) a person appointed by the Chief Counting Officer or a counting officer to discharge all or any of his functions.

Accounts relating to expenditure under paragraph 6

22 (1) As soon as reasonably practicable after the holding of the referendum the accounting officer of the Electoral Commission must—

(a) prepare and sign an account of the payments made by the Commission in accordance with an order under paragraph 6; and

(b) submit a copy of the account, as signed, to the Comptroller and Auditor General.

(2) The account must be in such form as the Treasury direct and must set out—

(a) the aggregate amount of charges and expenses falling within subparagraph 6(1)(a) in respect of which those payments have been made; and

(b) the aggregate amount of sums falling within paragraph 6(1)(b) in respect of which they have been made.

(3) The Comptroller and Auditor General must—

(a) examine and certify the account submitted to him under this paragraph; and

(b) lay a copy of the account, as certified, and of his report on it before each House of Parliament.

Gibraltar

23 (1) A Minister of the Crown may by order make such provision as he considers appropriate for the purposes of, or in connection with, one or both of the following

(a) the holding of the referendum in Gibraltar; and

(b) the regulation there of the conduct of the referendum.

(2) The provision that may be included in an order under this paragraph includes, in particular—

(a) provision about any matter as respects which the Political Parties, Elections and Referendums Act 2000 (c.41) makes provision for the United Kingdom in connection with referendums;

(b) provision for applying any provision made under section 7(2) to Gibraltar with modifications;

(c) provisions about donations to political parties and others who campaign, or are proposing to campaign, for one or other of the possible outcomes to the referendum;

(d) provision imposing obligations in relation to the referendum on the providers of programme services;

(e) provision conferring functions in relation to the referendum on any public authority in Gibraltar that is responsible for regulating those providers;

(f) provision conferring jurisdiction on courts in Gibraltar that are specified in the order or which are determined in the manner so specified;

(g) provision conferring jurisdiction in relation to matters arising in Gibraltar on courts in the United Kingdom;

(h) provision for expenses incurred by specified persons in accordance with the order to be charged on and paid out of the Consolidated Fund.

(3) Before making an order under this paragraph the Minister in question must consult both—

(a) the Government of Gibraltar; and

(b) the Electoral Commission.

(4) An order under this paragraph may—

(a) provide for conduct to constitute a criminal offence under the law of Gibraltar;

(b) extend and apply to Gibraltar, with or without modification, the provisions of any enactment or subordinate legislation relating to any matter mentioned in sub-paragraph (2);

(c) modify any such enactment or subordinate legislation (including any imposing criminal liability) so far as it has effect in relation to any part of the United Kingdom;

(d) modify or apply or incorporate, with or without modification, the provisions of any legislation in force in Gibraltar relating to elections or referendums or to any such matter.

(5) The capacity of the Gibraltar legislature to make law in relation to any matter in relation to which provision may be made under this paragraph is not affected by the existence of the power conferred by this paragraph.

(6) But sub-paragraph (5) is not to be construed as restricting the operation in relation to a law made by the Gibraltar legislature of the Colonial Laws Validity Act 1865 (c.63) (under which colonial laws are void if repugnant to provisions made under an Act of Parliament).

Legal challenge to the referendum result

12 (1) No court may entertain any proceedings for questioning the number of ballot papers counted or votes cast in the referendum, as certified—

(a) by the Chief Counting Officer, or

(b) by a counting officer,

unless the proceedings are brought in accordance with this section.

(2) The proceedings may be brought—

(a) in England and Wales, only by a claim for judicial review;

(b) in Scotland, only by a petition for judicial review;

(c) in Northern Ireland, only by an application for judicial review; or

(d) in Gibraltar, only by a claim for judicial review.

(3) The court in England and Wales or Gibraltar must not give permission for a claim unless the claim form is filed before the end of the permitted period.

(4) The court in Scotland must refuse a petition unless it is lodged before the end of the permitted period.

(5) The court in Northern Ireland must refuse an application for leave to apply for judicial review unless it is lodged before the end of the permitted period.

(6) In this section "the permitted period" means the period of six weeks starting with—

(a) the date on which the Chief Counting Officer (or as the case may be) the counting officer gives a certificate as to the number of ballot papers counted and votes case in the referendum; or

(b) if he gives more than one such certificate, the date of the last to be given.

Supplementary provision

13 This Act does not affect the power of the Secretary of State to make provision under section 129 of the 2000 Act (orders regulating the conduct of referendums) for or in connection with the referendum.

14 Section 126 of the 2000 Act (identification of promoter and publisher of referendum materials) does not apply to any material published for the purposes of the referendum if the publication is required under or by virtue of an order under section 129 of that Act.

Orders under this Schedule

15 (1) Every power to make an order under this Schedule shall be exercisable by statutory instrument.

(2) An order under paragraph 5 or 8 may be made only if a draft of the order has been—

(a) laid before Parliament; and

(b) approved by a resolution of each House.

(3) An order under this Schedule may—

(a) apply or incorporate, with or without modification, the provision of an enactment or subordinate legislation relating to donations, elections or referendums;

(b) make different provision for different cases, including different provision for different parts of the United Kingdom and different provision for Gibraltar;

(c) make provision subject to such exemptions and exceptions as the Minister making the order thinks fit; and

(d) make such incidental, supplemental, consequential and transitional provision as that Minister thinks fit.

Interpretation of Schedule

16 (1) In this Schedule—

"donation" means anything which is or corresponds to a donation within the meaning of Part 4 of the Political Parties, Elections and Referendums Act 2000 (c. 41); and "programme services" means any services which would be programme services within the meaning of the Broadcasting Act 1990 (c. 42) if Gibraltar were part of the United Kingdom.'.

Mr. Hague: Amendment No. 293 is linked with new clause 1, and its effect is very simple: it would mean that the Act would come into force, and the Lisbon treaty would be ratified by the United Kingdom, only once there had been a referendum of the British people, in line with the manifesto commitments of every party in the House.

The Committee will understand that the arguments in favour of a referendum are many and varied. They include the arguments that the issues being decided are of great importance to the governance of Britain, that the constitutional nature of what is being proposed is transparently obvious, and that referendums have become a regular part of our constitutional practice in Britain in recent years, on matters ranging from directly elected mayors to the establishment of a Scottish Parliament. However, there is one argument that all of us in the House would do well to reflect on in the coming hours as we debate the issue of a referendum on the Lisbon treaty. It is an argument that

[Mr. Hague]

goes to the heart of trust in politics and faith in political institutions. Put simply, it is this: a referendum should be held on the issue because a referendum was promised—by the Government, by the Opposition and, yes, by the Liberal Democrat party.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): While we are talking about trust, on the basis of the right hon. Gentleman's considerable historical knowledge of the Conservative party, can he tell me of any occasion when the Conservative party has held a referendum on any treaty that it has negotiated—or indeed on anything else at all? Ought we not to measure the Conservative party's attitude by how it behaves in power, rather than how it behaves in opposition?

Mr. Hague: Parties should be judged on whether they keep the promises that they make. The only occasion on which the Conservative party has promised a referendum, other than on the possible introduction of the euro under the Maastricht treaty, was in the 2005 general election, and we are keeping that promise by voting for the amendment today. It is a pity that the right hon. Gentleman's party will not keep its promise by voting for the amendment.

Chris Huhne (Eastleigh) (LD): Does the right hon. Gentleman accept that there have been substantial changes, particularly as regards justice and home affairs, for which the opt-in and opt-out arrangements are far more extensive than they were under the proposed constitution? That was a matter of particular sensitivity for him and his colleagues. Circumstances have changed, and as that great Liberal, Lord Keynes, said,

"When the facts change, I change my mind. What do you do, sir?"

Mr. Hague: The hon. Gentleman says that there are substantial differences between the constitution and the treaty before us, but last night on the BBC's "Newsnight", a commentator said, "There are differences but they are differences of nuance." He also said: "I think you have to go through some pretty perverse constitutional contortions to be able to go back and explain to the electorate why that promise for a referendum doesn't hold." That commentator was one Mark Littlewood, head of media for the Liberal Democrats until last year. That is the accurate position. Clearly, it is not only the leader of the hon. Gentleman's party who can run into calamities from time to time.

The promise was made specifically about the European constitution, and given the overwhelming similarity between the constitution and the reform treaty, all attempts to wriggle out of that commitment will only be seen, and will only be, the weasel words with which a solemn promise is deliberately and calculatingly broken.

Mr. Elliot Morley (Scunthorpe) (Lab): The right hon. Gentleman speaks of opting out of measures as a nuance, but it is much more than a nuance. Also, does he not think it significant that countries such as Denmark, Holland and France, which voted against the constitution, are not having a referendum on the treaty, because they do not see it as the same?

Mr. Hague: "Nuance" was not my word. It is the word of a former head of media for the Liberal Democrats. I will present my own analysis of the changes or similarities between the treaty and the constitution in a moment.

Since when has it been an argument that a Government in this country are absolved of keeping their election commitments because a Government in another country are not doing a similar thing? We cannot say that the election manifestos of parties in the House are invalidated because a referendum is not held in another country.

Mr. Nigel Evans (Ribble Valley) (Con): Will my right hon. Friend give way?

Mr. Hague: I shall give way once more, then I must make a little progress.

Mr. Evans: I am grateful to my right hon. Friend for giving way. Surely one of the fundamental changes, other than the promise made in 2005 by all the parties, is that the ratchet clauses in the treaty mean that there could be fundamental changes in the future, on which Members of Parliament would have no say whatever?

Mr. Hague: Of course that adds to the case for a referendum. It is an issue that we debated in Committee last night, and I am pleased to say that the hon. Member for Kingston and Surbiton (Mr. Davey) and I, and Members of other parties, made common cause in saying that the use of such ratchet clauses should be subject to primary legislation, rather than the simple motion to which the Government have so far committed themselves.

Let us remind ourselves of the categoric nature of the promises made. The Conservative manifesto was clear. The Labour party manifesto stated:

"We will put it"—

that is, the European constitution—

"to the British people in a referendum and campaign wholeheartedly for a 'Yes' vote".

The then Prime Minister, Tony Blair, elaborated, as he often did, to *The Sun*. He said:

"We don't know what is going to happen in France, but we will have a referendum on the constitution in any event, and that is a government promise"—

I repeat—"in any event". Asked what it was that made the European treaty constitutional in nature, the then Foreign Secretary, now the Secretary of State for Justice and Lord Chancellor, said at the Dispatch Box on 6 June 2005 that it was the creation of an EU president and an EU Foreign Minister. He said:

"Those points are central to the European constitutional treaty, and of course I see no prospect of their being brought into force, save through the vehicle of a constitutional treaty."—[*Official Report*, 6 June 2005; Vol. 434, c. 1001.]

Even the most casual voter, looking to see whether the promises made at election time are fulfilled, would recognise that that combination of statements does not allow for the abandonment of the referendum when a redrafted treaty still contains the essence of its constitutional nature, as defined by the current Lord Chancellor himself.

Chris Huhne *rose—*

Matthew Taylor (Truro and St. Austell) (LD) *rose—*

Mr. Hague: I hope that hon. Gentlemen will wait a moment. I am coming to the Liberal Democrats' manifesto of 2005, then I will gladly give way. That stated:

"We are therefore clear in our support for the constitution, which we believe is in Britain's interest—but ratification must be subject to a referendum of the British people."

A few months later, at their party conference in Blackpool, the right hon. Member for Sheffield, Hallam (Mr. Clegg) proposed a conference motion that stated:

"Any proposals which involve significant change in the relationship between the Union, the Member States and its citizens should be approved in Britain through a referendum".

That is of interest to the Committee, because it went further even than the manifesto commitment. Not only, in the view of the then future leader of the Liberal Democrats, should the constitution be submitted to a referendum, but any proposals involving significant change in the relationship between the EU and its member states, he said, should be submitted to a referendum.

That is an interesting view. Difficult as it is to argue that the Lisbon treaty is fundamentally different from the EU constitution, relying, as the argument does, on the exaggeration of the significance of a small number of changes, when one considers the sheer sweep of the treaty's provisions—the creation of a president and Foreign Minister, or high representative, the abolition of so many vetoes, the provision, as my hon. Friend the Member for Ribble Valley (Mr. Evans) pointed out, for the abolition of even more to come, the total collapsing of the third pillar of the EU, the widened scope of the European Court of Justice and the increased powers of the European Parliament—an argument that the treaty is not even a significant change in the relationship of the EU to the member states can only be an exercise in intellectual nonsense and political deception. And that is what it is.

Chris Huhne: I am grateful to the right hon. Gentleman for giving way, because he avoided answering my previous intervention on justice and home affairs, which he and his colleagues always regarded as the most sensitive of the subjects that we are considering. Does he now accept, and will he put it on record, that the reform treaty is substantially different from the constitution in that every single aspect of justice and home affairs is subject to an opt-out or an opt-in? That is a fundamental change, which he should acknowledge.

Mr. Hague: The hon. Gentleman is right to point out that there are some differences on justice and home affairs, which I will tackle shortly, between the constitution and the Lisbon treaty. However, there is an important point, which the European Scrutiny Committee has studied at length, to make. The hon. Member for Linlithgow and East Falkirk (Michael Connarty), who has spoken so often in our proceedings, pointed out that the red lines—the hon. Member for Eastleigh (Chris Huhne) was considering the red lines on justice and home affairs—leak like a sieve. That is why I am not satisfied with the changes.

Several hon. Members *rose—*

Mr. Hague: Let me finish my point about the Liberal Democrats before I take a further intervention.

The leader of the Liberal Democrats should be true to his original conviction. When he wrote in *The Guardian* on 15 October 2003, as a Member of the European Parliament, he attacked the Government for

"dismissing all calls for a referendum"

and

"playing straight into the hands of the Eurosceptics."

He said:

"Nothing will do more damage to the pro-European movement than giving room to the suspicion that we have something to hide, that we do not have the 'cojones' to carry our argument to the people."

An explanation of why the Liberal Democrat leadership's protests in the debates have become ever more shrill is that, at some point in recent months, they have become separated from their cojones. Those unfortunate objects are now to be found impaled on a distant fence.

The argument that the Lisbon treaty is not only different from the European constitution, but so different that entire political parties are relieved of their commitment to hold a referendum does not stand up to much analytical scrutiny.

Angus Robertson (Moray) (SNP): The right hon. Gentleman is right to point out that every party in the House committed itself to a referendum, not least the Scottish National party, which committed itself first, and will vote for a referendum this evening. However, is not it right and proper to remember the public in the debate? Opinion poll after opinion poll shows that the overwhelming majority of supporters of the Labour party, the Conservative party, the SNP and even the Liberal Democrats want a referendum on the issue. It is no surprise that cynicism arises in the country about democratic decisions when we ride roughshod over our promises and public opinion on this matter.

Mr. Hague: Absolutely. That is well said. People in 10 parliamentary constituencies have had the opportunity, organised by the Electoral Reform Society, to cast a vote. It is noticeable that one of the highest turnouts and one of the largest majorities in favour of a referendum on the treaty was in the constituency of the hon. Member for Eastleigh. The margin for a referendum was vastly greater than his majority at the general election. He should reflect on that.

Mr. John Redwood (Wokingham) (Con): My right hon. Friend makes a powerful case. Did he notice two other things about that interesting referendum? First, the number of votes in favour of a referendum was greater than the number of votes that the hon. Member for Eastleigh (Chris Huhne) got—

Chris Bryant (Rhondda) (Lab): The right hon. Member for Richmond, Yorks (Mr. Hague) just said that.

Mr. Redwood: No; my right hon. Friend said "greater than his majority". The number of votes for the referendum was actually greater than the number that elected the hon. Member for Eastleigh on the promise

[Mr. Redwood]

to hold a referendum. Secondly, the hon. Member for Eastleigh failed in his campaign to stop people in his constituency voting on that crucial issue. Was that not an anti-democratic disgrace?

Mr. Hague: It was a shame to discourage people from voting. My right hon. Friend has picked me up on an important point. The number of votes cast and the majority may be similar in the Rhondda, but not in the rest of the country. My right hon. Friend has made an important distinction—matters are even worse for the hon. Member for Eastleigh than I imagined, because the number of votes cast in a referendum was greater than his support in the constituency.

Matthew Taylor *rose—*

Chris Huhne *rose—*

Malcolm Bruce (Gordon) (LD) *rose—*

Mr. Hague: I am spoiled for choice. Let us bring in the hon. Member for Truro and St. Austell (Matthew Taylor).

Matthew Taylor: Given the right hon. Gentleman's passionate commitment on the subject and his concerns about the treaty, which I do not doubt, will he clarify what will happen if, as is likely, the treaty goes through? If the treaty were in place and the Conservatives were in government, what exactly would they put to the British people in a referendum to enable them to vote on the concerns that the right hon. Gentleman has expressed?

Mr. Hague: The hon. Gentleman asks me to look a long way into the future. It is perfectly understandable that hon. Members in other parties are ever more inquisitive about a Conservative Government, since that moment draws steadily nearer. *[Interruption.]* The Foreign Secretary says that I always give that answer to that question, but it is the same question, so it receives the same answer. That consistency will apply under a Conservative Government.

The hon. Member for Truro and St. Austell asks me to concede the argument before it is over, but the issue is not yet decided. When it is decided in this place, it will go to another place, when it will not be too late for those parties that committed themselves to a referendum in their election manifestos to insist that it happens. Perhaps the hon. Gentleman should recommend that course to his colleagues.

Geraldine Smith (Morecambe and Lunesdale) (Lab): The right hon. Gentleman's party has claimed throughout the debates that there has not been enough time to discuss all the detail, and many amendments have been tabled, yet the right hon. Gentleman expects the British people to vote a straight yes or no, which is nonsense. One cannot vote on a treaty that is 30 or 40 pages long; one can vote only on a principle.

Mr. Hague: If the people of Ireland can have a referendum, the people of Britain have every ability to hold one. We suggest not a Committee stage throughout the country, but that once the Bill has passed through Parliament, and before it receives Royal Assent, there should be a referendum so that people can give their verdict. The voters of France and of Holland had a referendum, and the people of Britain should have the referendum that they were promised.

Geraldine Smith: The right hon. Gentleman says that the people of France and of the Netherlands had a chance to vote in a referendum, yet he says that the treaty is the same as the constitution. If so, what did their vote achieve?

Mr. Hague: It certainly did not lead to their withdrawal from the European Union—some people claim that voting on the treaty is the same as withdrawal. The hon. Lady might well ask what the votes achieved. The European leaders went away and tweaked and tinkered with the constitution and brought it back under a different name, which brings me to a point that I wanted to make.

The treaty was designed to seem different. In the words of Valéry Giscard d'Estaing, who wrote the original document:

"All the earlier proposals will be in the new text , but will be hidden and disguised in some way."

The Minister for the Middle East (Dr. Kim Howells): That is the French.

Mr. Hague: The Minister says that that is the French, but here come the Belgians. The then Belgian Foreign Minister put it honestly when he said:

"The aim of the Constitutional Treaty was to be more readable: the aim of this Treaty is to be unreadable...The Constitution aimed to be clear, whereas this Treaty had to be unclear. It is a success."

I give full marks to Giuliano Amato, the former Italian Interior Minister, who said last year that it was

"decided that the document should be unreadable. If it is unreadable, it is not constitutional, that was the sort of perception...Because if this is the kind of document that the IGC will produce, any Prime Minister—imagine the UK Prime Minister—can go to the Commons and say, 'look...it's absolutely unreadable, it's the typical Brussels treaty, nothing new, no need for a referendum.' Should you succeed in understanding it at first sight there might be some reason for a referendum, because it would mean that there is something new."

1 pm

At least that was a disarmingly honest admission of what was going on. Hardly anybody has been fooled—except, unfortunately, some of the party leaders in the House of Commons. In spite of the deliberate attempt to baffle the people of this and other countries, which should in itself redouble the determination of the people's elected representatives to secure a referendum, it is not beyond the wit of interested human beings to come up with a comparative analysis of the constitution and the Lisbon treaty.

Malcolm Bruce: Will the right hon. Gentleman give way?

Mr. Hague: I must complete this point, but I will give way to the right hon. Gentleman in due course.

A comparative analysis is, however, beyond the capabilities of the Foreign Office, it seems. Throughout last autumn, the initial answers to the written questions that I had tabled to the Foreign Secretary asking for a comparative, clause-by-clause analysis were simply delaying replies, as Ministers worked out how to avoid publishing something so deeply inconvenient to their argument. In the end, the Foreign Secretary just refused to do so, relying on the discredited mantra that the constitutional concept had been abandoned, which was not conducive to open debate. From a Government who are supposedly committed to freedom of information and transparency, that should not be acceptable to Parliament.

As a result, it has been left to others to perform the comparative analysis with intellectual rigour and honesty. The European Scrutiny Committee has published a table showing that the overwhelming majority of the constitution's provisions are replicated in the Lisbon treaty. We always say that we will try not to get the hon. Member for Linlithgow and East Falkirk, who is reading at the moment, into too much trouble, but the Minister for Europe has told us that the hon. Gentleman is in so much trouble as it is that that does not matter any more. The hon. Gentleman said that

"every provision of the constitutional treaty, apart from the flags, mottos and anthems, is to be found in the reform treaty. We think that they are fundamentally the same, and the Government have not produced a table to contradict our position."—[*Official Report*, 11 December 2007; Vol. 469, c. 211.]

Another analysis showed that of the 250 main provisions in the constitution, 240 are replicated in the Lisbon treaty. Every cross-party analysis of the treaty has reached the same conclusion. The Foreign Affairs Committee concluded that

"there is no material difference between the provisions on foreign affairs in the Constitutional Treaty which the Government made subject to approval in a referendum and those in the Lisbon Treaty on which a referendum is being denied."

Mike Gapes (Ilford, South) (Lab/Co-op) *rose—*

Mr. Hague: I must give way to the Chairman of the Foreign Affairs Committee.

Mike Gapes: Will the right hon. Gentleman also remind the House that my Committee decided in two specific votes—by nine votes to three and by eight votes to four—to reject moves for a referendum on this treaty?

Mr. Hague: It is well known that that was what the Committee decided on a referendum; I am discussing whether the Lisbon treaty and the constitution are the same. The hon. Gentleman's Committee and the report, with which he presumably agreed, said that, on foreign affairs, the treaty and the constitution are exactly the same.

Malcolm Bruce: Will the right hon. Gentleman give way?

Mr. Hague: I shall, because I promised I would.

Malcolm Bruce: Will the right hon. Gentleman acknowledge that a constitution that would have swept away every treaty from the treaty of Rome to the treaty of Nice, and incorporated them in a single document capable of being determined on a yes or no vote, is quite different from a set of rules that are bound to incorporate changes, if they are going to advance the workings of the European Union? That is the fundamental difference. If the right hon. Gentleman is successful tonight in the Lobby, secures a referendum and campaigns for a no vote, how will he explain and interpret what the British people want the Government to do next?

Mr. Hague: The right hon. Gentleman thinks that there is a fundamental difference between the documents, but my argument is that there is no fundamental difference between them. Let me complete the answer to that, and I shall come to his second point in due course.

Faced with that onslaught of evidence and analysis from independent commentators and Committees of this House, the promise breakers have made their last stand on one forlorn but intriguing argument—the "mouse" argument, originally introduced, I think, by the hon. Member for Kingston and Surbiton. *[Interruption.]* The hon. Gentleman will explain later who originally came up with it. That argument concedes that the Lisbon treaty is indeed 90 per cent., or thereabouts, the same as the constitution, "But," it goes on, with an air of triumph inappropriate to the facts available, "a mouse is 90 per cent. genetically the same as a human being, and it is the 10 per cent. difference that really counts."

The difference between a man and a mouse is indeed a fascinating question, and if Liberal Democrat Front Benchers vote for a referendum tonight, the performance of their leader might be part of the analysis of that difference. Even if we bend over backwards to accommodate that view, however, by no stretch of the imagination do the changes made between the two documents turn the man-like constitution into the mouse-like treaty of Lisbon.

Compared with the constitution, the Lisbon treaty contains some improvements, such as the explicit ruling out of European Court of Justice competence in foreign policy and the six words on climate change, which we debated last week. They are nice to have, but they make no material difference to the policies, powers or procedures of the EU. The changes between the constitution and the Lisbon treaty also take one important step backwards—the removal of the commitment to undistorted competition within the EU from the overriding objectives of the European treaties—but the vast majority of the rest is the same.

Mike Gapes: Will the right hon. Gentleman give way?

Mr. Hague: I know that we are in Committee, and I am trying to give way as much as I can, but I must be allowed to make an argument.

Why have the debates in this House on this treaty over the past six weeks been in essence the same as the public debate that raged about the European constitution? We would not be arguing about the same things if the two documents were fundamentally different. The Government are fond of alleging that the Conservative party is alone in its view of European affairs—they always omit to mention that they

[Mr. Hague]

opposed vast tracts of the treaty to which they have now signed up—but on the issue of whether the constitution and the treaty are the same, it is the Government who are alone in Europe.

Mr. Edward Davey (Kingston and Surbiton) (LD) *rose—*

Mr. Hague: I give way to the author of the "mouse" argument.

Hon. Members: Squeak, squeak!

Mr. Davey: I am grateful to the right hon. Gentleman, who is as usual making an amusing speech. However, will he deal with the substance for a change? Will he give a proper answer about the difference between the provisions of the constitutional treaty and the Lisbon treaty on justice and home affairs, which are among the most significant changes proposed by the constitutional treaty? Will the right hon. Gentleman admit that there are now major opt-ins that make a complete difference to how the Lisbon treaty affects the United Kingdom? Will he agree with that on the record?

Mr. Hague: We had that discussion just 10 minutes ago. Of course there are changes between the Lisbon treaty and the constitution, and I have just listed some others. However, they do not equate to the difference between a man and a mouse, which is the argument here.

The Spanish Prime Minister has said:

"We have not let a single substantial point of the constitutional treaty go."

The Finnish Europe Minister has said:

"There's nothing from the original institutional package that has been changed."

The German Chancellor has said:

"The substance of the constitution is preserved. That is a fact."

Gordon Banks (Ochil and South Perthshire) (Lab): Will the right hon. Gentleman give way?

Mr. Hague: I must proceed for another few minutes.

The Government cannot argue that the treaty is different and that the referendum is unnecessary because they have met their four red lines, which relates to the point that the hon. Member for Kingston and Surbiton has just made. One of the red lines was that the treaty should have no impact on tax policy. The fact that the impact on tax is the same in the treaty as it was in the constitution is clear—there is no impact at all. It was only ever a red herring that Tony Blair invented when he was before the Liaison Committee.

The second red line is that there should be no loss of independence in foreign policy—that can be debated in respect of either document—but other than the renaming of the foreign minister as the high representative, almost nothing has changed between the two documents.

A third red line—claimed by Tony Blair at the Dispatch Box in front of me at the end of June in his last days in office—was a clear opt-out from the charter of fundamental rights, but the Minister for Europe has since told us:

"The fact is that the United Kingdom has neither sought nor achieved an opt-out on the charter of fundamental rights, which will apply in every member state of the European Union."—[*Official Report*, 28 January 2008; Vol. 471, c. 34.]

That is a total reversal of what the former Prime Minister said, and he is no longer here to explain that to the House of Commons.

The final red line was the opt-in on justice and home affairs. The value of that has been debated, and the European Scrutiny Committee has cast doubts on parts of it. The Government claim to have met their red lines, although few objective analysts agree with them, but when they promised a referendum they made exactly the same claim about their red lines.

So, what has really changed between Tony Blair standing at the Dispatch Box and saying

"let the battle be joined."—[*Official Report*, 20 April 2004; Vol. 420, c. 157.]

about a referendum in April 2004, and the current Prime Minister saying, "Let battle be avoided at any cost, and please don't let me be photographed at the signing ceremony"? Only two things have changed: the general election of 2005 was got out of the way, and the Government decided that a referendum could not be held because they did not think that they would win it. The Prime Minister who did not have the bottle to call a general election he had prepared for is the same Prime Minister who does not have the courage or honour to hold a referendum that he has promised.

As a result, this treaty is devoid of any democratic mandate or legitimacy, which is a rarity in the history of European treaties. The authority of the Wilson Government in the '60s to pursue entry negotiations into the then European Economic Community derived from a clear commitment in their election manifesto. The mandate of the Conservative Government elected in 1970 to complete those entry negotiations was based on an explicit manifesto commitment. The Labour Government elected in 1974 said that they would hold a referendum, and they did. The Conservative manifesto in 1992 included the intention to ratify the treaty of Maastricht. However, nowhere did the Labour manifesto of 2005 say that if the constitution were defeated elsewhere in Europe, it would be brought back with a few tweaks or that a commitment to a British referendum would be abandoned.

The opportunity to call a general election last autumn, with the ratification of the treaty proposed in the Government's manifesto, was not taken up. Given that the treaty brings about major changes in the way in which Britain is governed, the Government have nowhere—neither in a general election nor in a referendum—requested or received the authority and consent of the people. The absence of such authority damages the democratic legitimacy of the European Union in the eyes of the electorate. The unwillingness of those who favour a treaty of this kind to submit their views to the electorate contributes neither to democracy nor to the quality of argument.

In a speech last month to the Centre for European Reform, the Foreign Secretary was reported to have

said that once the new EU treaty had been ratified, pro-Europeans in Britain, as he termed them, would have no more excuses in trying to combat public hostility to the EU. The implication is that, once the treaty is ratified without the voters' consent, Ministers must start working on the voters in order to encourage them to favour such things. What is wrong with trying to persuade the voters of the merits of the case before ratification, rather than afterwards? What does it say about the convictions of politicians when they reserve their arguments for following quietly in the wake of decisions, rather than arguing boldly for them in advance? It tells us that their calculations are more important than their convictions. As one commentator wrote yesterday in *The Independent*:

"This treaty strategy is Gordon Brown's personal creation, this is his specified treatment of Parliament, and visible to all is his definition of politics as cynicism in action."

Rob Marris (Wolverhampton, South-West) (Lab): I think that the United Kingdom negotiated a good deal. Indeed, many in France would say that the rejection of the constitutional treaty in a referendum has led to a worse deal for France on the Lisbon treaty. If the right hon. Gentleman had his way, and there were a referendum and it were lost, what evidence does he have that the UK could renegotiate a better treaty for itself? In that case, would he wish to return to the status quo ante, with, as he believes, the EU functioning not very well?

Mr. Hague: Of course, there are many arguments, which are probably beyond the scope of the amendment—they are certainly beyond the time available for my speech—about what could be achieved in different situations and through different negotiations. We could go into all the arguments about what would have happened if the Government had actually taken a lead in the past two years, rather than sitting immobile and allowing this to be done to them—declaring the constitution dead two years ago. They could have negotiated many things more successfully. The argument that we cannot possibly ever say no for fear of what would happen afterwards is a strange argument in a democracy. This House must be able to come to a judgment, and the country should be able to come to a judgment, when it has been promised the opportunity to do so. The Government's refusal to call a referendum—

Mr. Davey *rose*—

Mr. Don Foster (Bath) (LD) *rose*—

Mr. Hague: I shall give way to the hon. Member for Bath (Mr. Foster), then I shall try to conclude.

Mr. Foster: I am most grateful to the right hon. Gentleman for giving way. On the answer he just gave, he has been asked about that matter three times already. One of the great merits of an in/out referendum is that there is total clarity about the implications, whatever result is obtained. There is a total lack of clarity about the referendum he proposes. Just once, would he answer this fundamental question: what would be the implications of a "no" result in the referendum he seeks?

1.15 pm

Mr. Hague: If the Liberal Democrat party is so concerned about the implications of a "no" result in a referendum on the treaty, it should not have included a commitment to such a referendum in its election manifesto. The hon. Gentleman makes the point that an in-out referendum would give a clear view. On the question of in or out, it would give a clear view, but it would tell us nothing about what people think about the Lisbon treaty. Many people—including me—are strongly in favour of remaining in the European Union but against the Lisbon treaty.

This group of amendments includes an amendment tabled by the hon. Member for Glasgow, South-West (Mr. Davidson), which would enable a referendum on the Lisbon treaty and give the Government an order-making power to add another question. Although we prefer amendment No. 293, which proposes a straightforward referendum on the treaty, our second preference would be to support the amendment of the hon. Member for Glasgow, South-West. I would have thought that the Liberal Democrats would want to support it, too, because it would allow a vote on the Lisbon treaty and on another question, which is what they want.

David Howarth (Cambridge) (LD): The amendment that stands in the name of the hon. Member for Glasgow, South-West (Mr. Davidson) allows the Government to change the question, which presumably includes changing it to include support for the treaty. Is that what the right hon. Gentleman really supports?

Mr. Hague: If the amendment tabled by the hon. Member for Glasgow, South-West were passed, we could be sure that there would be a referendum, and the terms of the question would then be open to further debate and discussion. It would be wrong to rule out the hon. Gentleman's amendment simply on drafting grounds.

Mr. Davey *rose*—

Mr. Hague: The hon. Gentleman must make his own speech, but I shall let him intervene one more time.

Mr. Davey: On the question of what would happen if there were a referendum and the country voted no, the right hon. Gentleman knows that the British Conservative party has no friends in Europe. All the other 26 conservative parties oppose it. How would he negotiate in the British national interest, when every conservative party in the European Union opposes him?

Mr. Hague: The logic of the hon. Gentleman's argument is that no nation is allowed to vote no, that even the power of veto does not really count and that no nation can stand up against the orthodoxy of the times. I say that that is not democratic, and it is not right. Indeed, it was not an argument accepted by the Liberal Democrats when they wrote their election manifesto.

Philip Davies (Shipley) (Con): My right hon. Friend is again making an excellent speech. Does he agree that the crux of the matter is that thousands of my

[Philip Davies]

constituents have filled in forms demanding a referendum, and that they feel cheated? Either the Government and the Liberal Democrats think that my constituents are too thick to make a decision on the treaty, or they know that they would lose a vote on it. Which of those two things does my right hon. Friend think it is, or does he think it is both?

Mr. Hague: It might be both. There is a patronising attitude along the lines of, "Although this is important, it is so detailed that you out in the country needn't worry your little heads about it", but I suspect that the more powerful argument that has prevailed on the Government is that they do not think that they would win such a referendum, which does us no favours.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op) *rose—*

Mr. Hague: In fairness to the Committee, I must try to conclude my remarks, because I want to put one further argument.

In addition to my earlier points, of equal concern to all of us who believe in thriving democratic parliamentary government is the position taken by those who promised a referendum and now wish to deny one, which damages the reputation and standing of our politics. In our role as constituency Members of Parliament, most of us in the House—I suspect that this applies to all parties—visit sixth forms and local colleges, and speak about the work of Parliament and why elections matter and votes count. We encourage young people to exercise their civic responsibilities. In many cases we send them birthday cards on their 18th birthday saying, "You now have the right to take part in decisions about your country's future."

Mr. Bailey: Will the right hon. Gentleman give way?

Mr. Hague: No, I am explaining my argument.

It is central to people's faith in participation, which we so strongly encourage, that Members of Parliament, once elected, do their best to be true to the broad direction and principal promises that they have made to voters. On occasion, when Members of Parliament cannot do so, there should be a compelling reason that the country as a whole can understand and, at least in part, accept.

No such argument prevails in this case. If the Committee votes down the amendments calling for a referendum, we will have to go to our schools and colleges and say that there are times when almost the entire House of Commons can be elected on a specific pledge, and yet a majority in the House can then decide to renege on it, not because it is unaffordable, not because there is an emergency and not because the voters no longer want that pledge, but simply because those in the majority calculate that it suits them in the short term and that they can probably get away with it. The unavoidable implication is that politicians are not trustworthy, that Parliament does not see itself as accountable and that votes do not necessarily matter.

So, I believe not only that a referendum is right and appropriate on a treaty of such importance, but that if the Committee were to tell the Government today that a clear promise that could so easily be kept ought to be kept, it would, in a climate of loss of faith in political institutions, do more to restore public confidence in the basic honesty and accountability of our politics than any other action that we could take. The Prime Minister said that trust in the Government was central to his purpose. The leader of the Liberal Democrats called for

"a new politics, of politicians who listen to people, not themselves."

If those leaders remain heedless of the arguments for a referendum on the treaty, they will win short-term relief from the views of the electorate tonight, but the damage to their standing and to the politics and reputation of our country and Parliament is something on which they will have to reflect and repent for many years.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): This important debate raises fundamental questions about our parliamentary democracy, and about the role of Parliament and its relationship with the people. In our system of government, we do not have a legal test for whether we should hold a referendum, but we do have a clear principle, based on precedent and for many years supported by all the main political parties. Where there is a shift in power of a fundamental nature, it must be put to the people. That is the question that I want to address today. However,

"every time we have such a referendum it is, in a sense, an abdication of responsibility by the House and the Government of the day. This Government intend to make no such abdication of their responsibilities; nor do they intend to invite the House to abdicate from its responsibility."—[*Official Report*, 21 February 1992; Vol. 204, c. 627.]

Mr. Evans: When the Foreign Secretary fought the 2005 general election on a manifesto that promised a referendum on the issue, did he put out a personal statement saying that he was opposed to the holding of that referendum?

David Miliband: No, I did not.

Sir Peter Tapsell (Louth and Horncastle) (Con): I happen to be one of the Members of this House who voted in favour of a referendum on the Maastricht treaty. If a sufficient number of my colleagues, in all parts of the House, had joined me and helped to carry the vote, we would not have had the Amsterdam or Nice treaties or now the Lisbon treaty. However, 400 of the people who failed to do that have since fled the premises, leaving me virtually alone, as the boy on the still burning deck. We hear a lot about the military covenant, but behind a military covenant is an even more important constitutional position, which is the social contract. That is what the Government have broken, by ignoring their pledge to the electorate to hold a referendum.

David Miliband: The hon. Gentleman will be pleased to know that a significant number of the members of the shadow Cabinet were here in 1992, and each and every one of them voted against a referendum on the Maastricht treaty.

Mr. Desmond Swayne (New Forest, West) (Con): The comparison with Maastricht simply will not wash. No party went to the general election that preceded the ratification of the Maastricht treaty, after it was signed, promising the electorate a referendum, as the Foreign Secretary's party did before the previous election.

David Miliband: I am going to address directly the novel constitutional argument that the right hon. Member for Richmond, Yorks (Mr. Hague) put on the radio this morning, which is that it is not the content of a treaty that should decide whether there is a referendum.

Mr. Redwood *rose—*

Mr. Mark Harper (Forest of Dean) (Con) *rose—*

Mr. William Cash (Stone) (Con) *rose—*

David Miliband: I will make a little progress and then I will give way to right hon. and hon. Members.

The right hon. Member for Richmond, Yorks covered a lot of ground in his speech, but dodged the central question in tonight's vote, which is whether the treaty of Lisbon represents a fundamental shift in the balance of power between the nation state—and this nation state in particular—and the European Union. If it does, there should be a referendum; if it does not, there should not be one.

Let me address directly the question that has been raised. I can see why the right hon. Gentleman dodged the question of whether there had been a fundamental shift, because on the radio this morning he made the extraordinary claim that it was not the content of treaties that should determine whether they are subject to a referendum. In other words, he denied the constitutional practice that says that it is a shift in the balance of power that determines whether there should be a referendum.

Mr. Peter Lilley (Hitchin and Harpenden) (Con) *rose—*

Mr. Harper *rose—*

Mr. Cash *rose—*

David Miliband: I am happy to give way to the hon. Member for Stone (Mr. Cash).

Mr. Cash: Does the Foreign Secretary deny that there is a whole range of fundamental changes in the relationship between the European Union and this country and Parliament by virtue of the national obligation that is imposed on Parliaments, the merger of all existing treaties with legal personality, the declaration of primacy, which for the first time is stated in a treaty, the fact that treaties are created without implementation by Act of Parliament and an extension of the powers to use statutory instruments? A range of fundamental constitutional changes are in the treaty, irrespective of all the other broken promises. The reality is that the Foreign Secretary is wholly and totally wrong in his assessment.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): Order. That was an extremely long intervention.

David Miliband: The hon. Gentleman will know that the provisions on legal personality have been around since Maastricht, which was pioneered through the House by the Conservative party.

Mr. Lilley *rose—*

David Miliband: I am happy to give way to the right hon. Gentleman, the former Secretary of State for Social Security.

Mr. Lilley: The Foreign Secretary said that a novel constitutional concept was being introduced. Is he saying that it is a novel constitutional concept that Members of Parliament should keep their promises?

David Miliband: No, of course I am not saying that. What I am saying is that referendums were held on devolution in the case of the Scottish Parliament and the Welsh Assembly precisely because they changed the distribution of power in this country. A proposal to join the euro would also shift power, so a referendum would be necessary. It must be the content of the treaty that determines whether we should have a referendum. I want to go through, in detail, the allegations that have been made about the content of the treaty and then the facts about the treaty, and I will show that there is no way to make the argument that it represents a fundamental shift in the balance of power in this country.

Mr. Harper: The Prime Minister met the leader of Ireland to discuss the treaty in July last year. After the meeting, the Prime Minister said that he and the Taoiseach had discussed the European constitution and how it might be taken forward over the next few months. What does the Foreign Secretary think the Prime Minister meant by that?

1.30 pm

David Miliband: Every Government and leader in Europe has recognised that the constitution has been abandoned—*[Interruption.]* The hon. Member for Rayleigh (Mr. Francois) says that the Prime Minister has said that the treaty is the same. The Prime Minister has never said that the Lisbon treaty is the same as the constitution. The reason he has not said it is because it is not the case.

Mr. Redwood: Is the Foreign Secretary seriously suggesting that a bigger transfer of power was involved when referendums were held on proposals for elected mayors and for the north-east regional assembly? Or is he just trying to find a smokescreen after breaking his own promise because he knows that he would lose a referendum?

David Miliband: No, I am not saying that. My case is that this treaty does not represent a fundamental shift in the balance of power in this country. Furthermore—

[David Miliband]

[Interruption.] As we have discussed on Second Reading—*[Interruption.]* As we discussed—*[Interruption.]*

The Second Deputy Chairman: Order. We cannot have interjections from a sedentary position when—*[Interruption.]* Order. We cannot have interjections from a sedentary position when the Foreign Secretary is attempting to answer questions that have been put to him.

David Miliband: On Second Reading, we discussed the fact that, when the former Prime Minister announced that a referendum would be held on the constitutional treaty, he precisely said that it was not for the constitutional nature of the balance of power in that question. So that question was addressed directly on Second Reading, including by the Prime Minister at the time.

Philip Davies: Following the point made by my right hon. Friend the Member for Wokingham (Mr. Redwood), the Government insist on referendums to set up elected mayors and parish councils. Why on earth will they not keep their promise to hold a referendum when they are transferring so many powers away from this Parliament to the European Union?

David Miliband: The reason is to do with whether there is a fundamental shift in the balance of power, as there was in the cases of the Scottish Parliament and the Welsh Assembly. Even the shift to an elected mayor is a big shift in the balance of power for the people in that locality. That is the test that is applied in every case.

Mr. David Gauke (South-West Hertfordshire) (Con): If I understand the Foreign Secretary correctly, he has just said that the constitutional treaty did not involve a fundamental shift of constitutional powers. If that is the case, why did he favour a referendum on the constitution?

David Miliband: We went through this in detail on Second Reading. The argument was that it was vital, in the words of the former Prime Minister, to "clear the air" on the European issue—*[Interruption.]* That was the argument that was put—*[Interruption.]* I am reporting to the House what the Prime Minister said at the time. What I believe is important is that we look at the content of the treaty. The content of the treaty cannot justify the claims that have been made about the shift in the balance of power or about the facts in respect of this case.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con) *rose—*

David Miliband: I shall take a last intervention from the right hon. Gentleman, who has long taken an interest in this issue.

Mr. Duncan Smith: Not that long—*[Laughter.]* Well, not as long as some of my colleagues. I am a little confused about the Foreign Secretary's position. He said that the reason for granting a referendum was that there was a fundamental shift in power. He then went on to say that he did not think that there was a fundamental shift in power from the constitution, and that the reason for granting a referendum was that it would clear the air. Do we have it now that the principle behind granting a referendum is that, whenever the air is not clear, we should clear it by holding a referendum?

David Miliband: We do not. We have it very clear that there should be a referendum when there is a shift in the fundamental balance of power. I want to go—*[Interruption.]* I am sorry, but that is a very clear point, and it is important that I address the case at hand.

Mr. Kenneth Clarke (Rushcliffe) (Con): The right hon. Gentleman is creating an entirely new constitutional principle—namely, that we hold United Kingdom referendums when there is a shift of power. We held no United Kingdom referendums on Scottish or Welsh devolution, and the reason that we did not was that the Government were not sure that they would win. They would certainly have found a lot of English MPs—even on their own side—opposing the proposals. We have no doctrine of referendums in our constitution. He is inventing the doctrine simply to get out of this extremely unwise election promise. He knows perfectly well that the previous Prime Minister should never have cynically promised a referendum in the first place.

David Miliband: The important issue is that we have experience of one referendum on the European Union, of referendums in respect of Scotland and Wales, and of referendums in respect of local government. Those referendums were all called because of the issue of the balance of power.

I want to go through the allegations that have been made about this important issue, because some of them are absurd and can be dismissed. There are also substantive issues—*[Interruption.]*

The Second Deputy Chairman: Order. We must not have that kind of intervention from the Opposition Front Bench.

David Miliband: There is no power in the treaty for new tax-raising powers for the European Union. There is no replacement of the UK seat on the UN Security Council. There is no danger of French police stalking the streets of London. There is no risk of unwanted changes to our social security system. All those allegations have been made in the course of these debates. The hon. Member for Rutland and Melton (Alan Duncan), who speaks for the Conservative party on energy issues, said that there was a proposal to allow the European Commission to cut off gas supplies from Milford Haven and send them to Ingolstadt. There is no such proposal in the treaty. There is no provision to prevent the UK from supplying oil to another non-EU NATO member at a time of crisis.

Those are some of the absurd claims that have been made. They have been alleged again and again, and, just like the claims that the Amsterdam treaty would mean the abolition of Britain and that the Nice treaty would mean the end of NATO, none of them is true.

We know the agenda of the Conservative party.

Mr. John Gummer (Suffolk, Coastal) (Con): Would not the right hon. Gentleman find his case much easier to make, without any of this persiflage, if a promise had not been made that there would be a referendum? Those of us who are opposed to referendums in principle did not support that promise, but he did. The problem for the House is that we have a Government who gave in to Mr. Murdoch's pressure for a referendum in order to safeguard the support of *The Sun* before the election.

David Miliband: Until I heard the second half of the right hon. Gentleman's intervention, I was going to say that I was about to come to the issue that he had raised on the difference between the constitutional treaty and the Lisbon treaty.

Mr. James Clappison (Hertsmere) (Con): Will the Foreign Secretary give way?

David Miliband: No, I need to make some progress.

Absurd claims have been made about what the treaty does, but there are also some important changes in the treaty. We support them, but the right hon. Member for Richmond, Yorks and the Conservative party do not. The details are worth clarifying because they show conclusively that the treaty does not constitute a fundamental shift in the balance of power.

The treaty will increase British voting weight in the Council of Ministers. It will replace the rotating presidency of the EU with a nominated President of the European Council. It will reduce the number of Commissioners, so that they can become a more coherent group. It will increase the power of national Parliaments, in a way that I shall detail in a moment. It will merge Commission posts and allow Commission and Council officials to work more closely together on foreign policy.

Nothing in the treaty affects the existing powers of EU member states to run their own foreign policy, including at the UN. The treaty, in law, excludes the European Court of Justice from having substantive jurisdiction over foreign policy. This is what the treaty says:

"The Court of Justice of the European Union shall not have jurisdiction with respect to these provisions".

That is treaty text. The Foreign Affairs Committee—whose Chairman is here—concluded that

"it seems highly likely that, under the Lisbon Treaty, the Common Foreign and Security Policy will remain"—

Mr. Cash: On a point of order, Sir Michael. The Foreign Secretary said that he was dealing with important matters of constitutional change and the balance of power. He is now reciting a number of matters that have come out of the treaty but that have nothing whatever to do with constitutional change.

The Second Deputy Chairman: Order. These are not matters for the Chair. They are matters for debate now.

David Miliband: The issue of what the treaty does in respect of foreign policy, justice, home affairs and other matters is central to the question of whether it shifts the balance of power in this country.

Mr. Frank Field (Birkenhead) (Lab): Will my right hon. Friend give way?

David Miliband: May I just finish my quotation from the Foreign Affairs Committee, as it is important in this respect? The Committee rightly said that

"it seems highly likely that, under the Lisbon Treaty, the Common Foreign and Security Policy will remain" an intergovernmental area, driven by the Member States."

That recognition in respect of foreign policy is matched in other areas, including, critically, the issue of justice and home affairs, which has been raised by the Liberal Democrats.

Mr. Field: While it is important for the Foreign Secretary to set out what he thinks are the differences, are we not as a party up against one fundamental fact—that the voters out there think that they were promised a vote on what we are discussing? Given that four out of 10 voters decided not to vote at the last election and that we were returned by only 21 per cent. of the total electorate, does he think that what we are proposing will help to push up the turnout or not?

David Miliband: I think that many factors will drive up the turnout at the next general election—*[Interruption.]* My right hon. Friend says that the passage and contents of the Bill will play into that, and I am sure that that is the case, but I think that we would all agree that it is in our interest to drive turnout up not down. I would say back to him that we are honour bound to recognise that there are big differences between the constitutional treaty and the Lisbon treaty, and part of our job in politics is to explain those differences.

Michael Connarty (Linlithgow and East Falkirk) (Lab) *rose*—

David Miliband: I am happy to give way to the Chairman of the European Scrutiny Committee.

Michael Connarty: I heard the Foreign Secretary pray in aid the comments of the Foreign Affairs Committee, so it might be useful to put on the record the full and correct quote, which has been much abused, from the European Scrutiny Committee. The question is whether the new treaty produces the same substantial effect as the constitutional treaty. We said that that is the case only

"for those countries which have not requested derogations or opt-outs from the full range of agreements in the Treaty",

and we then referred readers to the table and the annexe in the report. In praying in aid for his case, my right hon. Friend might reflect on the wording of a defeated amendment proposed by the hon. Member for Stone (Mr. Cash), which referred to the proposition that the reform treaty was

"substantially equivalent to the Constitutional Treaty, even if it is not the same."

David Miliband: As it happens, I am about to come on to another quotation from my hon. Friend's Committee, which is important for justice and home affairs matters.

Mr. John Baron (Billericay) (Con) *rose—*

David Miliband: I shall take an intervention on foreign policy first.

Mr. Baron: Is not the Foreign Secretary trying to create a smokescreen by addressing some of the more absurd claims about the treaty? Why does he not address the fundamental questions put by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), one of which is that many European leaders have stated that there is very little difference between the constitution and the treaty? Why does the right hon. Gentleman think that that is the case?

David Miliband: I am coming on to that, but every single European leader and every single Head of Government said that the constitutional treaty had been "abandoned"—their word, not mine; it had not been diluted or reformed, but "abandoned".

Several hon. Members *rose—*

David Miliband: I am going to make some progress because it is important to come on to justice and home affairs. I will take some further interventions later.

Nothing in this treaty will reduce the UK's sovereignty over immigration, asylum, visas, police co-operation or civil law. Why? Because, as my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty) said, we have secured an extension of the UK's current opt-in arrangements. The UK has a right to choose when it wants to share power by joining EU arrangements in those areas. Let me quote what the European Scrutiny Committee said on the subject. It concluded that it was

"clear from the 'opt-in' arrangements that the UK is free to decide whether or not to take part, and to that extent is able to protect the distinctive features of the legal systems of the UK".

Similarly, nothing in the charter of fundamental rights extends the ability of any court—European or national—to strike down UK law. Professor Alan Dashwood of Cambridge university, a leading expert in this area, concluded that

"the Charter is not, in itself, a source of rights but simply provides a record of rights that receive protection within the Union, from one source or another".

Angela Browning (Tiverton and Honiton) (Con): Is it not the case that one of the core changes is that the treaty not only extends competences, but means that many new policy areas will now become shared competences? Over time, disputes in those policy areas will be determined by the European Court of Justice. As declaration 17 annexed to the treaty shows, that takes primacy over this House, which is a huge shift of power.

David Miliband: In respect of article 17, that has been the fundamental issue regarding Britain's membership of the treaty of Rome since 1957. If the hon. Lady objects to that, she should have an objection to our membership of the whole of the European Union.

1.45 pm

Mr. Gerald Howarth (Aldershot) (Con): The Foreign Secretary has prayed in aid some comments of the Foreign Affairs Committee, so may I remind him that that Committee also said:

"We conclude that there is no material difference between the provisions on foreign affairs in the Constitutional Treaty which the Government made subject to approval in a referendum and those in the Lisbon Treaty on which a referendum is being denied"?

Is that an absurd claim? As far as I am concerned, my constituents in Aldershot want a referendum. The right hon. Member for Birkenhead (Mr. Field) is absolutely right that the Labour party will pay a big price for denying the people the right to have their voice heard on this matter.

David Miliband: I would never describe the Foreign Affairs Committee's conclusions as absurd. However, to give just one example, under the constitutional treaty all foreign policy activity was merged into a single treaty pillar. Under the Lisbon treaty, there is a wholly separate area of European affairs dedicated to foreign policy. If ever the hon. Gentleman wanted a guarantee about the continuing intergovernmental nature of foreign policy, there it is.

Graham Stringer (Manchester, Blackley) (Lab): I am following my right hon. Friend's attempts to define the Lisbon treaty. Can he think of a better definition than this—that the treaty

"ensures the new Europe can work effectively, and that Britain keeps control of key national interests like foreign policy, taxation, social security and defence. The Treaty sets out what the EU can do and what it cannot. It strengthens the voice of national parliaments and governments in EU affairs"?

That, I think, is the essence of what my right hon. Friend has been saying. Fortunately, it comes from our manifesto of 2005, which defines the constitutional treaty. Can he tell us the difference between that definition and his definition of the Lisbon treaty?

David Miliband: There are big differences. First, the structure of the constitution abandoned all previous treaties that governed the EU. This treaty does not do that. Secondly, in respect of a range of policies—notably on justice and home affairs, but also on other areas—the content is different. Thirdly, in respect of the consequences, the constitutional treaty was alleged by many Conservative Members to be a slipway to a superstate. Under the Lisbon treaty and the conclusions of last month's European Council, there is an agreement that there shall be no further institutional reform for the foreseeable future. So in structure, in content and in consequence, this is different.

Mr. Duncan Smith: When the votes were held in France and the Netherlands and the constitutional treaty as it stood was stopped, the Germans decided under their presidency to hold all these discussions again and sent round a letter—its existence was denied, but it did exist—to all the Governments, including the British Government, asking how best to resuscitate the process. One question asked was:

"How do you assess the proposal made by some member states"—

that must have included the UK—

"using different terminology without changing the legal substance, for example with regard to the title of the treaty"?

How did the Her Majesty's Government respond?

David Miliband: I would be happy to write to the right hon. Gentleman on that particular issue, but I would say that there are important differences between the constitutional treaty—*[Interruption.]* I do not have in my briefing pack the letter we sent back to the German presidency in June 2005, but I am happy to find out for the right hon. Gentleman. What is important, however, is the fact that the constitutional treaty has important differences from the Lisbon treaty.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab) *rose—*

David Miliband: I give way to my hon. Friend—

Mr. Lilley: On a point of order, Sir Michael. Is it not a convention that when this House debates important matters, papers emanating from the Government spelling out policies are placed on the Table? The Foreign Secretary has finally admitted that the Government replied to the German letter. *[Interruption.]* The answer is there in the hands of—*[Interruption.]*

The Second Deputy Chairman: Order. The right hon. Gentleman is right in some circumstances, but his point applies only when Ministers are quoting from state papers. In any case, it would appear that the situation has now been resolved.

David Miliband: The point has been made that discussions were ongoing at that stage, but I understand that we did not respond to the letter that was sent by—

Mr. Kenneth Clarke: I think that I am likely to be voting with the right hon. Gentleman tonight, but I am not sure that I shall be able to agree with any of his arguments in favour of that proposition.

Given that the right hon. Gentleman's Government negotiated this treaty, will he explain why it is in Britain's interest to ratify it, and what improvements it makes to the operation of the Union? Will he stop all this nonsense about its being different from the constitution when it is plainly the same in substance, and explain why it is better not to hold a referendum but have the issue decided in Parliament? He is getting into trouble because of the deviousness and, at times, the ridiculousness of the arguments he is using, which are far removed from the main points.

David Miliband: As I said a few moments ago, the increase in British voting weight in the European Council and the changes in respect of foreign policy are important and useful changes that will help British work in the European Union.

Ms Angela C. Smith: The numerous interventions from Conservative Members demonstrate their inability to understand the difference between the Lisbon treaty which we are discussing now, and the earlier abandoned constitution. Does that not indicate that Eurosceptic thinking has taken over mainstream policy in the Conservative party?

David Miliband: That is an important point and one to which I shall return at the end of my speech, although I do not think that the allegation can be made of all Conservative Members.

Gordon Banks: Will my right hon. Friend give way?

David Miliband: No. I want to make some progress.

The right hon. Member for Richmond, Yorks talked a great deal about the passerelles, which he said introduced a new "ratchet" clause. Such clauses have been around for 22 years, and have been used on one occasion. They were first introduced by the Single European Act, and have been extended in every subsequent treaty. Far from being novel or an innovation, they are an established part of the EU machinery. Contrary to what the right hon. Gentleman alleged on the radio this morning, there are new powers for nation states. Not only must every Government agree to them, but every Parliament has new rights as well. Furthermore, it is not true that the treaty extends qualified majority voting in a way that undermines the British national interest.

Gordon Banks: Will my right hon. Friend give way?

David Miliband: No. I want to make some progress.

Sixteen changes do not affect us, because we are not in economic and monetary union and we have opt-ins on justice and home affairs. Fifteen are purely procedural—for instance, the procedures on the Comitology Committee, and the internal rules for appointing the Committee of the Regions and the Economic and Social Committee. Those are not threats to the constitutional balance in this country. Twenty changes break down barriers to action in areas where that is clearly in the UK interest, from energy to development and disaster assistance.

Today the right hon. Member for Richmond, Yorks announced that he opposed all those changes. So he is abandoning the UK interest in key areas. That means no strengthening of EU research capacity, no swift route to protecting British business ideas and no new impetus for the promotion of energy security, let alone disaster aid. That is not defending the national interest; it is abandoning it.

As for the foreign policy high representative, is it true that the treaty subverts the power of national Foreign Ministers under the auspices of the EU? No, it is not. The high representative will answer to Foreign Ministers, and foreign and defence policy is retained in a separate treaty.

Mr. Denis MacShane (Rotherham) (Lab): Has the Foreign Secretary had time to read a short but very compact biography of Edward Heath which I wrote last year? In it he will see references to all the previous EU treaty debates going back to the 1960s. The arguments have not changed, save that then the League of Empire Loyalists, the national executive committee of the Labour party, the Communist party and the Monday Club opposed Europe, whereas now it is the mainstream Conservative party that opposes it.

David Miliband: My right hon. Friend makes a very good point. I hope he will send me a signed copy of his book for me to take away on my summer holidays. Perhaps he would also like to provide an executive summary to help me through the more detailed aspects.

Chris Bryant: I hate to say this, but I agree with the shadow Foreign Secretary. He said:

"Democratic accountability is under threat...from the Government's regular use of referendums".

That is why I have never supported the idea of a referendum, particularly a referendum on a treaty. It seems to me that if the people of Britain were to say yes or no, we would not know precisely to what elements of the treaty they were saying yes or no. We would not know whether they were agreeing with the hon. Member for Stone (Mr. Cash), with the right hon. Member for Wells (Mr. Heathcoat-Amory), or with Labour Members who would like to see very different changes to the treaty.

David Miliband: My hon. Friend makes an important and good point. The record of the right hon. Member for Richmond, Yorks in opposing referendums in the 1990s, both in practice during the Maastricht debates and in theory in his writings, is well known.

Clive Efford (Eltham) (Lab): I think that when the arguments about the referendum die down people will understand that the mainstream Conservative party is, quite simply, flatly opposed to our continued membership of Europe.

Has my right hon. Friend noticed that he has been intervened on three times by former Secretaries of State who voted for the paving Bill that preceded opposition to the Greater London council? I do not recall any reference to any democratic process or any manifesto during that procedure. Does my right hon. Friend not find their selective memory somewhat astonishing?

David Miliband: My hon. Friend has used his own very good memory to good effect in exposing the hypocrisy of the Conservative party on this issue.

Gordon Banks: Will my right hon. Friend give way?

David Miliband: I will, for the last time.

Gordon Banks: The right hon. and learned Member for Rushcliffe (Mr. Clarke) said that, while he thought he could support the Government in tonight's vote, he did not think he could support much of the Foreign Secretary's argument. May I play matchmaker, and give the Foreign Secretary and the right hon. and learned Gentleman an opportunity to agree on something—that failure to ratify the treaty would plunge the United Kingdom into crisis, as the right hon. and learned Gentleman was reported as saying on television this morning?

David Miliband: I certainly believe that it would send us to the margins of Europe, which would be very damaging to the national interest.

At every stage the Lisbon treaty amends existing treaties instead of replacing them, contrary to what was done by the constitutional treaty. The constitutional treaty restarted the EU from scratch. It abolished previous treaties, and created a new one. The constitutional treaty did not make special provision for Britain in respect of justice and home affairs. The reform treaty does, in inordinate detail and in respect of all JHA measures. The constitutional treaty left open the opportunity for the right hon. Member for Richmond, Yorks to advance specious arguments about a European superstate.

Those are the reasons why the Law Society of England and Wales says that this treaty

"does not have the same ambitions as the previous Constitutional Treaty".

It is why eight European Governments who promised a referendum on the constitution no longer consider it necessary. It is why the Conservative Prime Minister of the Netherlands, Mr. Balkenende, has said:

"We are not talking about a Constitution. The Constitution has gone."

It is why Giuliano Amato, who was prayed in aid by the right hon. Member for Richmond, Yorks, says that what was agreed was "a cluster of amendments", not "a new constitution". It is why Professor Damian Chalmers, a leading authority at the London School of Economics, says that this is

"probably the most limited reform, with the exception of the Treaty of Nice, that we have seen in the last twenty years."

So the content of the treaty does not justify a referendum, and the comparison to other treaties does not either.

The Single European Act—which was piloted through the House by the Conservative party—set out the terms for the creation of a single market, created the concept of the convergence of economic and monetary policies, and provided for co-operation on foreign policy. No referendum was required; I wonder why. [Hon. Members: "Why?"] The reason why is that it did not shift the balance of power in this country.

The treaty of Maastricht—

Mr. Harper: Will the Foreign Secretary give way?

David Miliband: No. I must make some progress.

The treaty of Maastricht provided the blueprint for economic and monetary union, and added common foreign and security policy. As the right hon. and learned Member for Rushcliffe (Mr. Clarke) has said, it was a

"far more significant piece of legislation determining our constitutional arrangements",

but still we had no referendum. Indeed, the right hon. Member for Richmond, Yorks voted against a referendum on the issue, along with all other members of the current shadow Cabinet.

Mr. Harper *rose*—

David Miliband: The hon. Gentleman has been so polite and persistent that I am happy to give way to him.

Mr. Harper: I am grateful to the Foreign Secretary. Will he acknowledge that this is the key difference? Not only was a promise to hold a referendum on the

Maastricht treaty not given, but in the manifesto before the election there was a pledge to ratify it if the Conservative Government were re-elected. This case is completely different. The simple point is that the Foreign Secretary's Government promised a referendum, and are breaking that promise today.

David Miliband: I do not know how many times I must say this before the hon. Gentleman recognises that it has been said. The constitution is not what is before us today. Before us is a Lisbon treaty which is not the constitution.

Jeremy Wright (Rugby and Kenilworth) (Con) *rose—*

Bob Spink (Castle Point) (Con) *rose—*

David Miliband: I want to bring my speech to a close.

On day five of the debate, on foreign affairs, the right hon. Member for Richmond, Yorks, who speaks for the Opposition—[HON. MEMBERS: " Brilliantly."] He is a very good after-dinner speaker, although I am not sure about the content. The right hon. Gentleman let the cat out of the bag. He could not think of one change in the treaty that he supported—not a single one. He wants to rely on the previous arrangements agreed at Nice, but what did he say about the Nice treaty? He opposed that, too. He claimed that the European security and defence policy provisions were a step towards "a superstate" and that they would progressively "move away from NATO." So he does not support the Nice treaty.

2 pm

What about arrangements before that, such as the treaty agreed at Amsterdam? The right hon. Gentleman opposed that, too. He said:

"Amsterdam was a bad Treaty. Bad for Europe and bad for Britain".

There is a pattern here. The right hon. Gentleman opposes every single treaty that comes before us: no to the Lisbon treaty, no to the Nice treaty, and no to the Amsterdam Treaty. No, no, no: we have heard that before from the Dispatch Box.

That makes the key point that the Conservative party has a fundamental problem: 18 years after Mrs. Thatcher's departure from office, it is still haunted by the Thatcherite policy on Europe, and 16 years after Maastricht, the rebels on the fringes of the party are now calling the shots. It is no wonder one of the Conservative party's MEPs has described its Europe policy as a poisonous fungus eating away at the heart of the party.

The question before us is simple: do the contents of the treaty constitute a fundamental shift in the balance of power? The answer is no. The responsibility is ours, as Members of Parliament; I say, vote down the amendments and let us do what we are paid for.

Mr. Davey: It is already clear from the debate that the key question is whether the Lisbon treaty is the same as the constitutional treaty. There is a strong case that Members who promised a treaty referendum at the general election and who agree with the right hon. Member for Richmond, Yorks (Mr. Hague) that the treaties are the same should back the Conservative amendment, and that those who do not agree with him should not support it. However, Members who are in favour of a referendum on the principle, as the Liberal Democrats are, but not on one on Lisbon on the grounds that it is different from the old constitutional treaty, should abstain tonight, as we will.

The Conservatives have said throughout our proceedings that the old and new treaties are more or less the same. They are wrong. The truth is that the treaties are different in nature—different in the very essence of what they mean—and that for the UK especially there are key differences in substantive detail. The fact that the Conservatives try to ignore that does them absolutely no credit—and neither does their shabby complicity with the Government yesterday, when they conspired to restrict choice and curb free speech in this House. They have gagged open debate on Europe in this House, and we will make sure the voters know that.

Mr. Duncan Smith: I am fascinated by what the hon. Gentleman is saying. I must ask him a very simple question. Alongside the Government, he has consistently made a strong case that the treaty is not the same as the constitution—that they are very different. That is the substance of his case. We think that the Government are reneging on their position, but they are voting against the amendments to hold a referendum. Why is it that, with his strong case, the hon. Gentleman cannot bring himself to vote either against the referendum or for it, but instead just sits on the fence?

Mr. Davey: It is a shame that the right hon. Gentleman, who is a distinguished Member of this House, is not listening to what I am saying, and what we have been saying day in, day out. We have strongly argued that our pledge at the last election would be best honoured by an in/out vote; that is the nearest we can get to honouring it now that the constitutional treaty is dead.

Let me return to the differences between the treaties.

Mr. Harper: Let me just ask the hon. Gentleman this: my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the shadow Foreign Secretary, made it clear that not only have we tabled amendments today, but the hon. Member for Glasgow, South-West (Mr. Davidson) has tabled one too, and it gives the option of having a referendum not only on the Lisbon treaty but on the in/out question that the hon. Member for Kingston and Surbiton (Mr. Davey) asks for. Why then are the Liberal Democrats not going to support that amendment, which could, of course, be amended in the other place, and instead are just going to sit on their hands? Is that because they are going to adopt the principle of constructive abstention—a new concept in this House—or is it because they are too frightened of their constituents?

Mr. Davey: I do not know if the hon. Gentleman has actually read the amendment tabled by the hon. Member for Glasgow, South-West (Mr. Davidson). It is an amendment that does not pose a question. Its tabler—we are looking forward to hearing from him

[Mr. Davey]

shortly—has said that if the amendment were agreed to, his Government would put the question that we Liberal Democrats have been asking for. Yesterday, however, his colleagues voted against that; they voted against even allowing us to debate it. So why on earth does he think that we are going to vote for an amendment that offers those on his Front Bench the possibility of posing a question that they have refused to debate? It is an absurdity; it is one of the most ludicrous amendments ever to come before the House.

Chris Bryant: I have never read a Liberal Democrat manifesto, and I have no intention of doing so in the near future. For all I know, the hon. Gentleman might be right to say that the best representation of his party's case would be to have a referendum on whether Britain should be in or out of the European Union. However, there is a serious point to today's debate, which is this: surely the Liberal Democrats can make their mind up whether there should be a referendum on the treaty itself? I know what the hon. Gentleman really thinks; he thinks there should not be. He should therefore join us in the Lobby tonight.

Mr. Davey: Let me try once again, for the hon. Gentleman's benefit. We have made it absolutely clear that we are in favour of the principle of a referendum on the European question, because we want to honour our pledge at the last election. We are not going to vote against the principle of a referendum tonight, which is why we are abstaining. We wanted the chance to debate our referendum question, but the hon. Gentleman, working with the Conservative party, conspired to prevent that. He should be ashamed of that position.

Several hon. Members *rose—*

Mr. Davey: I want to make some progress; I will give way again later.

Let me return to the differences between the treaties, and in particular the different natures of the treaties. One treaty was of supreme constitutional significance; the other treaty simply makes modest reforms. One treaty replaced all the past EU treaties with one document; the other is merely an amending treaty. One treaty would, effectively, have given the people a chance to vote on the principle of Britain's membership of the EU, and the other would give the people a chance to vote on whether they wanted to cut the number of EU Commissioners by a third.

Kate Hoey (Vauxhall) (Lab): Will the hon. Gentleman give way?

Mr. Davey: I will give way later.

The truth is that the Conservatives do not want to know the facts about the differences between the treaties. Why? Because they are embarrassed about their sorry legacy. The treaties that saw the most significant transfer of power, the Single European Act and Maastricht, were pushed through this House by Tory Governments, with not a word from the Tory Front Bench about a referendum. As my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) said, those on the Conservative Front Bench have only ever promised referendums when in opposition, and only on the minor treaties such as Amsterdam, Nice and now Lisbon. That shows how confused and opportunist their position is.

Several hon. Members *rose—*

Mr. Davey: I shall give way to the hon. Member for St. Albans (Anne Main) and then to my hon. Friend the Member for Truro and St. Austell (Matthew Taylor).

Anne Main (St. Albans) (Con): If the hon. Gentleman thinks that this treaty is simply a bundling-up of a few amendments that he feels is necessary, why does he not support the Government tonight and ensure that we do not have a referendum, which they might well lose?

Mr. Davey: I refer the hon. Lady to the record, as I have answered that question at three separate stages.

Matthew Taylor: Did my hon. Friend notice that when the shadow Foreign Secretary, the right hon. Member for Richmond, Yorks (Mr. Hague), listed changes to the EU that had been set out in manifestos or passed through referendums, he omitted to mention the Single European Act—a surprising omission, given that that was the fundamental change that moved us from the Common Market to a single European Union? The truth is that the Conservative party has no record on this in government; it says a lot in opposition because it plays the field and seeks support from anti-Europeans, but in practice in government it votes entirely contrary to that. That does the Conservative party no credit at all.

Mr. Davey: My hon. Friend is absolutely right. The difference between the Lisbon treaty and the constitutional treaty is to do with that very point. The constitutional treaty would have allowed people a vote on the Single European Act and the Maastricht treaty, and Nice and Amsterdam. We should have had a referendum on that, because it was a genuinely constitutional treaty wrapping up all the other treaties in one document. The Lisbon treaty does not do that. A vote on Lisbon offers no vote on Rome, no vote on Maastricht and no vote on the Single European Act. It really is that simple.

Mr. Redwood: I am grateful to the Liberal spokesman for giving way. Does he not understand that people outside this place want a vote on what we are debating today, and think that that was promised to them by the Liberal Democrats? Now that he is so steeped in broken promises, and if he does not honour his words from the last election, why would they believe anything that the Liberal Democrats promise at the next election?

Mr. Davey: The right hon. Gentleman would have done his case some good if he had voted with us yesterday. He would have enabled this House to vote tonight on a range of options, but his failure to do that means that when he makes such interventions today, he does not serve his own purpose.

Mr. Don Foster: May I take my hon. Friend back to a point that he made a few minutes ago? He made it very clear that the outcome of an in/out referendum and its implications would be very clear, but he also said that a referendum as proposed by the Conservative party would enable people to decide, for example, on whether to reduce the number of Commissioners. Could he confirm that, even if people voted as he has just described, it is not clear that that would lead to a reduction in the number of Commissioners? Indeed, it is not at all clear what the outcome of a no vote in a Conservative referendum would be.

Mr. Davey: My hon. Friend is absolutely right, and when the right hon. Member for Richmond, Yorks was challenged on this point, he could give no answer. In fact, there were many points today when he could give no answer.

I do not believe that we should judge the differences between the two treaties on a word-count, but the Committee might be interested to know that the constitutional treaty contained 157,000 words and the Lisbon treaty contains 44,000 words. That is the difference: one of the documents had all the treaties in it, and the other does not. Only the Conservatives could deny that significant difference.

Several hon. Members *rose—*

Mr. Davey: I have given way already, and I promise that I will give way later, but first I want to make a little more progress.

I have been focusing on the difference in the nature of the treaties for a very good reason. We Liberal Democrats believe that referendums should be used not willy-nilly, but with care and sparingly, for issues of constitutional significance. Even for issues of constitutional significance, it is not always clear to me that we need a referendum. I do not think that anyone in any party argued for a referendum when this House passed the Human Rights Act—or, indeed, back in 1950, when the European convention on human rights was signed. We rarely, if at all, hear arguments that there should be a referendum on reform of the House of Lords or the Freedom of Information Act, so there are many constitutional issues on which people do not think there should be a referendum.

We believe that such analysis is directly relevant when one comes to make the judgment about whether a European treaty deserves a referendum. Treaties that make modest institutional reforms to make the European Union more efficient for enlargement, such as Lisbon, simply do not have the constitutional impact that some Members wish to ascribe to them.

Mr. Kenneth Clarke: Does not the history of our European debates demonstrate that people demand referendums only when they think that they are going to win them, and that the Liberal Democrats vote for a referendum only when they are confident that they are going to lose the vote, so that no referendum will actually happen?

Mr. Davey: The right hon. and learned Gentleman has been a real ally during the debates on the Lisbon treaty, but I think that today he is not being one. He will not be surprised to know that I disagree with what he says.

2.15 pm

Kate Hoey: The right hon. and learned Member for Rushcliffe (Mr. Clarke), who has a very principled position on referendums, has said today—unless I have got him wrong—that the treaty and the constitution are the same. Is the hon. Gentleman saying that the right hon. and learned Gentleman is misleading the House?

Mr. Davey: I would not say that about the right hon. and learned Gentleman, but I would like to quote him on this treaty. He said just last year:

"What we have now"—

in the Lisbon treaty—

"is far less important than Maastricht. I think the idea we have a referendum"—

on the treaty—

"is frankly absurd. Some of the Eurosceptics will have demanded a referendum just about the date on the top of the piece of paper."

The right hon. and learned Gentleman, because he has suffered under them, knows exactly how bizarre the positions of the Eurosceptics are.

Dr. Julian Lewis (New Forest, East) (Con): Of course, the consistency of my right hon. and learned Friend's position is that because he believes that a referendum is inappropriate in this case, he is going to vote with the Government. The logic of the hon. Gentleman's position is that he should be voting with the Government, too, because he does not believe that a referendum is appropriate. Is not the real reason why he does not have enough of the courage of his convictions to vote with the Government the knowledge that some of his own Liberal Democrat colleagues are reluctant not to vote for a referendum, because they know that they would be breaking their promises at the last general election?

Mr. Davey: That was not a very good try from the hon. Gentleman. He said that we were afraid of a referendum. We are absolutely not afraid of a referendum. His party could have supported us yesterday, and we could have had another question on a referendum debated today.

Mr. Jeremy Browne (Taunton) (LD): Has not the right hon. and learned Member for Rushcliffe (Mr. Clarke) perfectly summarised the Conservatives' position? In the 18 years for which they had a majority of MPs in this House and could have had a referendum at any point they wanted, they chose not to—but just at this point, when they do not have enough MPs to win a referendum vote, they have suddenly become in favour of one.

Mr. Davey: Absolutely; my hon. Friend describes the Conservatives' position completely.

Malcolm Bruce: The Conservatives have consistently failed to acknowledge that if they were to win the vote tonight, they would be in deep trouble. They have in no

[Malcolm Bruce]

way explained how, if they won a referendum on a no vote, they would take the matter forward, how the British people would have voted and why they would not in fact plunge Britain and the United Kingdom into a state of paralysis in terms of our continuing relations with the European Union. The Conservatives can only vote as they intend to vote tonight knowing that they will lose.

Mr. Davey: My right hon. Friend is absolutely right, but I have to say that the position for the Conservatives is even worse. The only other parties in Europe that would support their position are Sinn Fein, a rag-bag of fascist and communist parties and the Dutch animal party. Those are the European parties with which they would be left to negotiate. The truth is that the Tories are isolated with extremists in Europe.

Several hon. Members *rose—*

Mr. Davey: I want to make some progress, but I will take interventions later.

Angela Browning: Will the hon. Gentleman give way on that point?

Mr. Davey: No, I want to make some progress. *[Interruption.]*

The Second Deputy Chairman: Order. The hon. Gentleman has indicated that he wants to make some progress but will take interventions later.

Mr. Davey: The Minister has informed me from a sedentary position that the new Government of Cyprus, who are communist, are actually supporting the treaty. I did not intend to do a disservice to them, so I am grateful to the Minister for that.

In examining the difference in the constitutional nature of the two treaties, I have been taking advice from the speeches of the right hon. Member for Richmond, Yorks. Back in 2006, he made a very interesting comment on the nature of European treaties. He said of the defunct constitutional treaty that

"the fact that it was a Constitution, not simply a treaty, would have revolutionised the EU."

There we have it—a revolutionary document, or a simple treaty? Referendums are the democratic way— *[Interruption.]* Revolutions are important in our government, and I would suggest that referendums are the democratic way to judge constitutional revolutions, but they are absolutely not the way to referee institutional reforms. That is why we Liberal Democrats believe that the only way to honour the pledge on Europe that most Members of this House gave at the last election is an in/out referendum.

We heard yesterday, and we have heard today, accusations that people think that this is some sort of ruse—that somehow, we have made it up, that we imagined it all of a sudden. Let me take the House back to the history of the pledge that we made. My right hon. Friend the Member for Ross, Skye and Lochaber (Mr. Kennedy), the then leader of the Liberal Democrats, explained before the general election what we considered our pledge to mean. When arguing the case for a referendum on the constitutional treaty, he said:

"It's time for this debate—time for us to decide what we actually want from Europe. I believe, once the argument has been joined, the consensus will be that it's better to be in than out."

He was right; that was the significance of our referendum pledge on the constitutional treaty.

Mr. Lilley: May I help the hon. Gentleman explain why his party cannot decide whether to vote in favour of keeping its promises or to vote against doing so? The explanation was spelt out by the leader of his party, who said that it would all depend on the electoral arithmetic in the House. The Liberal Demoerats would vote for a referendum proposal that would be defeated, but because their joining us would mean that a referendum would take place, they have decided to abstain.

Mr. Davey: That is absolutely not the case.

Mr. Peter Bone (Wellingborough) (Con): I have listened to many of the Committee proceedings, during which the hon. Gentleman has made a strong case for the Lisbon treaty. He made exactly the same point in *The Scotsman*. He cited the right hon. Member for Ross, Skye and Lochaber, a former leader of the Liberal Democrats, saying that a vote on the Lisbon treaty would effectively be an in/out referendum. If that is effectively an in/out referendum, why on earth do they not vote for it?

Mr. Davey: My point was that a vote on the constitutional treaty was the relevant in/out referendum. The hon. Gentleman has been honourable in his approach. He is from the "Better Off Out" group and he voted with us on 14 November, when we were grateful for his support.

Several hon. Members *rose—*

Mr. Davey: I shall make some progress.

I have dealt at length with the difference in nature between the treaties, so let me deal with the differences of substantive detail. When one looks at the really big changes proposed in the old treaty, one finds that, as has emerged from the debate, by far the biggest one was on justice and home affairs. To be specific—as this debate so far has not been—the proposal that the EU would have competence over cross-border police co-operation and cross-border aspects of criminal justice represents, to any fair-minded person, a big shift. It is arguable whether it is of major constitutional significance, but it was the biggest proposed transfer of power in the original treaty.

What happened to that transfer provision in the time between the old and new treaties? It remained for other member states, but the United Kingdom negotiated new opt-ins. That is a massive change. When pressed, the right hon. Member for Richmond, Yorks had to acknowledge that, in a way that Conservatives had not done during the rest of our proceedings. What is even more interesting about the UK opt-ins negotiated at Lisbon, which were not in the old treaty, is that they

went much further; indeed, they took power back from the EU. Britain gained new opt-ins on aspects of JHA in areas that the Conservatives had signed away at Maastricht. That is one of the greatest ironies of this debate. The Conservatives not only want a referendum on a document that is significantly different, but in opposing the Lisbon treaty, they oppose powers being brought back to this country.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Is not comparing the Lisbon treaty with the former constitution rather like comparing the right hon. and learned Member for Rushcliffe with the hon. Member for Stone (Mr. Cash)? The similarities are superficial but the differences are profound.

Mr. Davey: The right hon. Gentleman has it in one, and I congratulate him.

Mr. David Chaytor (Bury, North) (Lab): I return to the reference to Maastricht. This is our 11th day of debate on the Lisbon treaty. Has a member of the official Opposition explained at any point during those 11 days, which have involved many hours of debate each day, how the Lisbon treaty contains an issue of greater constitutional significance than was contained in the Maastricht treaty?

Mr. Davey: Absolutely not; there has been a deafening silence. Interestingly, up to this point the Conservatives could not wait to intervene on me, but when I made the point about substantive difference and JHA they would not comment or intervene. They have been found out.

Mr. Cash *rose—*

Mr. Davey: I shall give way to the hon. Gentleman. I hope that he will be able to say what the differences are.

Mr. Cash: I would rather deal initially with the reference to my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) and me. It is perfectly apparent from our proceedings that he, like me, has been honest in his convictions on this issue. Our approaches have been based on our assessments of the way in which Europe should go, and that is why we have so much in common and why, despite our differences, we can maintain a parliamentary friendship.

Mr. Davey: I doubt whether a love-in is emerging in the Conservative party. I do not know whether the hon. Gentleman wants to be a therapist, but I do not deny the veracity of what he says.

When one examines both treaties, one finds some similarities. I have never sought to deny that, but the similarities are on the modest measures—on the less significant, non-constitutional issues. People have tried to quantify the similarities by number—the right hon. Member for Richmond, Yorks talked about that—but, interestingly, not by importance. They have also quantified them by saying how much of the Lisbon treaty was in the constitutional treaty, but not by saying how much of the constitutional treaty is in the Lisbon treaty; those are two different things.

Bob Spink: Will the hon. Gentleman give way?

Mr. Davey: No.

Let us examine some of the many similarities. Both treaties sought to change "ecu" to "euro" and "economic community" to "European Union" in all the past treaties. Both treaties contain a hatful of useful reforms, from energy liberalisation to information sharing about sex offenders, from cutting the bureaucracy to strengthening accountability. Are those the reasons why any of us promised a referendum? Absolutely not. Is it contentious to co-operate on tackling terrorism more effectively? Do we need a referendum on that? Why are the Conservatives so worried about Britain being more able to influence countries in eastern Europe? Is it to clamp down on the trafficking of guns, of drugs or of people? As has been said, when the facts change and the treaties change, people should have the courage to admit that.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I would like to challenge the hon. Gentleman's use of the word "modest". I think it is good that the size of the Commission will be reduced, because I want an effective Commission, but we must consider the institutional structures. There is a basic principle that at any one time every country should be represented in the Commission. Once the Commission's size is reduced that will no longer happen. That is significant, so the treaty contains big changes. Some may be good, others not so good, but the word "modest" does not apply.

Mr. Davey: I am afraid that I disagree with the hon. Lady. The idea that that is a constitutional issue deserving of a referendum is wrong. She will have to talk about the transfers of powers; that is the issue. The transfers of competence in the treaty concern things such as space policy. I do not know whether other hon. Members think that we should have a referendum about space policy, but I do not believe we should.

Dr. Andrew Murrison (Westbury) (Con) *rose—*

Mr. Davey: No, I will not give way, because I want to make some progress. As the House knows, the Liberal Democrats believe that there should be a referendum on Britain's membership, because as pro-Europeans, we want to argue that case. We believe that such a referendum would enable us to get on to the front foot for the first time in a generation to argue the case for Europe. More importantly, it would enable us to set to rest people's concerns about Europe and rebuild the deep coalition for Europe. Whether on climate change or on globalisation, on beating terrorism or on tackling international crime, the arguments for the future role of Europe are as strong as the past arguments for a Europe that has helped to bring peace and prosperity, democracy and human rights to our once battered and divided continent.

With so much at stake, there is a price to be paid for a strategy of Eurosceptic appeasement, which some pro-Europeans have adopted. That appeasement process means that deliberate misrepresentations of Europe go unchallenged, policies that are in the interest of Britain are not adopted, and the power of Britain's

[Mr. Davey]

voice and influence at the European table is diminished and reduced. How long can we go on appeasing the people who hold such views? They are damaging Britain's national interest. The Foreign Secretary and his colleagues must address that point, because they are in danger of becoming the arch-appeasers.

2.30 pm

The Prime Minister will jump when Mr. Murdoch calls, but arrived deliberately late for a European summit with 26 other countries. Rather than running away from their pledge on a referendum, Labour should have joined us yesterday. After all, it was Tony Blair who said about the referendum in 2004:

"It is time to resolve once and for all whether this country, Britain, wants to be at the centre and heart of European decision making or not."

For once, he knew the historic significance of what he had signed.

Kate Hoey: Will the hon. Gentleman include in the Liberal Democrats' next election manifesto a pledge to have an in/out referendum? If so, will the electorate believe them, given that their last manifesto said that they wanted a referendum on the treaty?

Mr. Davey: The hon. Lady still has not got it, and I am slightly worried for her. I will argue for the inclusion of an in-out referendum in our manifesto, but we shall decide that in the proper way. I do not think that the Foreign Secretary or the right hon. Member for Richmond, Yorks are writing their manifestos tonight either.

It is time that we took the Europhobes on and called their bluff. I am sceptical about Eurosceptics. On the whole, they are really anti-Europeans and Europhobes, seeking to adopt a veneer of respectability and unwilling to see that to reform Europe is to be in Europe, at the table, arguing for your views. With a referendum on membership, the weakness of that position would be exposed, and with the yes vote winning through, as I believe it would, Britain could be unshackled from the chains of appeasement and ensure that European policy was based once again on a clear calculation of the national interest, and not on the interests of a weak Government avoiding screaming anti-European headlines.

We know from the polls that it is the referendum on membership that the British people really want. The MORI poll last weekend was the only poll of the British people that has asked the relevant question—whether

"if there were to be a referendum on Britain's relationship with Europe, would you prefer it to be a referendum only on the Lisbon Treaty, or a referendum on Britain's membership of the EU."

In that poll, more than two to one backed the in/out option.

Unfortunately, that option is not before the House because Labour and the Conservatives ganged up to gag the proposal the British people want. It has been rejected by the Conservatives because it would split them from top to bottom. By gagging debate and by opposing the vote that the British people really want, the Conservatives have once again lost the plot on Europe. They deserve to lose the vote tonight.

Mr. Stephen Byers (North Tyneside) (Lab): I wish to support the position taken by the Foreign Secretary and to argue against the amendments and new clauses. I shall make three particular points, which I shall do briefly as I know that many hon. Members wish to speak.

My first point concerns the history of the manifesto commitment in 2005. Secondly, I shall argue that the Lisbon treaty is a clear departure from the constitutional treaty that was being considered at that time—some of those differences have already been outlined. Thirdly, I shall discuss the constitutional position of this House and the role that we play in taking key national decisions.

Bob Spink: I shall present a petition later today on a referendum on this treaty. The Clerks have asked me to change the people's words from

"rat on a manifesto commitment"

to

"renege on a manifesto commitment".

Does the right hon. Gentleman accept that that is a more decorous description of the policy of his party and the Liberal Democrats on this issue?

Mr. Byers: No, and I shall explain why. The hon. Gentleman has a principled position on the European Union, which a fair number of his colleagues share—they want to get out. The past 11 days of debate have made it clear that the new leadership in the Conservative party has not been able to move the party to the centre of British politics, where the majority of people believe that we are better off as part of the European Union. There is still a group in the Conservative party that has a stranglehold on policy on Europe, and it wants to take Britain out of the European Union. I am grateful to the hon. Gentleman for confirming that he is part of that group.

My first point concerns the history of the manifesto commitment in 2005. In 2004, the then Prime Minister took the view that the constitutional treaty that was being developed in the European Union, with the help of some of my hon. Friends, who played a key role, was in essence a refounding of the institution. The constitutional treaty aimed to repeal all the existing treaties and replace them. The former Prime Minister believed that that was of such significance that it formed a new constitutional structure for the European Union. He came to this House and said as much on 20 April 2004, when he made his position clear about the need for the British people to vote on the constitutional treaty.

Mr. Graham Stuart (Beverley and Holderness) (Con): The right hon. Gentleman makes a persuasive case, but will he accept that he has failed to persuade the British people? In all the polls and other evidence that we have, the British people remain overwhelmingly of the belief that this treaty should be subject to a referendum.

Mr. Byers: The people have not yet had the opportunity to hear my argument. When they have, we might see a shift in public opinion. I shall await that with eager anticipation.

Mr. Cash: I cannot remember whether the right hon. Gentleman was at the heart of Government when the decision that he mentions was taken by the then Prime Minister, but I understand—I have heard this from several sources—that the then Foreign Secretary and the then Chancellor of the Exchequer, who is of course now Prime Minister, effectively forced the then Prime Minister into accepting a referendum on the grounds that the constitutional treaty had real implications for the sovereignty of this country and for voters. However, the European Scrutiny Committee has said that this treaty is substantially equivalent to the constitutional treaty. Does that not mean that this treaty should be subject to a referendum?

Mr. Byers: My second point is about the differences between the constitutional treaty and the Lisbon treaty.

Mr. Jim Cunningham (Coventry, South) (Lab): Does my right hon. Friend agree that more needs to be done to explain the treaty to the British people? So far, the Eurosceptics have got away with blue murder in their interpretations of the treaty.

Mr. Byers: It is a failing of all the main political parties that we have not had the courage or the ambition to make the case to the British people that the European Union provides them with massive benefits. Those of us who have been in government can rightly be criticised for that failure over the years.

Mr. Michael Ancram (Devizes) (Con): The right hon. Gentleman knows that many issues arise in general elections and that it is often difficult to concentrate on just one. If he is keen to sell the concept of Europe and how it is changing through these treaties to the British people, what better way to do so than in a referendum campaign?

Mr. Byers: I am trying to explain why the manifesto referred to just the new constitutional treaty, and why we are not therefore breaking a promise. There is a different argument, which I will come to later, about the merit or otherwise of a referendum on a range of issues, and the constitutional reasons for that have been articulated very well over the years by the right hon. and learned Member for Rushcliffe (Mr. Clarke), who has explained why referendums are not the way forward in a representative democracy such as the UK.

Let me go back to the debate about the manifesto commitment and to the point made by the hon. Member for Stone (Mr. Cash). Without going into the details of what happened over Easter 2004, who said what and the outcome, as a result of those discussions the then Prime Minister came to this House on 20 April 2004 and made a commitment that there would be a vote of the British people on the new constitutional treaty, which was subsequently reflected in our 2005 manifesto.

The point that many hon. Members fail to recognise is that the manifesto was absolutely clear and referred specifically to the new constitutional treaty. We made a commitment to have a vote on the new constitutional treaty, and we definitely meant that constitutional treaty. When we put those words in the manifesto, there was no doubt that we were referring to the new constitutional treaty, which was what we had in mind when we included those words in our manifesto. We did not have in mind the Lisbon treaty.

Mr. Bone *rose—*

Dr. Julian Lewis *rose—*

Mr. Byers: I have a choice; both hon. Members are very Eurosceptic, so I am not getting a balance. I shall take the intervention from the hon. Member for Wellingborough (Mr. Bone).

Mr. Bone: I understand the right hon. Gentleman's argument, but I have the text of the 2005 Labour party manifesto. The argument for the referendum was made not because it was a constitution, but because of what the constitution did. The manifesto states:

"The Treaty sets out what the EU can do and what it cannot."

It then lists the very things that the Lisbon treaty will allow the EU to do. Is the right hon. Gentleman's argument slightly off, because it does not seem to agree with the manifesto?

Mr. Byers: As I had a role in putting together the manifesto, I am clear about what it said. I think that the words that I have used clearly reflect the manifesto. I know that my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) has a copy in front of him, and he might clarify the situation.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): The manifesto is very clear. It states that we will put the

"new Constitutional Treaty...to the British people in a referendum and campaign whole-heartedly for a 'Yes' vote to keep Britain a leading nation in Europe."

The reference to that treaty was specific. The manifesto also specifically stated that the Labour party would not split, as it did in 1975, and that the whole party—everybody who signed up to the manifesto—was committed to campaigning for the constitutional treaty in a referendum.

Mr. Byers: My right hon. Friend makes the point about what was said in the manifesto very well. It contained a clear and specific reference not to any European treaty but to the new constitutional treaty. The House and the British public need to be aware of that.

Dr. Lewis: Let us focus closely on that specific point. I am happy to concede that it is clear that the Lisbon treaty and the previous constitutional treaty are two different documents. If he is arguing on the narrow point that a manifesto commitment to a referendum on document A does not bind the Labour party to a referendum on document B—and if he is stopping at that—he has a logically consistent case, but why did the British people think that he was giving that commitment? Did they think that he was giving that commitment on the individual document or on its

[Dr. Julian Lewis]

substance? If the contents of document B are the same as those of document A, the British people are entitled to think that he is breaking his promise if he does not give them a referendum.

Mr. Byers: I am grateful for the hon. Gentleman's concession, but the manifesto and our promise to the British people were absolutely clear. The manifesto specifically mentions a definitive treaty—the new constitutional treaty—and not any old treaty. I accept the criticism that we may not have adequately explained the distinctions between the two to the British public. All of us who have campaigned politically must bear that responsibility, and perhaps we need to do more about it.

2.45 pm

Mr. MacShane: Was my right hon. Friend in the House when the then shadow Foreign Secretary, the hon. Member for Woodspring (Dr. Fox), stood up after the French and the Dutch had killed the treaty and said, "I'm a doctor; I know death when I see it. The constitution is dead, Mr. Speaker." I agreed with him. The Conservative party now wants to do a political Lazarus act: it wants to bring back to life that which it has declared dead to fight a battle that was won and lost in 2005.

Mr. Byers: I agree with my right hon. Friend. I was not in the House to hear the then shadow Foreign Secretary accurately articulate the position. To go beyond our manifesto commitment, the constitutional treaty was, of course, killed off by the votes in France and Holland at the end of May and beginning of June 2005. There was an attempt to resurrect the constitutional treaty. Some talked about returning to the French or the Dutch to try to get a positive vote in favour of the European constitutional treaty, as it then was. I recommend to the House a piece that I wrote for *The Times* at the beginning of June 2005, which said that no meant no and that the constitution was dead as a result of the decisions made by people in France and Holland.

Mr. MacShane: Circulate it.

Mr. Byers: I shall, with pleasure, for a small commission.

Mr. Duncan Smith: I do not mean to detain the right hon. Gentleman for any length of time. May I take him back to the point about the manifesto, because the debate runs around it? The truth is that the manifesto is wonderfully general, and the words used are intriguing—they prompt some questions. The manifesto states:

> "The new Constitutional Treaty ensures the new Europe can work effectively, and that Britain keeps control of key national interests like foreign policy, taxation, social security and defence. The Treaty sets out what the EU can do and what it cannot."

That is exactly what the Government say about the treaty of Lisbon, and it is no different from the way in which they sold the constitutional treaty in 2005. There is therefore no reason why they should not vote for a referendum.

Mr. Byers: Yet again, I must disagree with the right hon. Gentleman. The promise for a referendum referred to the new constitutional treaty, and we can then discuss what people believed that it stood for and so on. However, the promise concerned the new constitutional treaty, which, as we have heard, was voted down by voters in France and Holland and an attempt to resurrect it was effectively killed off. When we took over the EU presidency in July 2005, we had a period of reflection and, to everybody's benefit, we managed to shift from the concept of a constitutional treaty to considering a measure that is far more modest in its effect—the Lisbon treaty. There was a period of reflection, and the view was taken that perhaps too much power was being given to the EU and that it was far better to get consensus from nation states, which the Lisbon treaty now reflects. That was the background to the manifesto pledge, and the commitment was to a vote on the new constitutional treaty.

There are many differences between what was discussed in 2004-05 and what we have as a result of the Lisbon treaty. The Foreign Secretary has taken us through some of the major differences in content. I was interested to hear the shadow Foreign Secretary on the radio this morning. It is unfortunate that he is not in his place, because he came up with the totally illogical argument that a referendum was needed not because of content but because of some great principle that there should be a vote. He failed to address the substantive differences between the constitutional treaty and the treaty of Lisbon, but he knows that they are major and significant. He is looking for an argument to escape from the difficult position he would be in if he had to compare the content of the two treaties.

Mr. Graham Stuart: Does the right hon. Gentleman not accept that after the rejection of the constitutional treaty by voters in France and Holland Governments produced a document that would achieve pretty much the same things? They made what they felt were sufficient changes to deny that it is fundamentally the same. Will he not accept that this treaty is intended fundamentally to do the same job as the constitutional treaty, and that changes have been made cynically to avoid giving the people a say, not only in this country but in others across Europe?

Mr. Byers: No, I do not agree with that. Interestingly, there are different constitutional situations in different countries. My understanding is that nine countries planned to hold referendums on the old constitutional treaty, of which one was the United Kingdom. Because it was regarded as a constitutional matter, not just a political decision, many countries were legally obliged to do so. Because the Lisbon treaty is so different, there is no need to have referendums in most of those countries—I think that Ireland is the exception.

The view taken by the Dutch Council of State—an independent body that advises the Dutch Government on the steps that they must take to ratify treaties—is particularly instructive and helpful. It is a constitutional requirement that there must be a referendum on a constitutional matter, and that body advises the Dutch Government on particular measures. Its conclusion on the constitutional treaty in 2004 was that it had to be

put to a referendum, because it would change the Dutch constitution. Its conclusion on the Lisbon treaty was quite different, stating that it

"provides no arguments for the gradual expansion of the EU towards a more explicit state or federation. The treaty is substantially different from the treaty establishing a constitution for Europe."

So there was a significant difference in the view and recommendations of the independent Dutch Council of State. There is clearly a difference between the two treaties, which is why eight of the nine countries that originally planned a referendum no longer do.

The treaty of Lisbon contains a modest set of proposals that will provide a stable framework to allow EU expansion to be more effective. The differences between it and the constitutional treaty are major and significant. The Foreign Secretary took us through a few of them, and, although I do not wish to detain the Committee by going through a long list, we should be prepared to recognise them.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Have not the Opposition chosen not to recognise those differences because they wish to kill the treaty? The fact that they do not have the numbers in Committee to kill it means that calling for a referendum is their last resort.

Mr. Byers: I agree absolutely. That is the hidden motive behind the Conservative party's position. The 11 days of debate have shown the extent to which it remains divided on Europe and that a large number of Conservative Members want this country to leave the EU.

Malcolm Bruce: Will the right hon. Gentleman give way?

Mr. Byers: I will, but this will probably be the last time.

Malcolm Bruce: I am grateful. Is not the situation worse than the right hon. Gentleman says? The Conservative party is suggesting that, if the treaty were ratified, functioning and operational, and there were a change of Government in this country in two years' time—[Hon. Members: "Hear, hear."] They say "Hear, hear", but they would disrupt the workings of 27 member states and effectively terminate Britain's constructive engagement in Europe.

Mr. Byers: That is a helpful intervention, and the response of Conservative Members says it all. The Conservative party has no time for the whole concept of the EU, and it is turning its back on the EU just at the time when we probably need it more than ever, because of what is happening in the world in general. As I have said, I shall not go through the detail of the changes in the treaty, as my right hon. Friend the Foreign Secretary did that very well.

My final point concerns the responsibility of Members of this House. I have no doubt that, because of my speech today and the way in which I will cast my vote this evening in the Division, I will lose votes in my constituency. Some people will not vote for me at the next general election because of the position that I am taking. That is part of the democratic process and a representative democracy, and I am prepared to accept it. I will make the case as best I can, but I recognise that in a democracy, we take decisions in the House and take responsibility for them.

Mr. Graham Brady (Altrincham and Sale, West) (Con): Does the right hon. Gentleman not accept that at the last election, given the manifesto pledge on which he stood, people who felt strongly on the European issue would have felt that they could still vote for him? They were materially misled and are not being represented as they would wish.

Mr. Byers: Clearly the hon. Gentleman was not listening to the points that I made earlier. I hope that my constituents will pay me a bit more attention than he has. We made the promise in relation to the new constitutional treaty, which is no longer in place, and we shall see whether people are prepared to accept that. The hon. Gentleman confirms my point about the nature of our democratic accountability as Members of Parliament. I do not think that every single issue must be subject to a referendum, because referendums can be an excuse to hide divisions in political parties.

I agree very much with the point that the right hon. and learned Member for Rushcliffe (Mr. Clarke) made last year:

"It always was crackpot to argue that it was transferring great powers to Brussels and there's an important constitutional change. It doesn't justify a referendum and it never did."

I agree absolutely with that statement of the position. We need to take a decision here in Committee and be accountable for so doing.

The debate has shown the divisions in the Conservative party and, more importantly, the failure of its leader to bring it into the centre ground of British politics. He is a hostage to his Eurosceptics, and it is interesting to see that the hostility towards Europe in the Conservative party is still so powerful that a new leader, who is trying to remodel and reposition the party, has totally failed to do so on Europe. As time goes by, the other policy areas on which he has failed to move the party will be revealed.

We need Europe more than ever at this time of globalisation and rising protectionism, which we are seeing in the American presidential debates. We need measures to tackle climate change and deal with mass migration, and we need a functioning and effective EU to meet those challenges. Now is not the time to walk off the stage; it is the time to be at the heart of Europe arguing for our national interests. That is what Labour Members intend to do, and that is why the treaty should be ratified by this House.

Mr. Ancram: I am grateful for the chance to take part in the debate. I had hoped to speak about the referendum on Second Reading, but unfortunately I was suffering from flu and had no voice that day, so I had to leave my comments until today.

The debate on the amendment will be remembered most for the impressive sight of the Liberal Democrat party marching with sound and fury courageously towards the fence on which it has been ordered to perch tonight. The other thing that has struck me during the debates on the Bill is the backcloth of the Labour

[Mr. Ancram]

strategy towards Europe; it is based on the extraordinary belief that if they do not allow the British people the chance to express through a referendum their growing doubts about the European Union they will somehow come to love the European Union. That is gravely to underestimate the British people.

3 pm

We are told that a referendum is not needed because the treaty does not, in effect, do very much. That has been the main argument. It was even the argument when we were talking about the constitutional treaty: we were told that it, too, did not do very much. However, even if that were true, which it is not, as my right hon. Friend the shadow Foreign Secretary impressively indicated earlier, it takes only a small step to walk through a doorway into another room; it takes only a small step to cross a dividing line. I believe that the treaty is the latest and the most significant step down the road of ever-closer union to the project of a united Europe which is at the heart of the policies of so many other Governments in Europe.

We fool ourselves if we believe that somehow the treaty is not actually taking us one step further down that road, yet the British people have never been allowed to say whether they want to go down that road. Each step—each of the recent treaties—has been described in the House as insignificant, as not doing very much, but each, like grandmother's footsteps, edges us closer and closer towards the goal of a united Europe.

My growing disillusion with the way in which Europe is developing is shared by many others in the UK who, like me, did not start out as Eurosceptics. I supported the Common Market in the first and only referendum but, over recent years, my Euro-friendliness has been increasingly tested by a series of treaties, each incrementally diminishing the sovereignty of this Parliament and, therefore, of the British people without the British people ever being asked whether they wanted that to happen.

Chris Huhne: I am intrigued by the argument that the right hon. and learned Gentleman is developing, but what is his response to the facts? He is talking about a federal superstate, but the entire professional staff of all the European Union institutions is smaller than the staff of Hampshire county council. Will he also respond to the point that on average 40 per cent. of gross domestic product goes on public spending, yet the European institutions spend only 1 per cent. of GDP? Where does the paranoid delusion that he is attempting to articulate come from?

Mr. Ancram: I am not talking about the bureaucracy of the European Union, but about the wishes of the British people. That is, in essence, what the debate is about. The Europe achieved by the treaty of Lisbon is unacceptable to the British people; it crosses the dividing line. However big or small a step it is, we are moving into a new Europe where, as we have already heard, we will have a president, a foreign secretary, diplomats and all the trappings of what so many of the Europhiles in Europe want—the beginnings of a European state.

If I am wrong about the treaty being unacceptable, why do the Government not ask the British people whether they believe it is unacceptable? If I am right—as I have every reason to believe that I am—the Government have no mandate to force through the treaty without any form of consultation with the British people, either in a general election or a referendum.

David Howarth: I, too, am intrigued by the right hon. and learned Gentleman's argument. If he is saying that all the other countries in Europe are moving along a federalist path and he wants to stop moving in that direction, does that not imply not just voting no to the treaty but withdrawal from the EU?

Mr. Ancram: I shall deal with that point later. I believe that the European Union as currently constituted is unacceptable. That is not a new view of mine; I expressed it many times from the Dispatch Box when I was shadow Foreign Secretary. At the last election, I stood on a manifesto that called for renegotiation to create a more flexible Europe, and I still believe that that is what we should do.

Refusing the British people a referendum will not diminish their doubts about the Europe that is being imposed on them, it will strengthen them and, paradoxically, it will increase Euroscepticism in the UK.

Ms Patricia Hewitt (Leicester, West) (Lab): I am extremely grateful to the right hon. and learned Gentleman for giving way, especially as I was unable to be in the Chamber for the earlier part of the proceedings. I am interested in his repetition of his view that there should be renegotiation not only of the treaty but of Britain's terms of membership. Would he care to name the parties and Governments in the rest of the EU who share his view, and would be interested in entering into such a renegotiation?

Mr. Ancram: I am putting forward my view and I shall explain why in a moment. As we get nearer to an election, my right hon. Friend the shadow Foreign Secretary may put more flesh on the bones of what he has described as not letting things rest where they are.

Mr. Duncan Smith: I apologise to my right hon. and learned Friend for delaying him, but the question was ridiculous. It provokes two points. First, what would be the point of being elected to this place if we always felt scared that we might be a lone voice, even if we believed passionately in something? There would be an end to democracy. Secondly, in Holland and France a majority of people rejected the constitutional treaty. How alone is that?

Mr. Ancram: I wholly agree with my right hon. Friend. Our point is that, to talk in the terms used by Labour Members, the debate ignores the views of the British people. I give this serious warning: if we continue to ignore the views of the British people as we advance down the road towards what in Europe is

euphemistically called "the project", the British people will become angrier and angrier about the decisions that emanate from Europe and Euroscepticism will become stronger.

Mr. Hendrick: The right hon. and learned Gentleman talks about the sovereignty of this place, yet he wants to give power to make decisions about whether we accept the treaty to the citizens of the UK—to back-heel it. Sovereignty is either with the House or the people.

Mr. Ancram: I do not know what the hon. Gentleman thought he was doing when he fought the last election, when he was asking the British people to support him.

Chris Bryant *rose—*

Mr. Chaytor *rose—*

Mr. Ancram: I want to make some progress.

What would be the consequences of not holding a referendum? The question what would happen if there were a referendum and the vote was no has been asked a lot. The answer to that is that the provisions of the treaty would not apply across Europe as a whole. The status quo would be maintained. I would regard that as unacceptable, but a no vote would not change the situation; it would leave the European Union where it is at present. However, if we do not have a referendum and the treaty is implemented, creating a Europe that is unacceptable, the only option for changing that situation would be renegotiation. The failure to hold a referendum now would strengthen the moral right of the British to ask for renegotiation to create and secure a more acceptable Europe. We do not have to do that aggressively—I have always been someone who believes that reform rather than confrontation is the right way in Europe—but the treaty will create a running sore, not just in the UK but in other parts of Europe, which can be dealt with only by renegotiation.

Chris Bryant: Does the right hon. and learned Gentleman not accept the basic political facts of life? It takes two to tango and 27 to renegotiate, otherwise he is arguing for leaving the European Union—whether he says it in a loud voice or, like the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), in a quiet voice.

Mr. Ancram: The hon. Gentleman is arguing that even if we in Britain feel that the Europe we are in is wrong, or getting worse, unless other people in Europe are with us we have no choice but to continue down the road to a European state. I do not accept that argument and I do not think the British people will either. If we cannot find partners and secure renegotiation, we have to look seriously at asking to renegotiate our status within the European Union because the European Union will have left us with no option. If Europe still rejects that, we may have to ask ourselves seriously what we are doing in a Europe that is grinding inexorably towards something that we know our country would not live with. I hope that we never reach that point, but the inexorable advance of an ever-closer Union—without the British people's consent, as given in a referendum—has driven me and many others to recognise the possibility. The Government should make no mistake: it is their arrogant refusal to give the British people their promised referendum on the treaty that opens up that scenario.

The Bill treats the British people with contempt. The amendment would at least allow the British people to say what they want to say about what the Bill is trying to do. If the amendment fails tonight, the Government, paradoxically, will have unleashed political energies that could eventually lead to the unbundling of the European Union.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Many of the questions associated with the treaty are immensely complicated, but at their core is the simple issue of whether we keep the promise that we made at the general election to hold a referendum.

I remember the timing of the decision to have a referendum well, because I regarded it as a great success at the time. It is worth while reminding the House that the then Prime Minister, Tony Blair, announced a referendum in the House of Commons on 20 April, before a decision had been reached on what the constitutional treaty was to be. It is not the case that once the constitutional treaty had been produced and examined, the Prime Minister said, "This is so important that we need to have a referendum." The referendum was announced before the constitutional treaty had been produced in its final form. As was suggested earlier, that clearly indicates that the decision was taken in order to clear the air. The decision to have a referendum did not depend on the detail of the wording, but on the general principles that were being advanced.

Chris Huhne: On the referendum on the constitution, it is material that the constitutional form was already determined. The details might have been up for negotiation, as the hon. Gentleman suggests, but the constitutional form of the treaty was already clear.

Mr. Davidson: Ah, yes; the consolidation argument, which states that if a variety of treaties are brought together in one document, it is entirely different from making amendments to existing documents, even though the two processes achieve exactly the same objective. My view is that the new treaty contains essentially the same substance as the original constitution, and that the commitment that we made ought still to be honoured.

Mr. Clappison: The hon. Gentleman makes an important point. The hon. Member for Eastleigh (Chris Huhne) seems to know more about what is going on in Europe than the former Foreign Secretary, the right hon. Member for Derby, South (Margaret Beckett) did, because she came before the European Scrutiny Committee at the beginning of June and said that there had been no negotiations or discussions—nothing at all—and that there was no point in coming before the Committee as nothing had been decided.

Mr. Davidson: I have nothing to add to that.

Mr. Duncan Smith: May I take the hon. Gentleman back to a point that I made to the Foreign Secretary, who gave an evasive answer? It concerned a letter from Angela Merkel to the Heads of State of all the principal negotiators. Having discussed with them, in negotiations, what they wanted, she asked them, in her question 1:

"How do you assess the proposal made by some Member States not to repeal the existing treaties but to return to the classical method of treaty changes while preserving the single legal personality and overcoming the pillar structure of the EU?"

That is the hon. Gentleman's case exactly; they are one and the same process.

3.15 pm

Mr. Davidson: Let me take a step back to what I was saying. Tony Blair, the then "dear leader", made the announcement on 20 April. Why did we make the announcement then? The answer is simple and straightforward: because we wanted to park the issue out of the way in the run-up to the general election. We wanted to have the referendum after the general election, so that the forces of darkness on the other side of the Chamber would not have that weapon to beat us with during the general election. I welcomed that; I saw it as a great advantage to us, as it prevented us from giving the forces of darkness a weapon that they would have used against us. I was also strongly in favour of a referendum.

Let us be absolutely clear that it was not the case that the Prime Minister agreed to have a referendum on the basis of detailed knowledge of the exact wording of the constitution. It was an evasive tactic, which I am glad to say was successful, and we went on to win the general election. From that arose the commitment in our manifesto. I am glad to say that I have my copy of that little red book with me today. Unlike some hon. Friends on the Labour Benches, I was never a Maoist or a Trotskyist, so it is the only little red book that I have. People can usually spot the former Maoists and Trotskyists, because they become the most extreme exponents of new Labour.

Mr. Byers: As someone who had a part to play in drawing up the little red book for the 2005 election, I hope that my hon. Friend will refer to the clear commitment given in May 2005, before the general election, about the new constitutional treaty. At that stage, we knew exactly what the new constitutional treaty was. He is right to say that in April 2004 that was not so, but by the time of the manifesto, we knew precisely what the new constitutional treaty was, and that is what we referred to in the 2005 manifesto.

Mr. Davidson: I am grateful to Comrade Zhou for raising that point, but it is important to accept the context in which the exact wording was written. Let us remember why we did what we did. The Prime Minister made a statement indicating that there would be a referendum on whatever appeared in the document, in order to park the issue before the general election. When the document appeared, of course the party said, "This is the document on which we will have a referendum." The Prime Minister could hardly say "We'll have a referendum" on 20 April, and then say, once he saw the document, "No, we will not have a referendum." Of course the one followed on from the other. He would have said that there would be a referendum, and the manifesto would have reflected that we were going to have a referendum on the document, whatever was in the document. It is not fair or true to say that a referendum would have been ruled out, had the current document been produced at the time.

Mike Gapes: The hon. Member said that he was in favour of a referendum. [HON. MEMBERS: "Hon. Friend."] Yes, he is my long-standing friend, and we fought Trotskyists together 30 years ago. Given what he said about his support for a referendum, can he tell us whether he has always been in favour of having a referendum on European treaties, including in 1992, when he was first elected, and on the Nice and Amsterdam treaties?

Mr. Davidson: I cannot remember whether I have been in favour of a referendum on every European treaty, but I was certainly in favour of one on the Maastricht treaty. On that occasion, I was in a minority in my party, as I am now, but the difference then was that the Government, not having made a commitment to a referendum, were not obliged and honour-bound to have one, unlike us; we are so obliged. I voted for a referendum on Maastricht, and I am grateful to my hon. Friend for allowing me to bring that up, but the situation then was different, because that Government did not make a commitment to having a referendum. We did.

I have heard many arguments against referendums, and many people regret the commitment that we made at that time, but regretting the commitment is not the same thing as saying that we did not make it. I understand the point about repenting at leisure, and I believe many people are doing so, but let us remember why we entered into the commitment in the first place. It was for base electoral reasons, and I am glad we did so. None the less, we must honour the commitment that we made.

Sir Gerald Kaufman: If my hon. Friend says that he was bound by the manifesto commitment in the 2005 manifesto, will he clarify that he was bound by the whole of the manifesto commitment, which stated that the Labour party would

"campaign whole-heartedly for a 'Yes' vote"

in that referendum? Is not the only Member of the House of Commons who was elected on the Labour ticket but not bound by the Labour manifesto the right hon. Member for Birmingham, Ladywood (Clare Short), once our right hon. Friend, who said that she was elected to the House on her own personal manifesto, and who suffered the biggest anti-Labour swing in the whole general election?

Mr. Davidson: I confess that although I had a substantial personal vote, it did not single-handedly elect me to the House. There is a commitment in a manifesto from a Government on how they will take matters forward. Clearly, as the document is always a compromise between competing interests, some will be less than totally enthusiastic about elements of it. I

forget which ones I was less than totally enthusiastic about. *[Interruption.]* The referendum may well have been one of them.

I return to the question whether the treaty is the same document as the constitution. Much of the discussion about that is a little like the question of how many angels can dance on the head of a pin. I take the view that we gave a commitment to hold a referendum only on that constitutional form. As I indicated, I believe that we made a clear commitment to have a referendum on what was produced at the end of the day.

We should ask ourselves whether promises matter to people. In my constituency I suffer, as I am sure many other hon. Members do, from a pervasive cynicism about politicians in general—not about me, because most constituents think their own MP is okay; it is the other lot that they do not like. There is an assumption that politicians and parties cannot be trusted and that we will say anything to get elected. That is not constructive or helpful, particularly to those of us on the left, because we depend on popular support to put forward a programme that seizes some of the instruments of power and changes society in the way that we want. It is necessary for us to command popular support in a way that is not quite so necessary for others.

Abandoning our proposal for a referendum because of nuanced differences and because somebody is prepared to argue that this does not mean exactly the same as that, gives out entirely the wrong message and confirms the view that we collectively, as a political class, cannot be trusted. Let us be truthful. One of the real reasons why we are not having a referendum in Britain and why the elites of Europe are not having referendums in their own countries is that they do not have confidence in the people producing the right result.

If there was, for a moment, a feeling among those on the Government Benches that if they went for a referendum, they would win it, they would be off to a referendum like a shot. Let us not forget, for example, that Portugal wanted to hold a referendum on the treaty to demonstrate how committed it was to the European ideal, but Portugal was persuaded out of that view by the French and the British, in particular, leaning on them, saying, "If you do that, it would set a precedent that would cause us enormous difficulties because we can't carry our people with us in a referendum. Therefore you should not allow your people to have a vote on the question." That changes somewhat the implication that the treaty is so trivial that nobody in their right mind in Europe would want a referendum. The situation has been rigged to some extent by the pressure put on smaller countries not to have referendums that would be inconvenient to their colleagues.

Let me deal with what happened when the constitution was discussed and debated in France and Holland. I am happy to say that I played my part in those defeats. I was across in France speaking at French Socialist party rallies and meetings on the constitution. I spoke partly in French, but I was applauded entirely in English in order that I could understand what was being said. It was an international gathering where speaker after speaker from other countries stood up and said to the French, "Do not believe that you who are against the constitution in France are alone in Europe."

Throughout Europe, in every country where doubts were expressed—this tended to happen more in the smaller countries, such as Holland, Denmark and Ireland—the people expressing those doubts were told, "You're the only ones who object to the constitution. If you go against it, you will be isolated. You might very well be expelled. It will be the end of civilisation as we know it. The money will cease to come from the European Union." All of that was untrue. Members will remember what happened when France and Holland rejected the proposals. They did not get expelled, and nor would we. There was not an enormous crisis in the European Union which brought the payments, the fraud and so on to an end. It carried on pretty much as before, with a period of discussion, then a period of reflection.

A period of reflection would be expected to allow the elites to think about where they had gone wrong, whether they ought to choose a different path and what that path should be. Indeed, some of that happened. They thought about where they had gone wrong, but they identified that as a problem of presentation. They came back with exactly the same thing in a slightly different form, but the valuable lesson that they had learned was not to make the mistake of asking their peoples what they thought of it this time round. That is where we are. Whenever there has been the opportunity to do so, the elites of Europe have managed to avoid giving the peoples of Europe any opportunity to discuss whether they should accept the treaty.

Let me turn to the Liberals, more in sorrow, if I may say so, than anything else. How does it happen that such a once proud party is reduced to this? One thinks back to the great principles that they stood for on occasion, and how they contributed to debates, even though sometimes they were a pain in the neck and other parts of the anatomy. Nevertheless, they are now in a position whereby, on the great issue of the day, they walk out or abstain. I can understand how they were bullied into it by the threat of Shirley Williams and others leaving them if they were prepared to countenance a referendum.

Let us be clear: some Liberal lords are prepared to fight to the last drop of Liberal blood to maintain their position. Greater love hath no MP than this, that he lay down his seat for their lordships. The Liberals in the House of Commons are prepared to lose parliamentary seats simply to keep Shirley Williams happy. I have not come across a single Liberal who believes that the policy is popular or that much of it is understood by the electorate.

Chris Huhne *rose—*

Mr. Davidson: Is this a leadership bid?

Chris Huhne: It is not, but I was listening with great interest to the hon. Gentleman's pick-and-mix attitude to the Labour party manifesto. Perhaps he missed my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) pointing out that polling evidence shows that our policy is more popular than any other on referendums. Indeed, it is twice as popular, not only with Liberal Democrats but with the whole of the

[Chris Huhne]

public. If the hon. Gentleman wants a popular referendum, he should go for the in/out referendum, not his half-baked one.

3.30 pm

Mr. Davidson: If I remember correctly, the Liberals' poll posed the question, "Would you prefer this referendum to that one?" My proposal allows them the possibility, albeit a narrow one, of posing both questions—

David Howarth *rose—*

Mr. Davidson: Let me finish with the hon. Member for Eastleigh (Chris Huhne) first.

David Howarth: Will the hon. Gentleman give way?

Mr. Davidson: I will, but not immediately. I want to answer one point before moving to another.

I believe that the Liberal Democrats are being deliberately evasive about not reaching a decision on a yes/no referendum, and wanting to pose the question in terms of in or out. It is a bit like answering the question, "Are you a man or a mouse?" with, "I am a hamster." It is a deliberate distortion of the options available. Where does the Liberal party stand on yes/no? If we agree to hold a referendum, what will the Liberals do in the country? Will they advise their supporters simply to abstain?

Chris Huhne *rose—*

Mr. Davidson: I am finishing with the hon. Gentleman's first point.

Many of us know that the Liberals have a policy—it is almost a principle—of saying one thing in one part of the country and a different thing in another. Will they say one thing in one part of this building and another in the other part? Will the Liberal lords be whipped into abstaining, too, or will they have a free hand? If the latter, proceedings in the Lords will be interesting.

David Howarth: I thank the hon. Gentleman for at last getting on to new clause 18, which is odd—perhaps the most bizarre amendment ever tabled. It would allow the Government to change the question in a referendum to almost anything. How does he suggest that the Government might change it? The new clause would allow them to ask, "Is the moon made of green cheese?" Secondly, it would provide for a supplementary question. What chance is there of a Government, who yesterday led their troops through the Lobby to deny the House even the possibility of discussing an in/out referendum, ordering an in/out referendum subsequent to new clause 18 being accepted? Surely new clause 18 is either pointless or useless.

Mr. Davidson: That was a fine speech. If the hon. Gentleman believes that new clause 18 is the weirdest amendment he has ever seen, he has not been here very long and he clearly does not read many Liberal amendments. Indeed, if I remember correctly, "Is the moon made of green cheese?" appeared in a Liberal "Focus" leaflet. The supplementary question was, "If not, would you wish it to be so?" That is an example of a relevant second question.

David Howarth: I am glad that the hon. Gentleman thinks so. That is precisely the sort of question that new clause 18 would allow to be asked in a referendum. Does not that make it absurd?

Mr. Davidson: I am never entirely sure whether the Liberal Democrats are quite as silly as they pretend—*[Interruption.]* The hon. Gentleman raised a point with me; he might at least do me the courtesy of listening to my reply. My intention is to reach out to the Liberal Democrats and be helpful. It is clear that they want an in/out question. My new clause is the only way to achieve that; it is the only option on offer that gives any possibility of that question being asked—*[Interruption.]* Let me complete the point. I am strongly in favour of a yes/no question being asked. I am prepared to concede that, if there is sufficient public pressure, we should have an in/out question as well. Only the Liberal Democrats and the UK Independence party want that, but none the less I would be prepared to vote for it, and I did.

However, the responsibility for garnering public support for the idea ought to be with the Liberal Democrats. I have left open the possibility of introducing an in/out question if the Liberal Democrats managed to persuade the Government of that—as I and others managed to persuade our dear leader on 20 April 2004 to accept a referendum on Europe. The policy had been entirely against a referendum, and huge numbers of my colleagues were against it—until the policy changed, when huge numbers of them were in favour. Indeed, I could not find any who had ever been against it.

Chris Bryant: No, no, no—that is not fair.

Mr. Davidson: That was then, if I may remind my hon. Friend; he was not quite the rebel then that he is now.

My new clause offers the Liberal Democrats their only opportunity. If they are genuine about wanting an opportunity to have that second question, as distinct from playing games, they will have to vote for my new clause.

Matthew Taylor: To avoid playing games, will the hon. Gentleman explain something to the Liberal Democrats? If he, as a Labour Member, cannot persuade the Government to deliver the referendum that he wants—or, indeed, an in/out referendum, which he says he also supports—how does he think the Liberal Democrats would persuade a Labour Prime Minister?

Mr. Davidson: I dare say that I will get a great deal closer than the Liberal Democrats did yesterday. I fail to understand how the Government could be frightened by the Liberal Democrats who are abstaining. If they want to start persuading the Government about anything, threatening them with an abstention is not the best way to send shivers down their back—"Ooh! The Liberal Democrats are going to abstain! Oh my God!"

Mr. Brady: As ever, the hon. Gentleman's speech is entertaining; it may also be having a remarkable impact. Is he aware that the press are now reporting outside this place that three Liberal Democrat Front Benchers have already resigned since he started speaking?

Hon. Members: More!

Mr. Davidson: I thank hon. Members for cheering in European. That is what—three in 24 minutes? Sir Alan, how long have I got? I apologise to colleagues who might not be allowed to speak at all, given the circumstances.

The question is actually a serious one. If the Liberal Democrats find themselves unable to support the new clause drawn up to help them, will they guide us on something that I am sure we all want to know? If my new clause is successful, what will they do in the yes/no referendum? Will they simply sit on their hands throughout?

Chris Huhne: As we have made abundantly clear, and as the hon. Gentleman knows very well, we are very much in favour of our membership of the European Union and that is what we would argue in any yes/no referendum.

Mr. Davidson: In that case, why do the Liberal Democrats not have the courage of their convictions and vote against a referendum? Why do they not get off the fence, let voters in their constituencies know where they stand and take the results? The right hon. Member for North Tyneside (Mr. Byers) said that he was prepared to lose votes as a result of his position on this matter, which is a great deal easier for him to do, with a majority of 17 million, than it is for many of the Liberals who have very small majorities, but if people have the courage of their convictions, they should have no difficulty in doing that.

Chris Bryant: My hon. Friend is asking how the Liberal Democrats would vote if there were a referendum, but as the main tenor of his argument has been that our manifesto committed us to a referendum and to arguing for a yes vote, he should, in all honesty, be standing before this Committee saying that he would argue for a yes vote in such a referendum—unless he wants his voters not to take his word at face value.

Mr. Davidson: My hon. Friend underestimates me. In a leaflet, I made it absolutely clear to my electorate where I stood on this question. I cannot remember the exact words—I carry the little red book with me, but I do not have my election leaflets with me at all times. I would be happy to send him a signed copy, which he can put in a frame and deal with as he wishes. I made my position on the European Union clear. Let me move on, if I can, and draw my remarks to a close—

Ms Hewitt: My hon. Friend appears to be explaining to the House that he has a personal opt-out from the 2005 manifesto. If that is the case, does he not accept that one of the many reasons why the treaty is not a treaty providing for a constitution, on which we did indeed promise a referendum, is precisely that we have secured opt-outs from several of its provisions, and that several of its other provisions are wholly different from the provisions in the constitutional treaty?

Mr. Davidson: I am grateful for that intervention from the Member for Boots. When I heard that a Member from Leicester was to be the next European Commissioner, I thought of the former Europe Minister, my right hon. Friend the Member for Leicester, East (Keith Vaz), rather than herself.

Let me be clear about the question of a personal opt-out. Some of the opt-outs that we have achieved are better than what was there before. Some are improvements, and I welcome them. However, I have grave doubts about the extent to which they will remain outwith the control of the European Court of Justice. Many of the opt-outs that we have achieved will not stand up to sustained attack from the Court.

Dr. Julian Lewis: Does the hon. Gentleman accept that there is a long tradition of Back Benchers being allowed to disagree with Front-Bench policy, and to stand in an election on a manifesto without signing up to every part of it? The Government, however, are going back on a commitment that they put in their own manifesto. Furthermore, is he not surprised that there appear to be two classes of Lib Dem Front Bencher? There are those in the Lib Dems' so-called inner shadow Cabinet, who apparently have to resign from their positions if they want to keep their promise to have a referendum, but other Front-Bench Lib Dem spokesmen of a more junior variety are apparently being allowed to keep their positions even if they vote for a referendum.

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. I have been very indulgent over the length of interventions, and sometimes their content, this afternoon. We should get back on the straight and narrow, and I also suggest that the hon. Member for Glasgow, South-West (Mr. Davidson) keep an eye on his parliamentary language. He has been going for 33 minutes now; as we have not had any other reports from outside—*[Laughter.]*—he should remember that many other colleagues wish to contribute.

Mr. Davidson: I was hopeful that more news would come from the front. I always thought that being a Liberal Front-Bench spokesman was somewhat akin to being a eunuch in a harem—singularly decorative, but not particularly useful.

I draw my remarks to a close by saying that the confusion on the question of whether the constitution is the same thing as the treaty is not only confined to the general public. Indeed, I am grateful to have a copy of the agenda for the most recent executive meeting of the Labour Movement for Europe, on 25 February 2008, item four of which refers to

"Progress of EU Treaty on EU Constitution".

The agenda refers clearly to the constitution, while the minutes of the meeting indicate not only that the LME was instructed to use the words "reform treaty" not "constitution"—it was obviously making a mistake in that regard—but that a decision was made to

"speak to David Miliband, to see what role the LME could play".

[Mr. Davidson]

It is a help that the LME keeps sending me its material, but if even it is confused about whether the treaty and the constitution are the same thing, the general public can be forgiven for being confused.

3.45 pm

Chris Bryant *rose—*

Mr. Davidson: I give way to one of my less confused colleagues.

Chris Bryant: When my hon. Friend and I were playing in the parliamentary rugby team in Paris last September, I remember that he said that he thought that 122 Labour rebels would be voting with him tonight. What is his prediction now?

Mr. Davidson: Yes, I remember that tour, too. I remember a number of things that my hon. Friend said, but I have always taken the view that what goes on tour stays on tour.

Chris Bryant: Many of the things that went on during that tour will stay on tour, but my hon. Friend went on telly from Paris to state all that.

The Chairman: Order. I do not want the debate on this amendment to go on tour, either.

Mr. Davidson: I will refer no further to what happened on tour, although I should remind my hon. Friend that I still have the photographs.

This debate comes back to the question of honesty in politics. I know that a lot of people bitterly regret that we made that promise, but make it we did. If we make a promise that was so explicit—it was on page 80 of the manifesto—

Graham Stringer: Page 84.

Mr. Davidson: I thank my hon. Friend. However, the promise came after a major statement in the Commons by the then Prime Minister that totally changed party policy on a referendum and therefore had much greater significance than simply a couple of lines in the manifesto. If we want to stop the disillusionment with and cynicism about politics, we must recognise that the people out there expect us to keep our promises. That is why I believe that we on the Labour Benches are honour bound to abide by our commitment to a referendum.

Mr. Kenneth Clarke: There has only ever been one United Kingdom-wide referendum in this country. I had the pleasure of campaigning hard in that election and of finding myself on the winning side. I very much hope that we never have a second referendum, and I am rather appalled that I should be taking part in a debate so many years later in which people are pressing to have another UK-wide referendum.

The precedent was a bad one. In my opinion, Harold Wilson called that referendum for totally cynical reasons, as is widely acknowledged on all sides. He was concerned about party management, almost regardless of which way the result would go. In the event, the pro-European side won quite easily—by a two-to-one majority, I recall—and the people who had demanded the referendum immediately reneged on their undertaking to abide by the result.

A referendum was demanded in those days by the people who were the most numerous Eurosceptics—the ancestors of the hon. Member for Glasgow, South-West (Mr. Davidson). Benn and the left regarded the European Union as a capitalist plot, and the moment they took control of the Labour party in the early 1980s, they started campaigning for immediate withdrawal from the European Union, with no more referendums. The whole thing was a sad and cynical exercise, which fortunately did not do too much lasting damage.

Over the years, the only advocates of referendums as an addition to our constitution whom I can think of—the landmark people—have been Tony Benn and Jimmy Goldsmith. Both of them represented Eurosceptic opinion, but until recently they were, comparatively speaking, voices in the wilderness.

We do not have to go back too long to find a time when people in this House who really believed in the value of referendums were hard to find. Indeed, it was quite easy for them to be swept away. I served under three Prime Ministers: Ted Heath, Margaret Thatcher and John Major. I am glad to say that under each of them, we overruled demands for referendums—almost always on Europe—with the support of the mainstream of the Labour party. It was the accepted wisdom of parliamentarians that we were against them.

I am astonished to find the atmosphere so completely changed now. In fact, it worries me that members of the political ruling class of this country have now lost their self-confidence and their ability to rely on their legitimacy as parliamentarians to such an extent that no one among them dares defy the media, the hard-line Eurosceptics or any other people who demand a referendum, because they find themselves faced with a parliamentary majority that they seek to overturn.

Mike Gapes: I very much agree with the right hon. and learned Gentleman. It would be helpful to the House if I could quote the words of Baroness Thatcher. As far as I can recall, she quoted Clement Attlee describing a referendum as

"a device of demagogues and dictators".

Does the right hon. and learned Gentleman agree with that view?

Mr. Clarke: I remember it. I cannot remember the precise words, but it is actually true. The origin of referendums lies with people such as Napoleon and Mussolini. They were populist people who wished to override their parliamentary institutions and to appeal to the people on carefully chosen issues.

Mr. Cash *rose—*

Mr. Clarke: I do not want to get into the history of referendums with my hon. Friend. The history of our debates goes back long and far, and remains perfectly amicable, but neither of us is going to persuade the

other. I should like to make some progress. I have made my general point, and there are few original arguments to be made on either side of it. My hon. Friend the Member for Stone (Mr. Cash) and I have made most of them in our time.

Unusually, I find the official position of all three political parties quite bewildering. I do not envy their Front-Bench spokesmen. They have had considerable difficulty in putting forward their near-incomprehensible positions. The Conservatives are quite unable to explain how the treaty differs from Maastricht and the Single European Act, upon which we consistently refused a referendum.

Mr. Graham Stuart: Will my right hon. and learned Friend give way?

Mr. Clarke: Let me deal with the other two parties as well. The Labour party is quite unable to explain sensibly why the treaty is so different from the constitution that it should now be released from the obligation that it entered into—for pre-electoral reasons, as the hon. Member for Glasgow, South-West rightly said—to hold a referendum. I believe that those reasons were mixed up with Mr. Murdoch as much as with the electorate.

On the Liberals' position, with great respect, I am sorry that I upset their spokesman, the hon. Member for Kingston and Surbiton (Mr. Davey), with whom I have usually agreed throughout these debates on the treaty. The fact is that he has drawn the short straw. He had to get up and explain why, having promised a referendum on the constitution, he thought that the treaty was so different that he was not going to vote on it at all. The position of all three parties is almost impossible to explain.

Mr. Stewart Jackson (Peterborough) (Con): I am listening with great interest to my right hon. and learned Friend's compelling analysis. Does he see a causal link between the lack of self-confidence in the House and the incidental accretion of power to the European Union, which he himself has supported so strongly over the past 30 years?

Mr. Clarke: I have supported it; I believe that it has been in the British national interest. We have pooled our sovereignty with the European Union and I think that that has been overwhelmingly to our benefit. The treaty will develop the institutions of the European Union, which will make it easier to make decisions. We shall then be able to make better progress in areas that are particularly important to the United Kingdom, and get away from the tedious obsession with institutional reform, referendums—and all the rest of it—that has poisoned our politics for so long.

Mr. Gerald Howarth: I accept that my right hon. and learned Friend has shown great principle in his stand on these matters, but does he accept that as Members of Parliament we are trustees for the time being of the powers inherent in the British people? We hold those powers in trust. In the exceptional case in which we collectively decide that we wish to hand those powers that we hold in trust to another body outside our control, should we not seek the express consent of the British people? That express consent has not been given. What the British people have seen over the last 30 years is a transfer of power from this Parliament elsewhere. They have never been given a proper opportunity to have their say, yet at the general election they were promised a referendum, precisely on this transfer of power.

Mr. Clarke: I disagree with my hon. Friend; he and I have never really seen entirely eye to eye on this issue. I do not believe that this treaty represents a massive further transfer of powers, and I can only refer my hon. Friend to earlier debates in which I have taken part and got involved in those arguments. I was actively involved at the British end of the Single European Act. I discussed the British position with the then Prime Minister as we tried to move towards the single market. That was a massive transfer of power—the biggest since the original European Communities Act 1972, when we openly talked about pooling our sovereignty, and stood at the election to defend that decision. The Single European Act was the context in which we went in for qualified majority voting on a grand scale, because it was in British interests to do so. That is where the passerelle provisions came in; they are a sensible way of dealing with routine matters without having to go through the whole rigmarole of having an intergovernmental conference and all the rest of it.

There have been no new arguments in this debate. All the way through the debates on this treaty, I have been reminded either of Maastricht or of the Single European Act, the only difference being that even bigger issues were involved in the previous treaties than in this one—*[Interruption.]* I said that I would not go on about the merits much further—

Mr. David Heathcoat-Amory (Wells) (Con) *rose*—

Mr. Clarke: If my right hon. Friend will forgive me, other hon. Members are waiting to contribute. I cannot give way all the time, and I am not going to give way even to my hon. Friends who agree with me, some of whom may also be trying to catch your eye, Sir Alan.

Finally, let me deal with a question that really must be addressed: if we find that a referendum is carried, what happens then? That is relevant; the question cannot be avoided. It will change the course of history only if we get a no vote. That illustrates my objection to referendums. The trouble with introducing a referendum into a constitution, as Mussolini well understood, is that it renders Parliament powerless. In this case, it would also render the Government powerless.

I happen to believe that good democratic Governments often have to take tough and unpopular decisions. They do not do that if they live by newspaper headlines and focus groups; indeed, that gets them into the mess that the present Government have got themselves into. Governments have to take unpopular decisions that the focus groups do not like—that is what Margaret Thatcher did—and then offer themselves for re-election to see if they can survive democratically when, some years later, people see the consequences of what has been done.

Let us say that on this occasion we finish the parliamentary process, in which the majorities have been about two to one in favour of the treaty of Lisbon, and we then hold a referendum. Given that

[Mr. Kenneth Clarke]

everyone I have so far met who is demanding a referendum actually intends to vote no, what do we do then? *[Interruption.]* Someone says that we should carry on with the present treaty. The hon. Member for Glasgow, South-West addressed this question, but effectively tried to sweep it away. The fact is that everyone across western Europe is absolutely fed up with the tedious process of carrying through reform of institutions, which it was previously thought would be pretty routine and agreed by most people, after the enlargement of the Union. If 26 other countries succeed in ratifying the treaty—that means the Irish succeeding with their referendum—and then the British come along and say, "Sadly, although we, the Government, agree with ratification, and Parliament agrees with it by two to one, we've just got a no vote at the demand of *The Sun* newspaper. What do we do now?", it cannot be assumed that everyone else will renegotiate.

My right hon. and learned Friend the Member for Devizes (Mr. Ancram) at least accepted that major renegotiation would have to be faced up to. The idea that the other 26 Governments, all of which will have gone through the process of getting the treaty ratified—which will have been politically costly for some of them—will then turn around and say to the Brits, "Well, of course we shall now have to negotiate a European Union on a completely different basis," is, like many of the other arguments I have heard during these debates, absolute fantasy. It would not happen.

4 pm

Mr. Duncan Smith: Will my right hon. and learned Friend give way?

Mr. Clarke: I will in a moment.

I think the hard-core opponents of the treaty know that perfectly well. I have heard a lot of people say, "I am not against the European Union, I am against the treaty," and there are a handful of them whom I believe, but I do not believe many of them. At the very least, the people who want the referendum believing that they will win a no vote—and none of them would demand a referendum if they thought they would lose it—know that it would cause a deep, deep crisis in our relationships with the rest of the European Union.

Among the European politicians whom I know are many friends of Britain, who would despair on finding that yet another neurotic spasm was taking place in the British political system, and that we were asking for everything to be reopened. There are provisions in the new treaty allowing members who want to leave to do so. We could start a negotiation on the basis of an association agreement. It takes a long time to secure such agreements, but Iceland, Norway and Liechtenstein have managed to achieve them, and we could do the same if that is where we wish to be. But if there were a no vote, our role in the European Union would be finished and the House would be left with the consequences. The majority of us would not agree with the position we were in. It would be quite a decisive moment for our foreign affairs policy and our role in the world.

I am not impressed with our position in foreign affairs. Both main parties supported the invasion of Iraq, the biggest foreign policy disaster in recent years, and we have a totally discredited American President and Administration. The President now has more support in the House of Commons than he has in Congress, and we do not know where we shall be with whoever wins the next American election.

The European Union is finally getting its act together in improving its decision-making capacity so that it can move on to deal with economic reform, energy security, climate change, international development and our relations with the Russian Federation. All those are areas in which we need a common position. I would include foreign and security policy in other areas as well, but let us start with Russia. The EU is trying to achieve what we ought to regard as a triumph: an enlarged Union of 27 nation states, including states of the former Soviet Union, ready to move forward. And what do the Eurosceptics say? "We will carry on as we are, left with George W. Bush, and try to detach ourselves from the European Union as it embarks on these great issues"? They do not even know themselves what they would negotiate if they found themselves in an isolated position.

I shall not go any further into the merits of the bigger issues, but they would all be affected by a no vote in a referendum, which would repudiate Government and the parliamentary majority. There are big, big issues facing the United Kingdom in foreign affairs, and I think that we have been handling them badly for most of the past 10 years. They should be resolved in this House of Commons by a Government who are accountable to parliamentary representatives. To resort to the populism of allowing the media to believe that they can determine such matters in referendums would take us into even worse waters than I believe we are in at the moment.

Sir Gerald Kaufman: I agree with a great deal of what the right hon. and learned Member for Rushcliffe (Mr. Clarke) said. For instance, I strongly agree with his attitude to referendums. The only referendum of which I have thoroughly approved is the one that was held when I lived in Leeds, on whether cinemas should open on Sundays. That was a very sensible referendum, but I cannot think of many other sensible referendums.

Referendums are exotic European notions, held in countries such as Switzerland. Although I in no way make any comparison to Members of this House who favour a referendum in today's debate, it must be said that Hitler was a great one for referendums. When he held a referendum in March 1936, his campaign poster urged:

"Every vote for the Führer!"

That is the kind of populism that lies behind referendums, and I do not like them.

I was a member of the Labour Government who held a referendum on Europe in 1975. In my view, it was daft to hold it—but Anthony Wedgwood Benn urged it on the Prime Minister, and nothing more needs to be said about any notion urged on anybody by Anthony Wedgwood Benn. The result was not the one that Benn wanted, however—there was a yes vote with a majority of two to one—and he has campaigned against it ever since. I think that he might be out

somewhere now with Brian Haw campaigning for a vote in favour of a referendum. The fact is that people accept referendum results only when they agree with them. Members of the Government had a free vote in the 1975 referendum, and I voted no, although I have since become a good deal wiser about the importance to this country of membership of the European Community and the European Union.

Mr. Graham Stuart: The right hon. Gentleman is making a powerful argument against the use of referendums. Did he speak out so powerfully when the Labour party announced it as a policy ahead of the 2005 general election and promised a say to the British people?

Sir Gerald Kaufman: I was coming to that very point. The Government promised a referendum on the European constitution in their 2005 election manifesto. In my view, they were daft to do so, but I am a sycophantically loyal Back Bencher and I accepted it; after all, whatever it was, it was not the longest suicide note in history. Therefore, although I did not believe in holding a referendum, as it was in the manifesto on which I was elected, I was bound by it.

Mr. Heathcoat-Amory: Will the right hon. Gentleman give way?

Sir Gerald Kaufman: Will the right hon. Gentleman allow me to proceed for a moment?

It is important to remind the Committee—I have done so twice, but I shall do so again—of that manifesto commitment, to which I and every other Labour Member of Parliament was bound. It said of the new constitutional treaty:

"It strengthens the voice of national parliaments and governments in EU affairs. It is a good treaty for Britain and for the new Europe. We will put it to the British people in a referendum and campaign whole-heartedly for a 'Yes' vote to keep Britain a leading nation in Europe."

It was not, therefore, a commitment to hold any kind of referendum; it was a commitment that everybody elected on the Labour ticket would have to campaign for a yes vote.

I have a feeling that my hon. Friend the Member for Glasgow, South-West (Mr. Davidson) would have picked and mixed on that part of the manifesto. I have great personal affection for him, as he knows, but I have to tell him that he was wrong about another matter as well. He said that if the Liberal Democrats could get away with it, they would campaign in one part of the country for one thing and for another thing in another part of the country. That is not so. If they could get away with it, they would campaign in one street for one thing and in the next street for another thing. A Liberal Democrat Member of Parliament in Manchester was elected to this House on the false pretext that the Christie cancer hospital would close. Two and a half years later, it is still open, so I would not trust a Liberal Democrat on anything whatsoever. The Conservatives are my opponents and I know where I am with them; I would far rather trust them than the Liberal Democrats, who—well, I had better not go on, because you will not permit certain language in this Committee, Sir Alan. I will now give way to the right hon. Member for Wells (Mr. Heathcoat-Amory).

Mr. Heathcoat-Amory: I thank the right hon. Gentleman. His party is committed to holding a referendum on the euro if the Government apply to join—a proposition first agreed by the Cabinet in which my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) served, so the principle of a referendum has been agreed on all sides. What, therefore, is so odd about having a referendum, and keeping our promise to have one, on the treaty of Lisbon?

Sir Gerald Kaufman: I have just explained, laboriously, that we have no commitment to holding a referendum on the Lisbon treaty. There was no such thing as a Lisbon treaty in the 2005 election—it was not envisaged that there would be such a treaty when we were fighting that election. We were committed to—I was committed to—the constitutional treaty to which our Labour Government were committed. Although I will support the Lisbon treaty because I am so loyal to this Government that it actually hurts me, that is not the same as the constitutional treaty on which we had the manifesto pledge. My hon. Friend the Member for Glasgow, South-West talks about the explicit promise in the 2005 Labour party manifesto. There was an explicit promise, but it was to campaign wholeheartedly in favour of accepting, supporting and endorsing the constitutional treaty that was then extant.

It is interesting to reflect on the Conservatives' attitude to referendums up to now. In the 1990s, they signed up to the Maastricht treaty, which was fundamental—far more so than this treaty or the constitutional treaty that we committed ourselves to supporting in 2005. It turned the European Community into the European Union. It was much more far-reaching than the Lisbon treaty. Did the 1992 Conservative manifesto promise a referendum on the Maastricht treaty? You must be kidding!

A good deal of reference has been made today to the Labour party's 2005 manifesto, but let us look at the Conservative party's 1992 manifesto:

"The Conservatives have been the party of Britain in Europe for 30 years...The Maastricht Treaty was a success both for Britain and for the rest of Europe. British proposals helped to shape the key provisions of the Treaty including those"— *[Interruption.]*

If the right hon. and learned Member for Rushcliffe will allow me just for a moment—I am sure that he would not want to sully this quotation:

"British proposals helped to shape the key provisions of the Treaty including those strengthening the enforcement of Community law...subsidiarity and law and order...All Member States must live up to their obligations under Community law. At Maastricht, we"—

the Tory Government—

"secured agreement that the European Court will be able to fine any Member State which fails to do so."

That is what they signed up to.

Mr. Kenneth Clarke: As there is much debate about commitment to party manifestos, does the right hon. Gentleman recall, as I do, that one or two Conservative Members of Parliament elected on that manifesto appeared not to pay the slightest attention to it when we debated the Maastricht treaty only a few years later?

4.15 pm

Sir Gerald Kaufman: I shall come to that. When this House divided on whether there should be a referendum on Maastricht the votes in favour totalled 124 and the votes against totalled 363.

When the hon. Member for Aldridge-Brownhills (Mr. Shepherd), for whom I have great respect because he has been totally consistent on these issues for a long time, sought in this House to secure a referendum, one Tory Minister said that

"every time we have such a referendum it is, in a sense, an abdication of responsibility by the House and the Government of the day."

That was said by a member of the Government of whom people on the Conservative Front Bench were members.

That Minister continued:

"This Government intend to make no such abdication of their responsibilities; nor do they intend to invite the House to abdicate from its responsibility...The treaty that we have...will require the approval of the House as a necessary pre-condition of ratification by the Government...the House will express the will of the British people in the matter. That will be expressed by freely elected Members of the House in the way that British democracy has traditionally settled these matters, whether they be large or small."—[*Official Report*, 21 February 1992; Vol. 204, c. 627-30.]

Mr. Redwood *rose—*

Sir Gerald Kaufman: I want to get to the end of this bit, because I find it very interesting.

Another Foreign Office Minister said:

"I say simply that I believe our parliamentary democracy is strong enough to survive without referenda."—[*Official Report, House of Lords*, 30 June 1992; Vol. 538, c. 661.]

That was the Conservative Government's attitude on the Maastricht treaty.

Sir Peter Tapsell *rose—*

Sir Gerald Kaufman: I shall of course give way to the hon. Gentleman, who was secretary of Oxford university Labour club when I was a member.

Sir Peter Tapsell: As I recall, I was simultaneously a member of the Communist club, the Liberal club and the Conservative club—we joined all the clubs for half a crown each.

Has the right hon. Gentleman noted that since the Conservative party, with the support of the Labour party, passed the Maastricht treaty, it has not won a general election? We intend to win the next one.

Sir Gerald Kaufman: The only Conservative leader since Margaret Thatcher not to have lost a general election is the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), and that was because he did not get the opportunity to lead the Conservative party into a general election.

Mr. Redwood *rose—*

Sir Gerald Kaufman: I will proceed a little more.

When this House debated the Maastricht treaty, the hon. Member for Aldridge-Brownhills tabled a new clause calling for a referendum.

I shall quote the arguments put by the then Foreign Secretary, Douglas Hurd, who always defeated me in debate when I was shadow Foreign Secretary—and when I had the Home Office brief—because of the painful condescension with which he greeted my vehement arguments. Douglas Hurd, who was 10 times the Foreign Secretary that the right hon. Member for Richmond, Yorks (Mr. Hague) will never be, said of the referendum on Maastricht proposed by the hon. Member for Aldridge-Brownhills:

"The decision for Britain lies where it belongs—in the hands of the British Parliament."

He claimed that to have a referendum

"would be a blow to the standing of the House in years to come. We would be saying to our constituents, 'We have examined the matter, but we do not intend to take a decision. We are going to throw the treaty, with all its diverse controversies and complications, into your laps to make of it what you will.'"

He rejected a referendum on the much more far reaching Maastricht treaty, saying:

"It cannot be right to refuse to do our job".—[*Official Report*, 21 April 1993; Vol. 223, c. 455-6.]

I have told the Committee already that I am as sycophantic in adherence to the Whip as anybody in this House. I abase myself before my Whip, who is in his place to listen to me. I hope that he will let me off one or two debates as a result. *[Laughter.]* When the Maastricht treaty came before the House, I—sycophantic as always to the Whip—voted against a referendum, as, incidentally, did my right hon. Friend the Prime Minister. However, we were not the only ones: others included the present shadow Foreign Secretary, the present shadow Defence Secretary, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), who became leader of his party, and the present Opposition Chief Whip—

Mr. Redwood: Will the right hon. Gentleman give way?

Sir Gerald Kaufman: I see that the right hon. Gentleman voted against a referendum as well. I have the full Division list if anybody wants the names. Of those who obeyed the Tory Whip by voting against a referendum on the Maastricht treaty, 70 are still Tory MPs today. I have a feeling that, with the exception of the right hon. and learned Member for Rushcliffe and a few of his principled colleagues, every one of them will vote for a referendum this evening.

Mr. Redwood: I am glad that the right hon. Gentleman has given way, because I think I can spare the Committee some of this misleading, rambling account of ancient history. We voted the way we did, first, because we made no promise at the general election that the people would get a vote; and, secondly, because we offered a referendum on the guts of the Maastricht treaty—the single European currency, which we did not favour. That was the referendum lock. His party offered the people a referendum, but it is now refusing it, so the ancient history is completely irrelevant.

Sir Gerald Kaufman: The right hon. Vulcan—er, Gentleman—may try to wriggle out of the position that he took as a member of the Conservative Cabinet and the fact that he voted against a referendum on Maastricht, but nobody will be impressed. He said one thing as a member of the Government, to keep hold of his red box, his car and ministerial salary, but now, totally irresponsibly, he is ready to switch his position. In the 19th century, a former Conservative Prime Minister, Benjamin Disraeli, described the Conservatives as an organised hypocrisy. The only difference between then and the 21st century is that the Conservatives are no longer organised.

Mr. Duncan Smith: I enjoy following the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman). We have agreed on some things; we do not always agree on everything. First, let me state my position, as he did not read my name out from his list. I voted for the referendum on Maastricht. I voted against a lot during that period, but for a referendum, and here I am, still on the Back Benches, which shows what follows all that rebellion.

I wanted to keep my remarks short, as I know that others wish to speak, but those who believe me when I say that will be mad, because I am a politician and will therefore go on a little bit. The hon. Member for Glasgow, South-West (Mr. Davidson) was right. At the Dispatch Box as Leader of the Opposition—wonderful days—I questioned the then Prime Minister about the issue with no effect, and I asked him for a referendum eight times. Eight times in a row he told me categorically that no such thing was necessary because what was about to happen was not consequential and—what was the phrase used by the Foreign Secretary?—not fundamental. Nothing was so important that it changed our relationship, and so there was no need for a referendum. It was not until after I had gone, sadly, that he gave the pleasure to my successor of agreeing to a referendum. I thought that was a bit mean at the time, because things might have been different—who knows? Never mind; I do not want to go back there.

That is the main point. The hon. Gentleman was absolutely right: we can only reach one simple conclusion. I know that there is a huge debate running and rolling, which is full of history and memory. I love these European debates, because we have a sort of private conversation with each other about what we did 10 years ago, what our antecedents did 100 years ago and what we might be doing in 10 years' time. However, he was right to say that the truth was that the then Prime Minister, with some trusted and confidential friends, made a decision. As they rolled towards an election, they decided that they would not survive it unless they answered the question about the referendum, which the Conservative party claimed was the way to settle the issues about the constitutional treaty. That was very simple.

We are all politicians—although that might have escaped the notice of one or two colleagues—and we have to win elections. That is the simple sine qua non of being on the Government or Opposition Benches. Occasionally—surprise, surprise—Governments make cynical decisions. The decision on the referendum was a cynical decision made by the Government to get them past the election, and they decided to deal with the rest as it followed.

Mr. Hendrick: Does the right hon. Gentleman recall the Conservative party asking for a referendum on the Nice treaty before the 2001 election? We made no promise of a referendum, and we still won that election.

Mr. Duncan Smith: Come on! I must tell the hon. Gentleman, who intervenes quite a lot, that the politics of the situation dictates what happens at the time. In the time running up to Nice, his Government were not in trouble or difficulty and were able to envisage the coming election with some sanguine sense of success. Things were different by the time they hit 2004 and 2005. The reality was that the decision was taken.

The intriguing thing, which really bothers me, is that as I watched and listened to the Foreign Secretary, it occurred to me that I had never seen somebody speak for a Government who has looked so contorted and so twisted, and who has so turned in one argument against another. At one moment, his point was only that it was fundamental, but then it was not fundamental; then we were clearing the air, but then we were not because we were clearing fundamentals instead. The argument went round and round. If he reads it in *Hansard* tomorrow, he will say to himself, "What an awful day I had. I had to say something that I know is fundamentally not true. There is no major difference between the Lisbon treaty and the constitutional treaty. What happened in between was a political imperative."

It is worth remembering that Valéry Giscard d'Estaing said something with which my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) has agreed, although the latter supports the Government's position on securing the ratification of the treaty. Mr. Giscard d'Estaing has said:

> "In the Treaty of Lisbon, the tools are largely the same. Only the order in which they are arranged in the tool-box has been changed. Why this subtle change? Above all, it is to head off any threat of referenda by avoiding any form of constitutional vocabulary".

4.30 pm

I do not know why we dance around as though this were a silly game. The truth is that the Heads of State and Governments of all the countries that negotiated the constitutional treaty have said to each other, "We have got ourselves in a real mess over this. We allowed the public and politicians who are not responsible members of the Government to play a part"—politicians such as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) and the hon. Member for Birmingham, Edgbaston (Ms Stuart), who speaks so cogently on these matters.

The member states believe that allowing the vox populi to get involved by having referendums in France and Holland put a kibosh on the whole thing, so they concluded that they would not do that again. They learned the lesson of all this nonsense about consulting the public, which is that EU Governments do not get what they want by doing that. They believe that they

have a purpose that was laid down by their forefathers, and that they must see it through.

Europe's bureaucrats have known for years that the way to get things done is never to ask the public if they want them to be done, because the answer will inevitably be no.

Mr. John Hayes (South Holland and The Deepings) (Con): Contrary to what we heard earlier, is it not true that a mature political class and a confident Parliament refer to the people on matters of such supreme importance? It is a sign of the lack of confidence of parliamentarians and the political class that they have refused to do so.

Mr. Duncan Smith: It is, but that should not surprise my hon. Friend, because he has been a student of the matter for long enough.

I draw the House's attention back to the intriguing one-sided correspondence with the Government after the collapse of the constitutional treaty and prior to their decisions and the intergovernmental conference. It is reported in the European Scrutiny Committee's third report of Session 2007-08 that the Foreign Secretary's predecessor stated that there was

"no negotiation in the run-up to the June Council until we saw the text for the first time only a couple of days before the June Council itself".

Everybody believed that that was when the new treaty was produced, but it was not. We know as a result of a leaked letter that Angela Merkel's Government contacted the other Governments as part of the process of rebuilding the treaty.

The Germans are wonderfully efficient. They are so efficient that they always keep their records and put everything in them. They are not trying to hide anything from their public, as our Government are. We can congratulate them on that. With ruthless efficiency, they rounded up what members of Governments had said to them in discussions and negotiations. They asked such things as how they could find ways to get the treaty through without having to show that the existing treaties would essentially have to be repealed. One question asked:

"How do you assess the proposal made by some Member States not to repeal the existing treaties but to return to the classical method of treaty changes while preserving the single legal personality"?

Another asked:

"How do you assess the proposal made by some Member States using a different terminology without changing the legal substance"?

Those are not just questions that the German Government or Angela Merkel wanted to ask. Essentially, they arose from minutes of meetings with either officials or Ministers of other countries.

The letter is fascinating because it blows the Government's position out of the water. The Government and Angela Merkel knew all along what the process was all about. Having learned the lesson of what had happened to the constitutional treaty, they wanted its provisions back. They felt that they could not proceed without them. My right hon. and learned Friend the Member for Rushcliffe is honest about that; he believes that Europe needs them to proceed to the next stage, as did Angela Merkel and many other European leaders. The letter shows that they needed to find a way to avoid any reference to the public, such as a referendum.

The first point about which we should be clear is that the process is a classic, cynical political mechanism. If we believe that, we shall not go far wrong. I do not want to engage in the arguments about whether there were three or 38 things in the treaty—or, as the Liberal Democrats said on television today, that there are so many thousand words versus another so many thousand. It is all meaningless nonsense. The truth is that everybody believes the treaty is basically the same as the constitution. The collapse of the pillars and the nature of the debate are critical, so there is clearly some cynicism.

There is another reason for a referendum. People talk about the principle that the House should decide, but the truth is that the principle has become a bit of a joke. What do we really think we decide on in this place that the Government have not already told us we must decide? When did the House last manage to insert an amendment at any stage of a European treaty that reflected the will of the public or the House? It has not happened. We know about the wonderful whipping system on both sides of the House—I do not blame the Labour Government for that; I had to defy it myself in my day. The whipping system guarantees that, to a greater or lesser extent, the Government have their way and their business.

Mr. Cash: Does my right hon. Friend agree that in a referendum, which is itself authorised by—if I may say it—the humility of Members of Parliament who realise that they must hand the decision back to the people because it is so important, the people would be presented with a neutral question that cannot be whipped, so we would have genuine public opinion?

Mr. Duncan Smith: I agree and I hope that my hon. Friend catches your eye, Sir Alan.

The problem is that there is a conflict. I have enormous respect for my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) and my right hon. and learned Friend the Member for Rushcliffe, as they know. They have constantly and rightly made the argument about the principles of the House and we have debated them many times, yet they may offer a basis for a referendum. Both have complained—rightly—about the way in which the Bill has been railroaded through the House. Debate has been curtailed in the appalling nature of the Second Reading debate instead of the line-by-line discussion we were promised. As I said the other night, who would ever have thought that when the Prime Minister said line by line he actually meant only the top two lines of the treaty with no discussion of the rest. There has been next to no debate, so the argument that should stand—that the House is supreme so it should make the decisions—falls in this case, because we have had no opportunity to make any mark on the treaty or to debate it properly. That process shames the Government, but it leaves us with one question. If we are unable to make the debate work, if we cannot question the Government properly and have no real opportunities to discuss the amendments, the only option open to us is to go to the country, because our process is not working.

Mr. Gummer: I respect my right hon. Friend's views on the matter, but if we took that line we should have to put almost everything that comes to the House to the people. The Government have destroyed the ability of the House to negotiate and discuss all issues. That is the fault of the Government and I can but hope that our Front-Bench colleagues will commit our party to pushing back all that so-called modernisation. However, he is not right to say that the situation is in any way unique—this treaty makes little difference to Britain's position in the European Union.

Mr. Duncan Smith: My right hon. Friend and I are as at one on much of what he said, but the difference between the treaty and all the other business in the House over the past 10 years is that once the treaty is passed, it is gone. That will be it. We shall not have another chance. At least we have a chance to revisit domestic legislation and change it, but we get only one shot at European treaties until the next time around. As custodians of sovereignty, we need to refer back to the public if we are letting some of it go. It is as simple as that.

Ms Angela C. Smith: Is it not a fact that the time given over to discussing the Lisbon treaty in the Chamber is greater than the time provided for the Single European Act, the Amsterdam treaty and the Nice treaty combined?

Mr. Duncan Smith: What can I say to the hon. Lady? [HON. MEMBERS: "Say yes!"] I could say yes, and I will. Yes. How about that? That is a bit of honesty. But—there is always a good "but" in politics—the issue is not just about time; it is about quality of time. *[Interruption.]* Labour Members should hear me out, because many of them have not been in the Chamber during debates on the Bill. The point is that a mechanism was used to curtail debate in the time allocated. That mechanism provided for Second Reading debates, and not line-by-line scrutiny. The quality of the process has been appalling, because we have allowed ourselves to be sucked into holding generalised discussions, debates and arguments. Only on a few occasions have we been able to get to the substance.

I pay tribute to my right hon. Friend the Member for Wells, because a couple of days ago he got to the meat of the issue—it was the first occasion on which we had time to do so—and raised real concerns. Others, including my hon. Friend the Member for Stone (Mr. Cash), did so, too. We should have been given the chance to do that day by day, but we were not.

Mr. Bernard Jenkin (North Essex) (Con): My right hon. Friend is making a principled case for a referendum, but there is another principled case to be made in its favour: for good or ill, our membership of the European Union—the European Economic Community, as it then was—was eventually sanctioned by a referendum that was held when the EEC was a much more limited enterprise. The reason why ever more people, including my right hon. and learned Friend the Member for Devizes (Mr. Ancram), are changing their minds and agreeing that there should be another referendum is that there has been no popular consent for the arrangements that have developed over the years, as represented in the new treaty.

Mr. Duncan Smith: I agree. In the referendum that my hon. Friend mentions, I voted to go into the EEC. I do not resile from that; I was right to vote for what I did. I voted to go into a marketplace, and to share certain functions to create that marketplace, but we have gone a lot further than that. The problem is that there is dishonesty in saying, "You all knew about this when you first joined. You all knew, for example, about the supremacy of European law." That is nonsense. People who say that know very well that they did not think about that issue when they voted on whether to join. That is the real reason why it is time to have a referendum on the treaty: it will allow us to tease out the fact that if we keep going down the road that we are taking, without making any change, things will go wrong.

Chris Huhne: Earlier, the right hon. Gentleman seemed to be saying that he would like the opportunity to amend the treaty. It has never been the practice of the House to amend treaties, particularly multilateral treaties. One has to accept or reject them, and there is no possibility of amendment. He says that the matter is final, but that is to disregard an important provision that I thought that he, and many of his more Eurosceptic colleagues, would welcome. For the first time in any European treaty, article 49A introduces the possibility of secession. It is possible for the House to avail itself of that provision, and to secede from the European Union, at any time. In that sense, the move is clearly not final.

Mr. Duncan Smith: I am not sure why the hon. Gentleman made that intervention, because there has never been a problem with seceding. We can talk about the details, but the reality is that nation states have always had the right to secede whenever they want, just by getting rid of the Act that brought them into the EU. I am not sure what he is saying; is he saying that the EU could have held on to us? If he is, and the EU is now giving us permission to secede, the situation is beginning to sound a little bit like the situation that faced the federal United States, and the battle between the confederacy and—

Mr. Gummer: Nonsense.

Mr. Duncan Smith: I agree that it is nonsense, but that is the nonsensical point made by hon. Gentleman.

Several hon. Members *rose—*

Mr. Duncan Smith: I want to make progress, because I am conscious that other Members want to speak. Before I conclude, I want to say something about the Liberal Democrats. [HON. MEMBERS: "Why?"] It is good to have a bit of light amusement at some point in a speech.

The Liberal Democrats have got themselves in a terrible mess. As has been pointed out time and again, they only agreed to hold a referendum because they thought that it would never happen. The moment that they thought that it would happen, they no longer wanted it. They can go on telling the public that one document is different from another, but as Lincoln said, you can fool some of the people all of the time, but you can't fool all of the people all of the time. That

[Mr. Duncan Smith]

is what the Liberal Democrats set out to do and they have been found out. How can they have a principled position of sitting on a fence? Those who do that get splinters in their arse and then they get into trouble. The Liberal Democrats are in trouble right now and the best thing for them to do is to get off the fence.

4.45 pm

In conclusion, I am in favour of a referendum because the arguments cannot be properly made unless the public are brought in. The Government gave a pledge to hold a referendum. I do not care what they called it; it is the same treaty. They may have behaved cynically, but they should be held to account.

I do not know what it is about Europe that seems to change the mentality of Governments. As soon as parties get into government, they dare not do anything that might upset the European Union. Immediately, their arguments go to the extreme. The Government panic and say, "We cannot hold a referendum because that would lead to the process of getting out. That would be a nightmare. We would be cast into the outer darkness. We would be on the periphery of Europe. Nobody will speak to us. We will be cast out, all because we want to vote on the treaty."

Who told the French and the Dutch that? Who said that they would be cast out when they voted against the constitution? Surprise, surprise, they were not cast out. Everybody said, "Oh my God, we have to accommodate the French and the Dutch. Let's start all over again and have another look at it." As a sovereign nation state, we have every right to make that statement in exactly the same way as the Dutch and the French.

I ask the House to have a little self-confidence. All of us came here to state that we do not believe a word the Government say until they show it in the text, in writing and in detail. We do not believe or trust them until we see how the treaty will work. Too many Labour Back Benchers are too ready to trust their Government when the Government say, "Please trust us." Tonight they should support the hon. Member for Glasgow, South-West when he proposes his amendment.

Geraldine Smith (Morecambe and Lunesdale) (Lab): I am firmly opposed to a referendum on the Lisbon treaty. The matter should be decided by Parliament. I have come to that conclusion not simply because all the previous EU treaties have rightly been dealt with in that way, but because of the different impact that a rejection by Parliament would have, compared with a rejection by referendum.

In the case of Parliament refusing to ratify the treaty, that would be after a comprehensive debate and the Government would be left in no doubt which measures in the treaty were unacceptable. In the case of a no vote in a referendum, the reasons for rejection would be unclear and would be subject to a wide range of interpretation. Nobody would have any idea which parts the public agreed with and which parts they did not agree with.

Such a situation would undoubtedly undermine the United Kingdom's standing within the EU and would mean that, for the foreseeable future, the much needed structural changes to the EU could not be implemented, leaving the organisation to lumber on in its present unsatisfactory way.

Mr. Redwood: Then why did not all those arguments dissuade the hon. Lady's party from putting the promise in its manifesto?

Geraldine Smith: What can I say? I spoke in the House in about 2004 and was not in favour of a referendum on the then constitution. There have been sufficient changes since then to make it a different document to be put before Parliament. If Parliament decided to abandon its responsibility this evening to determine the matter, it would be performing a great disservice to the country.

I am well aware of the widespread public concern in my constituency and elsewhere about the reform treaty. I am equally aware of the substantial demand for a referendum on it. I accept that people in my constituency say that they would like a referendum on the treaty. Although I understand the justifiable concerns that people have about the contents of the treaty, I firmly believe that many of those concerns are a result of wild speculation and misinformation from a multitude of sources, some of them in the House.

I firmly believe that, if a referendum were to be held, a no vote would be the outcome, not because of any perceived or real flaws in the treaty, but because many people are currently deeply dissatisfied with many aspects of the European Union and its bureaucratic institutions and procedures. I share most of that dissatisfaction and I understand the desire to express it in a ballot.

Mr. Jim Cunningham: Most of us acknowledge that some people in our constituencies are understandably uneasy about the treaty. However, does my hon. Friend agree that that is possibly because the Government have not put enough impetus behind explaining the facts to the public?

Geraldine Smith: It is difficult because the document is so complex. It is impossible to hold a referendum on a lengthy document such as the treaty. We would always end up with a no vote because there will always be things that people do not like, and they will focus on them.

Mr. Gummer: Does the hon. Lady agree that it is unlikely that many people have read the treaty of Lisbon—or would read it, were a referendum to be held? Would not they therefore get their views entirely from the press, which is dominated by a non-British individual who has opposed the European Union all his life?

Geraldine Smith: The right hon. Gentleman is right. There is no way that people would plough through the document.

Mr. Simon Burns (West Chelmsford) (Con): Have you?

Geraldine Smith: Yes, I have. It is always wise when speaking in the Chamber to examine what one intends to speak about.

The document is long and complex and I cannot see people around the country sitting in their houses reading it, and discussing it night after night in the pubs and clubs to the extent that we have done in Parliament. Yet Conservative Members still complain that we have not had enough time. If Conservative Members need so much time, why do not the people of the country?

Mr. Duncan Smith: How many of the hon. Lady's colleagues have read the treaty, in her opinion? Should those who have not done so exercise their vote when the time comes?

Geraldine Smith: I have not conducted a survey of my colleagues, so I have no way of answering the question.

Stewart Hosie (Dundee, East) (SNP): On three or four occasions today, the hon. Lady has said that the treaty is complicated and the people are too stupid to understand it. *[Interruption.]* I paraphrase, but it is fundamentally what she is saying. In previous referendums in Europe on other treaties, especially in France, the entire treaty has been published to give the general public the opportunity to read it in full, as well as the commentaries, narratives and newspaper leader columns. Surely, even in Morecambe, people are smart enough to read and understand the treaty and reach a considered view on it. Why does the hon. Lady believe that her constituents, mine and others cannot do that?

Geraldine Smith: I do not believe that they cannot do it; I simply think that they would not bother because they would not find it relevant to their lives. I do not believe that they would have time—many people live busy lives—and that is why they elect representatives to make some decisions on complex documents that are placed before us. The hon. Gentleman mentioned the referendum in France. He cannot have it both ways. Either the referendum made a difference and led to a new treaty, which was not the constitution, or the treaty is the constitution, so the people getting a vote made no difference. What is it to be?

Stewart Hosie: The answer is what is in front of us. The referendum made a difference, but not in fundamentally changing the document. Its portrayal has changed to pretend that it is something different. That is what happened.

Geraldine Smith: The French and the people in the Netherlands must have thought that it made sufficient difference to them.

Mr. Graham Stuart: My constituents feel that they are capable of taking a decision on this issue. They feel that they have been promised a say and that the constitution has been changed only enough to get it below the bar, so that the European elite, of whom the hon. Lady is clearly a member, can stop the people from having that say on something that is fundamental and matters to them, and on which they have had a promise.

Geraldine Smith: I believe, if there is a bit of honesty, that the hon. Gentleman's constituents and mine would like an opportunity to vote on the treaty, and vote against it. However, I do not believe that that is because of anything that they have read about the treaty or any of its real or perceived flaws—it is because of their deep dissatisfaction with the European Union. I will come to that issue in a moment.

Mr. Chaytor: Is not the really significant thing about the French referendum that since the abandonment of the constitutional treaty and the development of the Lisbon treaty, there has been zero interest among the 60 million people in France in a referendum on the Lisbon treaty? That is surely the significant point.

Geraldine Smith: It is right to say that the constitution was abandoned.

I want to make progress. It is clear that the European Union needs a comprehensive overhaul of its operating procedures.

Mr. Heathcoat-Amory: The treaty before us is the end product of a long process of renegotiation and failed reform set in train by the Laeken declaration of 2001. We have ended up with a treaty that, instead of reforming Europe, has consolidated more powers at the top. Why does the hon Lady think that her constituents and mine should be denied an opinion on whether they agree with that reform process and the treaty that has come out of it?

Geraldine Smith: I do not accept that the treaty is all bad and does not reform; there are some very good things in it. I believe that the number of EU Commissioners should be reduced, and I am pleased that that is happening. I am also interested that the treaty provides a mechanism for member states that wish to change their relationship with the European Union or withdraw from it; it means that they will be able to do so in a negotiated fashion. That has not existed before, and I would have thought that any Eurosceptic would welcome it.

I shall try to move on. The European Union now represents 27 countries with a combined population of more than 490 million people. Its institutions and working practices are hopelessly out of date and failure to reform them will continue to constrain their ability to function anywhere near as effectively as they should. I am sure that few people, in the House or outside it, would disagree that widespread reform is essential.

I should like to make it clear that I do not in any way perceive the Lisbon treaty as some panacea for reforming the European Union, but it will help it work slightly more effectively. It is difficult to see how an organisation that seeks to manage much of the economic, social and political affairs of 27 diverse nations—each of them answerable to their domestic voters with all their problems, aspirations and political agendas—could aspire to do anything else. However, I believe that a number of measures in the treaty will help. The Lisbon treaty offers significant improvements over the current arrangements, and that is why I am supporting it.

Finally, I want to comment on what I believe is a fundamental flaw in our relationship with and continuing membership of the EU. It is now 34 years since we joined the European Union and 32 years since we reaffirmed our membership in a referendum. In fact, nobody under the age of 50—I count myself in

[Geraldine Smith]

that group—has had the opportunity to vote on our membership of the organisation, which affects so many aspects of our lives, even more so in recent years.

The passage of time, allied to the enormous economic and political change that has taken place in the EU, has undoubtedly created a democratic deficit that needs to be urgently addressed—I accept that. Throughout the period in question, no mainstream political party advocated withdrawal from the EU, and I suspect that that will still be the case at the next general election. That state of affairs has left the British people with no realistic option other than to accept that membership of the EU, whatever its faults, is synonymous with UK citizenship. I do not believe for a minute that those who voted to join the EU in 1975 believed that they were making an irreversible commitment. It is high time that the question of our continuing membership of the EU was put before the British people, not as a simple yes/no question, but as a choice between clear alternatives.

5 pm

I believe that many of the perceived benefits of belonging to the EU are not dependent on our continuing membership of it, such as co-operation with EU partners on measures to deal with terrorism, people trafficking, drug and gun smuggling and other forms of international crime. Is that co-operation really dependent on our continuing membership? I do not think so. It is more likely that withdrawal from the EU would curb the ability of those who engage in such despicable practices to enter our country in the first place. Nor do I believe that the impact on trade, jobs or investment will necessarily be negative. There is plenty of evidence that if the UK's economy was relieved—

The Chairman: Order. In the last few moments I have been listening anxiously to the hon. Lady, who now seems to be seriously off track as far as the amendments are concerned. I urge her to bring her remarks to a close.

Geraldine Smith: I will try to get back on track, Sir Alan.

Mr. Swayne: Although the hon. Lady may be off message, as the Minister might say, she is making a powerful case for the amendment of the hon. Member for Glasgow, South-West (Mr. Davidson).

Geraldine Smith: I looked very carefully at that amendment, but I am afraid that I will not support it because it mentions support for the Lisbon treaty.

Moving back, as you have guided me to do, Sir Alan, the Lisbon treaty contains mechanisms for member states to reclaim competences from the EU and to opt out of participating in a number of policy areas. It also provides machinery for member states to negotiate voluntary withdrawal from the EU or the establishment of a new relationship with it. That is what we should be looking at. We need to set up a royal commission to look at all the issues—[Hon. Members: "A review?"] It would not be a review; it would be a commission, which would look at all the options available concerning Europe. It might recommend options that would change our relationship, if necessary. We should not rush into anything, and we should carry out that process in an organised fashion. That is what the people of this country really want. They want a serious public debate on Europe, and at the end of that debate, they will want some options. I would also say that at the very end of the process, they should have a referendum on the options produced by that commission.

I can put forward such a view and still vote against a referendum on the treaty, and I suggest that the Liberal Democrats should do the same. If they are against a referendum on the treaty, they should vote against it. That would not prevent them from putting forward other suggestions, as I have done today.

Malcolm Bruce: Towards the end of her speech, the hon. Member for Morecambe and Lunesdale (Geraldine Smith) was in danger not only of being out of order, but of putting across her preferred European dimension. The trouble is that there are 60 million people in Britain, and in practice, one cannot proceed to determine our relationship with the European Union in that way.

I have been following the most recent process closely. Indeed, I read the draft constitution before the French people rejected it. Personally, I thought that the contents were valuable, and I am glad to say that many of the most valuable parts are in the treaty of Lisbon, which is why I am happy to support that, too. Nevertheless, the constitution was an attempt to create a watershed moment in the European Union, which made it completely different in character from all the amending treaties that had gone before—from the founding treaty, the treaty of Rome, through all the others that have been mentioned, right up to the treaty of Lisbon.

That is why, as somebody who is not an enthusiast for referendums and who believes that many of the reservations that have been expressed today are valid, I nevertheless felt that a constitution that swept up more than 50 years of European Union history, from the founding treaty to the most recent amending treaty, was an appropriate moment to redefine the relationship and give people the chance, which they have not had for more than 30 years, to determine whether the new, reformed, relaunched European Union—that was the intention—was where we wanted to go. That is why I was happy to support my party's commitment at the last election to hold a referendum on a constitutional treaty.

However, at the very moment that we were committing ourselves to that, the French and the Dutch were deciding that no such constitutional treaty was likely to exist. I do not wish to repeat the arguments, which have already been rehearsed today, about the processes by which we moved from there to where we are now. What is a matter of concern, however, is that the process that we are using is far less transparent and consultative than it could and should be. One of the things that I particularly welcome about the treaty of Lisbon is that it gives national Parliaments a more clearly articulated role in that process. In the future—I hope that this will be in the long term, before we get to the next reforming treaty—the process may well involve the 27 national Parliaments.

At the end of the day, however, we must accept that treaties can be negotiated only by Governments. Governments can consult a lot better, but treaties cannot be negotiated by 27 Parliaments, and they certainly cannot be negotiated by 490 million people. There comes a point when, even with the best endeavours that have been made, people have to decide whether something is good enough for them to continue. The disingenuousness and dishonesty of many of the arguments come from ignoring the consequences of that.

It has been said—but it must be said again and again—that Conservative Members are asking for a referendum on the treaty of Lisbon, which is not a constitutional treaty, because they want to defeat it and because they know that, as the right hon. and learned Member for Rushcliffe (Mr. Clarke) clearly articulated, the consequence of that would be to paralyse the Union and destroy Britain's competitive and effective relationship within it.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Is the right hon. Gentleman aware that 80 per cent. of voters in the north-east of Scotland want a referendum on the Lisbon treaty?

Malcolm Bruce: I do not think it possible to say that 80 per cent. of voters in the north-east of Scotland want any such thing. All tests of opinion, nearly all of which have been less than objective, have indicated that people want a treaty; but the majority of people would like a referendum on Britain's membership of the European Union, not on the Lisbon treaty, about which most of them have not been informed. As someone who reads and pursues the media of the north-east of Scotland every day, I have to say that people's ability to be informed on the contents of the treaty of Lisbon is not very apparent.

Mr. Chaytor: For those of us who find the idea of an in/out referendum at some point in the future extremely attractive, does the right hon. Gentleman accept that his party's decision to abstain on the amendment has weakened its capacity to put forward the very pro-European views that he advocates?

Malcolm Bruce: Absolutely not. Our view is that if we vote against the amendment, we will be voting against the principle of a referendum. The referendum is a principle that we like; what we do not like is the question. I do not wish to test the patience of the Chair, but the House will have noticed that our party has unfortunately been considerably frustrated in our attempts to get the words that we want put before the House and debated in ways that would make our position abundantly clear. We have to live with that frustration, but it has put us in the position of having to deal with what is before the House rather than with what we wish was before the House. I have to say that that is too often the case.

Hon. Members: Resignation.

Malcolm Bruce: Regarding the comments from those on the Benches behind me, one thing that I am proud of is that, in all the time that I have been involved in my party, it has clearly and consistently been in favour of our joining the European Union, being a constructive and engaged member of the European Union, and supporting progressive reform of the European Union. The nationalists, however, have never known which way to turn. They voted no in 1975, then they claimed that they wanted independence in Europe, and now they want to vote against the treaty of Lisbon while somehow or other saying that they are still pro-European. They are utterly and totally confused; they are in a totally tartan dwam as far as this issue is concerned.

Ms Gisela Stuart: The right hon. Gentleman is a genuinely committed European, and I believe that he would like to take the people with him in his vision of Europe. Does he not think that a referendum would provide a much better opportunity to extol the benefits of, and to make the case for, the European Union, rather than blackmailing people by simply asking, "In or out?"?

Malcolm Bruce: No. Perhaps I should not be surprised by the way in which the hon. Lady's relationship with, and attitude to, Europe has changed because of her experience of the negotiating process. I would have thought, however, that she would understand that if the United Kingdom decided now, in the present circumstances, to hold a referendum on the Lisbon treaty, and if we failed to ratify the treaty as a result, we would be faced with an internal dilemma, in that two thirds of Parliament would have voted one way, while the people would have voted the other way. That would be a domestic problem, as the right hon. and learned Member for Rushcliffe has articulated. Also, we would certainly have created a degree of resentment among our European colleagues for having held up a difficult process at a crucial moment. I think that the hon. Lady knows perfectly well that those would be the consequences of such a decision.

I am articulating my party's view, which is that after 35 years, it is appropriate to say to people, "The European Union has been modified by treaties. This is actually a good reforming treaty, which will leave it in better shape than most of the previous ones—certainly Nice and Amsterdam—did," and to ask them, "Will you vote for Britain to be in Europe, but as a package, on the understanding that that is with the Lisbon treaty?" The Lisbon treaty is not optional. We cannot be in Europe and not ratify the Lisbon treaty.

Michael Connarty: It seems entirely consistent, given the policies of the Lib Dems, that they would want both to stay in Europe and to give people a choice in a referendum. I can see how that is consistent. I do not particularly support referendums; I do not think that they fit with, or should be part of, the parliamentary process. Is it true, however, that the Liberal Democrats intend to abstain this evening, rather than voting for the treaty to go through, and against a referendum?

Malcolm Bruce: We have made it abundantly clear that we are voting for the treaty, but that we are not voting for a referendum on it. As I said to the hon. Member for Birmingham, Edgbaston (Ms Stuart), I believe that it is fundamentally disingenuous and dishonest seriously to suggest that it is possible to vote against the Lisbon treaty while maintaining that Britain's membership of the European Union would not be compromised by such an act—

Michael Connarty *rose—*

Malcolm Bruce: The Conservatives' position is quite simple. They do not wish Britain to continue as an effective member of the European Union, and the purpose of their amendment is to start that process—

Hon. Members: Give way!

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. Perhaps the right hon. Member for Gordon (Malcolm Bruce) could make it clear whether he will give way to the hon. Member for Linlithgow and East Falkirk (Michael Connarty).

Malcolm Bruce *indicated assent.*

Michael Connarty: I asked the hon. Gentleman what I thought was a simple question, but he did not quite answer it. Following the logic of what he has just said about consistent support for the European Union and getting the treaty through, will he explain why he and other members of his party are going to abstain tonight?

Malcolm Bruce: My colleagues and I have repeated the explanation ad nauseam. If it is impossible for people to hear or understand it, that is their problem, not mine.

We are engaged in a process to determine whether this country is going to be a leading member of the European Union or a continually moaning, peripheral country that is increasingly becoming a tiresome irritant to the 26 other member states that want to go forward. That is why we believe that there is a case for having a defining referendum, in which we can ask the people of Britain whether they want to continue with this enterprise, as we do, or to put themselves on the margins of Europe and accept the consequences of so doing.

5.15 pm

In September last year, I visited Estonia with a group of liberal democrat parliamentarians and had a very constructive meeting with the Prime Minister, Andrus Ansip. He is, of course, a leading member of the liberal parties of Europe—as, indeed, is the leading opposition party in Estonia—*[Interruption.]* It would be fair to say that Estonia is probably the most liberal country in Europe. It is worth listening to the voice of the people of Estonia.

Mr. Harper *rose—*

Mr. Austin Mitchell (Great Grimsby) (Lab) *rose—*

Malcolm Bruce: Let me make this point. One thing that the Estonian people will tell us is that they spent 700 years trying to escape from outside oppression—most recently, escaping from the Soviet Union. They are certainly not interested in buying into some kind of European superstate, which the Conservative party is so afraid of. What they want is a functioning, effective, working Europe in which decisions can be taken by 27 countries, and in which a small country such as Estonia can have its proper place and influence. The Prime Minister of Estonia told me that he sincerely hoped the UK was not going to be instrumental in delaying or obstructing implementation of the treaty of Lisbon. For my part, I said that I would do everything I could to ensure that that did not happen, and that the treaty would be ratified, because I shared his view that ratification was in the best interests of Europe.

Mr. Harper: It is interesting to note that the hon. Gentleman is willing to listen to the people of Estonia, but not to the people of Britain. Leaving that aside, however, will he clarify his earlier comment that if the House were to grant a referendum and the British people were to vote against ratification of the Lisbon treaty, it would in some way compromise our membership of the European Union? That did not happen when the French and Dutch refused to ratify the constitutional convention: they are still members of the EU and no one called that into question, so why does the hon. Gentleman think that it would be any different for Britain?

Malcolm Bruce: I do not know whether the hon. Gentleman travels at all in Europe or talks to our political colleagues—*[Interruption.]* Yes, we need to bear in mind that our Conservatives do not have any! Those of us who talk to mainstream political groups in pretty well every country in Europe could tell the hon. Gentleman quite categorically that the process by which the constitution was abandoned was painful enough. The follow-up process whereby 27 countries sought to reach agreement by delivering the Lisbon treaty and its many constructive and practical measures—the British Government, along with the German Government, played a constructive role—was also hugely difficult. If the hon. Gentleman believes that it would be willingly acceded to if the UK Government stood up and said, "Sorry, guys, I know that 26 of you are already going to adopt this treaty, carry it forward and start working with it, but we are not, as we want another couple of years to rethink the whole thing," I have to tell him that he is living in cloud cuckoo land. The truth is that we do not know what the consequences of a no vote in a referendum would be, but it would certainly not be in the interests of the United Kingdom, of our reputation or of our influence within the European Union.

Mr. Austin Mitchell: Not knowing the consequences has not stopped the hon. Gentleman from asserting them very vigorously—and, in my view, inaccurately. Amendment No. 296 provides for an enabling power to have another referendum, so would that not satisfy the Liberal desire to have their in/out referendum?

Malcolm Bruce: If the hon. Gentleman had been in his place earlier, he would have heard my hon. Friend the Member for Cambridge (David Howarth) explain that an amendment that would allow the Government to write any question, or no question, as they liked, does not tell the House what is wanted clearly enough. That makes it a non-workable and non-functioning amendment.

To be honest, I take a very simple view. First, we as a party are unreservedly and unapologetically pro the European Union, pro Britain's membership of the European Union and pro a functioning Union of 27 states that can take decisions in an intelligent format. At the same time, we believe that the British people

deserve the right to have a real debate about what kind of Union it is—because we cannot create it in our own image—and whether they want to continue with the enterprise.

That is a risky venture, but one that we as a party would be willing, indeed enthusiastic, to take to the people. If we had been given a vote on it and the House had supported us, that is the referendum that people would have had—and I believe that it would have been won—rather than a referendum in which there is an attempt to persuade people that it is possible to vote for continued membership of the Union without ratifying the treaty of Lisbon. That is a dream world: it is not reality, it does not make political sense, and it will not be supported by our party.

Several hon. Members *rose—*

The First Deputy Chairman: Order. As the amount of time left for Back-Bench speeches is very limited, I make a plea to all Members who are hoping to catch my eye to make their contributions concise.

Kate Hoey: Anyone observing today's debate will have been surprised by the contributions of Members who suggested that the treaty, the constitution or whatever it is called is so complicated that the people could not possibly be asked to become involved with it, or could not possibly understand it. I do not think that people will like being told that, and I do not think that they will like the implication of the right hon. Member for Gordon (Malcolm Bruce) that we are somehow so different that it was okay for the people of Germany and the Netherlands to reject the constitution.

Michael Connarty: And France.

Kate Hoey: And France. I was there as well, so I am sorry that I got that wrong.

It was implied that if our people were given a referendum and had the audacity to vote no, it would completely change our relationship—

Chris Huhne *rose—*

Kate Hoey: I am not going to take any interventions, because I know that many Members wish to speak.

Let me make a simple point. In April 2004 the then Prime Minister and leader of my party, Tony Blair, announced that the EU constitution would be put to a referendum. He said:

"Let the people have the final say by way of a referendum... if we are to make the case...we will have to make it to the British people."

The Prime Minister was emphatic:

"There is no question of any constitutional treaty going through without the express consent of the British people...we will have a referendum."

He went further, and said something that has not been mentioned so far today:

"What you cannot do is...get a rejection of the treaty and bring it back with a few amendments and say, 'Have another go.' You cannot do that. If the people vote no, they vote no".

The problem is that we have ended up with a situation in which the treaty has been brought back.

The most honest Member in the House today—I am not saying that everyone else has not been honest, Mrs. Heal, because I know that we are all honest here—was the right hon. and learned Member for Rushcliffe (Mr. Clarke). He said clearly and specifically as a pro-European that in his view there is no difference between the constitution and the treaty. He happens to be my constituent when he is in London, so I do not want to disagree with him when he says something like that. For me, he has summed the whole thing up.

The right hon. and learned Gentleman may be in a different party from me, but he has been so pro-European and so committed in principle to his opposition to a referendum—he has not shifted back and forth depending on whether his party leadership changed its view—that I am with him on that point. No matter what is said here today, no matter how many fine words are uttered and no matter how great the detail, the vast majority of the public know that what we are voting for in the treaty is exactly the same, and has the same intent, as the constitution on which the Prime Minister promised a referendum—a promise that was included in our manifesto.

For me, this is about honesty in politics. It is about saying what you mean and then doing what you mean. We all have a responsibility to what we said in that manifesto, and we all have a responsibility to recognise the consequences if we do not support a referendum tonight. I hope that some of my colleagues have been influenced by the many good speeches today in favour of a referendum, but the matter is not over yet, because if we do not secure a vote tonight, it will go to the House of Lords. Do we really want to run the risk of the unelected House of Lords sending back measures that we have refused to agree to because we, as elected politicians, do not want to go along with our manifesto commitments? That would be ridiculous, and it would show what a farce the whole situation has become.

We have an opportunity tonight to put a little faith and trust back in politics and politicians. The public are so cynical about us as individuals, although not necessarily in all constituencies, and the overall political system. The big gap that now exists between Parliament and the people out in the country will be made even bigger if we all troop into the Lobby and vote against a referendum—I hope that will not happen. I will certainly stick to my manifesto commitment and to my personal commitment—I specifically said in my election address that I supported a referendum. I hope that many of my colleagues will join me tonight.

Mr. David Curry (Skipton and Ripon) (Con): It is never comfortable to vote with another party in this House, especially when Labour has made such a pig's ear of the arguments that it seeks to defend, but I shall do so. At least I can say that none of us will have the distasteful task of having to go through the Lobby with the Liberal Democrats, so I shall be limited to a single disagreeable experience rather than a double one.

In Prime Minister's questions a few hours ago, the Prime Minister challenged the Conservatives to put a positive case for Europe. Given his behaviour, it struck me that he had either a short memory or an entirely unexpected sense of humour.

[Mr. David Curry]

I explained the action that I shall take to my Whips when this series of debates started, and no pressure has been put on me to change my mind. There has been entirely honourable and civilised respect for the views that I have held for a long time, and if newspaper reports and Tea Room gossip are right, that contrasts with the amateur theatricals and hysterics that have been reported from the office of the Labour Chief Whip.

I must make a confession: I stood for election on a manifesto that promised a referendum on this treaty, but we all do things like that. When we stand for election on a party manifesto, we are basically saying that we support that party to form the next Government. It does not mean—it has never been understood to mean this—that we subscribe to every iota of that manifesto. Indeed, I am slightly surprised that a number of my party colleagues appear to have given their own manifesto such minute examination, as I usually give other parties' manifestos more examination than my own party's.

In making this point, I appeal to my hon. Friend the Member for Stone (Mr. Cash). If he regarded the manifesto as some sort of Biblical truth, he would find it difficult to be here in this House, as would I, and I suspect that an examination of the websites of some of my Conservative colleagues would reveal a declared intention to leave the European Union, which I doubt will appear in the next Conservative manifesto, but as far as I am concerned that should not disqualify them from standing as Conservatives or sustaining the next Conservative Government.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Was my right hon. Friend a member of the Government in, say, the 1992 period? On being held to manifesto pledges, the truth is that hardly anyone in the country reads manifestos. The intimate connection between individual Members and their constituencies is in their election address, which is where they explain why they will not support any major manifesto themes or issues. I take it that my right hon. Friend did that.

Mr. Curry: I reassure my hon. Friend that I always set out my own election address. The party tends to offer a format, which I have never adopted because I wish to express my personal views to my constituents. One thing that nobody in my constituency can complain about is that they are not aware of my views on or commitment to engagement in Europe. Of course, a great many people have made representations to me, and I hope that each of them believes that they received a substantive response to their points. I respect their arguments, as much as I ask them to respect my long-standing arguments. If I wished to be epigrammatic about it, I would say that I am a representative, not a delegate. If I wished to be a delegate, I would stand for the Congress of the Chinese Communist party in what is wittily called the Great Hall of the People.

5.30 pm

The argument whether this constitution is the same as the old one, or whether this treaty is the same as the old one, is totally barren. As it happens, I voted for the old constitution, so for me this matters rather less than it might do to most. One can quote Valéry Giscard d'Estaing till the cows come home, but the fact is that if one approved the old constitution, one will say that it is pretty well the same thing; if one did not, one will claim that it is something different. That is the simplest ABC of political technology, which we find in every single democratic country. For my money, of course it is the same document; for most countries, it is the same document.

The argument in this Chamber has been to what extent the red lines and opt-outs have changed the nature of the obligations and commitment that Britain accepted. The United Kingdom's relationship to the treaty is different from the one we had to the old constitution, but I accept that there is bound to be a huge amount of argument about the extent to which that is bankable.

I have a fundamental objection to referendums. Of course I accept that there are occasions when a once-in-a-lifetime issue arises that we ought to refer to the country at large, but if one looks at the history of referendums, one finds that they are usually used to override democratic scrutiny and debate. That is the 19th-century history of referendums. They often seek a simplistic response to an often simplistic question, in which the consequences of the answer are never explored, and they usually take the form of a surrogate verdict on the Government themselves. The question and the answer are sometimes widely removed from each other.

Mr. Gummer: Does my right hon. Friend agree that the problem with referendums is that they often transfer the decision not from the representatives of the people to the people, but from the representatives of the people to the unelected press?

Mr. Curry: It is certainly true that a strong body of the press articulates vitriolic hostility to the European Union and to this treaty, and such comment is not always as informed as it might be. The comfort that I find is that I wonder how many people buy the red tops for the political comment, rather than for the coverage of media personalities, the world of sport and footballers' wives. That is quite legitimate, and occasionally all of us enjoy a surreptitious glance to relieve some of the rigours—*[Interruption.]* I invite colleagues in Portcullis House to look in the corner room where the newspapers are stacked and observe how rapidly they disappear through the course of the day. It is not always the coffee machine that people are in pursuit of.

We constantly wring our hands about the decline of Parliament and its impotence in the face of the Executive. The real issue is the balance of power not between us and the European Union or between Parliament and the people outside, but between the Executive, whom we send into government, and elected representatives in Parliament itself. My party is devoting a huge amount of energy to looking at how we might redress the balance in the way in which our democratic processes work in the Westminster village. That is a far more urgent task than dealing with some of the fears that we are expressing at the moment.

In the last debate in which I spoke, I said that the Eurosceptic motto might be:

"Present fears

Are less than horrible imaginings".

I apologise for attributing that to Milton; if I were better read, I would have realised that it comes from Macbeth.

If we have a referendum on this treaty, how should I argue to my constituents about other things on which we might hold a referendum? What about detention without trial? That fundamental issue of civil liberties has far greater implications for our liberties than anything contained in this treaty. I am an old-fashioned liberal—I am sorry about that—who, in a sense, echoes Roy Jenkins's view that there were many merits to the permissive society. If we move from representative government to government by plebiscite, how much of the architecture of the liberal and tolerant society would be demolished?

I do not disagree with the thesis that there will be once-in-a-lifetime occasions when referendums are necessary. Our joining the European Union and the subsequent endorsement of that was a key point. I accept that if we were to join the single currency, it would be a sufficiently dramatic change as to require the endorsement of the people and the legitimacy that that would confer. I note that one of the biggest changes that has affected this House is devolution. Indeed, we constantly complain about the way in which the balance of power in this Chamber has been shifted by devolution, the creation of a Parliament in Scotland and an Assembly in Wales and the process in Northern Ireland. Some 85 per cent. of the British people were not consulted on the transfer of power that that brought about.

This treaty is not a great breaking point or a hinge of our contemporary history; it is, broadly speaking, tidying up. It contains a lot of common sense, and five years down the road people will wonder whether all the terrible things that were supposed to flow from it actually happened—I suspect that they will not have happened.

If we say no to the treaty, the European Union will not collapse and Britain will not be expelled. Europe is jolly good at muddling through. As soon as one negotiation is completed, Europe is condemned to begin the next negotiation. The one thing that cannot be done sensibly is to walk away from the negotiations, because the process is ongoing and grinding. The extent to which it works and what comes out of it at the end is amazing.

We should not assume that we are in the same position as three or four years ago at the point of the French and the Dutch referendums, because things have moved on and a renegotiation has taken place. It would be seriously dislocating for the UK to find itself demanding that process again, and it would also be seriously dislocating for my party. I believe that my right hon. Friend the Member for Witney (Mr. Cameron) will be the next Prime Minister, and when we look at this directionless and purposeless Government, that becomes increasingly plausible and desirable.

It would not be in my right hon. Friend's interests to inherit an intractable time and energy-sapping dispute with the European Union and to have it hanging over his head, so it is in my party's interests that this business is dispatched and that we move on to new business. If we do not move on, he would have to deal with nagging voices on the Conservative Benches and in the party seeking to question the whole issue of Britain's membership of the European Union. He would need three hands to deal with not only the issue of Britain's relationship with Europe in the short term and the treaty, but a bigger issue that would begin to emerge and that would threaten the success of his first term as Prime Minister. I want him to have his hands free to deal with the hugely important and urgent things that a Conservative Government would need to address.

Equally, I think that the European Union needs no more treaty making within the foreseeable future, because there are other pressing agendas such as climate change, migration and asylum, which will flow largely from climate change, terrorism, competition and the protection of the role of developing countries in a global economy. Nothing assures us that the European Union will deal with such agendas, but the treaty gives it a better chance of doing so, if the political will exists.

We should start by dispatching the Lisbon treaty in this House, where the decision making belongs, for ratification across the European Union. We would then be able to move on to the agendas pressing on us—how the UK governs itself and how Europe can better represent the interests of all the citizens of Europe, which it increasingly encompasses.

Mike Gapes: I shall try to be brief. I put a message to all Europhobes on my website, saying that I intended to vote for the Lisbon treaty. I did so because I wanted to provoke a reaction from my constituents. Many words have been spoken about the great interest in the subject outside the House, but I have had only one e-mail and one letter from my constituents—*[Interruption.]* I am waiting for more to come.

The e-mail said that the treaty was "introducing communism by stealth" into this country, and the letter said that because of my views, I deserved a long, lingering and painful death. That indicates the level of interest of some people. However, I have had letters from non-constituents, both before I put the message on my website and subsequently. They spoke of the German plot to take over Europe, the Pope and many other examples of the fantasies that some obsessives have about the European Union.

Someone spoke of the need for honesty in politics, and I agree. We need to be honest about this treaty and about the basis of the debate that we are having. I will be honest: I have always opposed referendums. I was extremely disappointed and shocked in 2004 when our party leader bounced the party into that position. I cast no aspersions on the reasons for that move. I simply believe that it was a mistake then and has had some very serious and unfortunate consequences for the political debate. It has meant that there has been no open public debate on these European issues. For two years after the rejection of the constitutional treaty in France and the Netherlands, we did not really have a proper debate and discussion during the period of reflection.

[Mike Gapes]

I had hoped that this debate, over the 11 interminable days, would have raised the quality of the public debate, and that our newspapers and television media would have given it detailed consideration, but sadly they are interested only in process, personalities and splits. Indeed, some of the earlier debate in Committee today reflected that. The media are not interested in the detail of why the Lisbon treaty is in Britain's interests and how it will reform the European Union to ensure a more efficient and effective way of working after enlargement to 27 countries.

I do not wish to repeat the arguments, and I also referred to the issues in the debate on the foreign policy aspects of the treaty and on Second Reading. However, it is not helpful to have a statement from the shadow Foreign Secretary that the Foreign Affairs Committee said that the Lisbon treaty was exactly the same as the constitutional treaty. That is not what it said, and I tried to intervene again, but the right hon. Gentleman would not take the intervention. I wish to place it on the record that the Committee did not say that. It pointed out that the Union Minister for Foreign Affairs had been replaced with a high representative for foreign and security policy. It also pointed out that there were two UK-inspired but non-legally binding declarations on common foreign and security policy in the text, neither of which were in the constitution. It is therefore not true to say that the treaty is exactly the same.

5.45 pm

The people who are against the Lisbon treaty are trying to argue that there is no change or significant difference. As other Committees have commented, however, there are differences in some aspects of the treaty, such as the justice and home affairs issues referred to by the hon. Member for Eastleigh (Chris Huhne). As has been mentioned, there are the UK Government's red lines, which mean that the treaty is different for the UK than it is for the other 26 member states—or the other 25, because Poland has some association with the UK on some issues. That is how the debate should have been conducted.

Mr. Clappison: Will the hon. Gentleman give way?

Mike Gapes: Just a moment—

Hon. Members: Give way!

The First Deputy Chairman: Order. It is entirely up to the hon. Member on his or her feet to decide whether to give way. We are now running short of time.

Mike Gapes: I want to conclude. The debate in our media has not helped to clarify the issues or people's understanding of them. The debate in some parts of the House has not helped to get that clarity either. I understand the frustrations of the Liberal Democrats, which were referred to by the Chairman of the Select Committee on International Development, the right hon. Member for Gordon (Malcolm Bruce). They feel that their position has not been put forward. However, if they think it through, they will see that their model of some cathartic "big bang" referendum will not solve the problem. The obsessive anti-Europeans will never accept the result. They will come back again and again, and keep demanding.

The situation will be like the referendum in Palau. I do not know whether hon. Members are aware of that case. There was an issue about whether the US could station some military facilities there, and those involved voted seven times until they got the right result. The Eurosceptics will never accept the outcome, and so they will keep coming back. That undermines democracy and parliamentary sovereignty, and I do not believe that it is in the interests of the House or the British people to move to a referendum culture. We need to strengthen the power of the Select Committees and this House to scrutinise the Executive—*[Interruption.]* We need a more democratic second Chamber or to abolish the one that we have completely. We need greater media understanding. Where are the media? They do not report these debates and so the public are not made aware of them. *[Interruption.]* For that reason, I shall vote against a referendum and support the Lisbon treaty. *[Interruption.]*

The First Deputy Chairman: Order. I ask the Committee to come to order. Hon. Members know that this is no way in which to conduct a debate in this Chamber.

Mr. Cash: Conservatives believe in "trust the people". The bottom line for the purposes of the debate is that we as a Parliament will decide whether a referendum will be granted, and I disagree with my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) when he says that we should not have referendums.

There are 27 million voters. That is what we should be concentrating on. Since 1975, 27 million voters have not had the opportunity to express their view on the extension and accumulation of all the European legislation and treaties. It does not necessarily follow that we cannot come to some accommodation in the process of renegotiation as to what it is that we would end up with if we produced a no vote, but it is absolutely right that the voters of this country—for whom we hold our positions on trust—must be allowed to have their say.

The Foreign Secretary rightly remarked mostly on the content of the treaty, but I agree with my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) that promises have been broken. It is a complete fraud for people to suggest that that is not the case. My right hon. and learned Friend, for whom I have the greatest respect, was rightly able to make his case, as was my right hon. Friend the Member for Skipton and Ripon (Mr. Curry). I say that without prejudice to the reality at the heart of the process, which is that a vast amount of power is draining away from the House.

We are elected by the voters, who have the right to have the final say. Why do I say that? It is simple. As the Foreign Secretary rightly said, the debate is about the content of the treaty, but it is also about what he called the constitutional balance of power. The structure of the relationship between the UK and the EU is being altered by the treaty, and that is the issue on which I shall concentrate and on which the debate should turn.

The whole process was started off in a unique constitutional manner, with a mandate put forward by the German Government. My right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) mentioned their questionnaire. The mandate was agreed by the member states in a unique and unconstitutional manner.

Mr. Duncan Smith: Behind closed doors.

Mr. Cash: And behind closed doors. We cross-examined the then Foreign Secretary, who made it clear that she knew nothing about what was going on, officially. However, we know that the sherpas in UKRep, COREPER and so on were convened and carrying on negotiations behind the scenes. The questionnaire to which my right hon. Friend referred illustrates that point clearly. That is one fundamental constitutional change.

Mr. Hugo Swire (East Devon) (Con): Will my hon. Friend give way?

Mr. Cash: No, I want to get through my contribution as rapidly as possible, which is only fair to other hon. Members.

The second fundamental constitutional change is the obligation on national Parliaments, which we have discussed in previous debates. Other changes are the merger of the existing treaties into a Union with a legal personality, and the collapse of the pillars. The intergovernmental method is being done away with on certain matters in favour of the Community method, thereby vastly increasing the powers of the European Court of Justice. That is another fundamental change in the constitutional relationship between the UK and the EU. We are giving enormous additional power to the ECJ. The accumulation of the new constitutional powers and the reciting of the primacy of law in declaration 17 mean that, for the first time, we have reinforced case law within the framework of a treaty. That is another constitutional change of the first order.

The division of competences lies at the heart of how the EU and the UK operate. A House of Lords Select Committee made a similar point about them. Competences are the powers that are provided, and if we give powers to the EU, we are taking them away from the UK. I am not talking about specific powers, which are bad enough in themselves—for instance, the charter of fundamental rights was another constitutional change of the first order. I am saying, in essence, that changing the division of competences moves powers between the UK and the EU. I am clear about that, as are all other constitutional authorities. Even the Foreign Secretary admitted that there would be constitutional changes, some of which I do not like. They are predicated on the assumption that the EU will rather arrogantly say that it will be good enough to give us new powers in relation to the national Parliaments. Well, thank you very much, but we are a national Parliament that has been going for quite a long time. We have a history and a constitutional system that has stood the test of time and saved Europe from itself in two world wars—*[Interruption.]* Oh yes. The hon. Member for Rhondda (Chris Bryant) should not shake his head—

The First Deputy Chairman: Order. The hon. Gentleman should return to the amendment.

Mr. Cash: I am dealing with the constitutional implications of what the Foreign Secretary said. It is clear that in a range of matters in the construction of the treaty there is constitutional change of the first order between us and the EU. That is why a referendum is required. The Foreign Secretary used those criteria for a referendum in his argument. He said that if there were a structural change there ought to be a referendum, and, with respect Mrs. Heal, I am indicating that structural change is exactly what is happening in the treaty.

Part of the issue relates to why we should want a referendum. It is because the House should have the humility to decide that we want to give the decision back to the voters. Furthermore, as I said in an intervention on a Liberal Democrat Member yesterday, there would be no point in staying in if we did not have the right to legislate in line with the wishes of the voters of the UK as expressed in general elections. That is the basis of our legislative process. We give effect to the wishes of voters.

The plain fact is that unless we reassert the supremacy of our Parliament, as set out in my new clause 9, on which I expect us to be able to vote later, we would not be able to maintain our position in the EU. We must have a provision stating that notwithstanding the European Communities Act 1972, we will continue to legislate on behalf of the voters of the UK and that the courts must give effect to the provision in any later Act even if it is inconsistent with the provisions of European legislation. That is not withdrawal. Case law is clear: such a measure would not repeal all the treaties; it is about particular provisions. My party agreed on amendments to the Legislative and Regulatory Reform Act 2006, which was pushed through both Houses, and we should do so again today.

If the vote goes the wrong way, we need a post-ratification referendum, for the simple reason that the issues go to the very heart of the way our country is governed. We are elected to represent the interests of the people, and if we fall down we must give them the right to make their own decision in a referendum. That is why a referendum is required.

Chris Bryant: As many Members want to speak, I shall try to be as brief as possible. It is a great delight to follow the hon. Member for Stone (Mr. Cash). There could be no two Members more diametrically opposed than him and me on nearly every issue, and certainly on Europe.

What has been interesting about today's debate is first and foremost the fact that the Tory party has exposed itself as having an enormous problem about the European Union—*[Interruption.]* If the Tories can contain themselves, I shall move on to the Liberal Democrats in a moment. The Conservatives have form. Without a referendum they took through the Single European Act, which was probably the single biggest piece of legislation that dramatically affected the UK's relationship with the European Union, and they took through Maastricht without a referendum—in both cases on remarkably small majorities. So far, there have

[Chris Bryant]

been 40 Divisions during our debates on the Bill and the average majority has been 170, almost a two-thirds majority in every case, so it is difficult to advance the argument for a referendum on that basis.

Another problem for the Conservatives is that their party is radically split—*[Interruption.]* They can moan and groan, but none the less they will have to face the truth. It is not just that a few Conservative Members will vote with us; the much bigger division, which is why they are campaigning for a referendum, is between those who want to leave the European Union entirely and those who are a little bit more sensible in their policy towards Europe.

The Conservatives' other problem is that they have no allies in Europe, so whenever they talk about renegotiating, as the right hon. and learned Member for Devizes (Mr. Ancram) did, they know perfectly well that they are deceiving the people of Britain, as there is nobody with whom they could negotiate. They would have either to have the kind of hissy-fit that the Liberal Democrats had last week, or back down from their position.

6 pm

It is for party management reasons, and from no point of principle, that the Conservative party has arrived at its position today, which is that there should be a referendum on any treaty whatever. That is what the shadow Foreign Secretary said; he said that any treaty that a Government brought forward should have to be put to a referendum. That is sheer nonsense, because the UK signs up to many treaties. None of them should be put to a referendum, because when any treaty has been negotiated, it is difficult to come to an informed position on it on the basis of a simple yes or no in a referendum.

Mr. Harper *rose—*

Chris Bryant: I will not give way to the hon. Gentleman, because I am sure that there are many people in the House who would like me to stop as soon possible.

The Conservative party's position is that if the Bill is passed and the treaty is ratified, they will not let the matter rest there, to use the phrase that was leaked over the Christmas period. Let us enter Planet Cameron for a moment and imagine what would happen if there were a Conservative Government. Let us imagine the Leader of the Opposition becoming Prime Minister and going to his first European Council, having chosen not to let the matter rest there. He would turn to the new President of Europe and say, "Tony, as I'm your heir, could you possibly let us have a new treaty? Oh, and I apologise to you, Mr. Rodriguez Zapatero, Mr. Sarkozy and Mrs. Merkel, for not co-operating with your political parties or your Governments over the past few years, but it would be nice if you signed up to a different form of treaty." That would not happen. Instead, he would do exactly what the Liberal Democrats did last week—walk out of the room. That just goes to show that the Conservative position is not that of a potential future Government. The Conservative party's foreign policy is the foreign policy of an Opposition party who know perfectly well that they will remain in opposition.

Let me turn to the Liberal Democrats—

The First Deputy Chairman: Order. Will the hon. Gentleman please relate his remarks to the amendments before the House?

Chris Bryant: I shall follow your advice, Mrs. Heal. Let me turn to the Liberal Democrat position on referendums and on whether we should have one. It is time that the hon. Member for Kingston and Surbiton (Mr. Davey) came out. It is not that difficult in the end. It may mean being condemned by the *Daily Mail* and *The Sun*, but the truth is that it is fine to be a genuine pro-European. It is time that he and the hon. Member for Moray (Angus Robertson), who is not in the Chamber, owned up to the fact that they are pro-Europeans. The Liberal Democrats cannot hide that fact from the electorate. They cannot pretend that they really want a referendum, but that the wording is not right. They should put their heads above the parapet and own up to being the most pro-European party in the House, and to the fact that they would have signed up to whatever Europe had thrown forward.

The truth is that this is a proxy debate. It is not really about referendums. It is about whether people want to be securely and firmly in the European Union, because they believe that in an uncertain world it is important to have stronger international institutions, or whether they believe that Britain can go it alone. I do not agree with the hon. Member for Stone, who has moved but who, I am glad to say, is still in the Chamber. I believe that there will not be a fundamental change. We will still set our own taxes, and have our own Army and Navy, and our own foreign and defence policy. There will not be a substantial change, which is why there should not be a referendum.

Mr. Lilley: It is normally a pleasure to follow the hon. Member for Rhondda (Chris Bryant), but whereas all other Members who have spoken have recognised that the debate raises issues of principle that transcend and divide party, he chose to make a purely partisan speech, and made little contribution as a result.

Twenty-five years ago, I was elected to the House—as was the Prime Minister, as it happens. Unlike the Prime Minister, who was elected on a pledge to leave the European Community, I have always believed, and still believe, in remaining a member of the European Community. I have grave reservations about handing over further powers, and there are some powers that we have handed over which I would like to see returned to this country, but the reason that I have, for the first time, actively taken part in debates on a European treaty is nothing to do with Europe. It is to do with integrity.

Nothing in the 25 years that I have been in this place has made me so angry as to see members of two party Front Benches—or, should I say, the Front Benches of one and a half parties—who were elected on a clear pledge to the electorate that they would hold a referendum, telling their Back Benchers, as they themselves would be doing, to renege, to resile, to stand

on their heads to renounce a clear promise that they had made to their electors. Nothing that I have ever seen in the House has made me so angry. That is why I resolved to participate in the debates and have done so every day since, in the limited number of days made available to us.

I do not necessarily believe that there needed to be a referendum; perhaps there did not. Nor was it necessarily wise to promise a referendum; perhaps it was not. The constitution and the treaty may be desirable or may be undesirable. They may be more significant or less significant than previous treaties, but every party in the House made a promise that their electors would have a vote in a referendum on that constitutional treaty, and the treaty of Lisbon endorses and implements the substance of that constitution.

Today hon. Members face a test of their personal integrity. That is what is at stake. I have no issue with those who told their electors beforehand and made it clear that they did not believe in and would not support a referendum. They are as pure as the driven snow. My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), who is present, is one of those and there are others on the Conservative Benches and in other parts of the House. However, if hon. Members repudiate a promise that they have made and from which they did not dissociate themselves at the time of the election, they bring contempt not merely upon themselves, but upon the House, the democratic process and the prospect of people voting in future elections.

Chris Huhne: The key point is whether there has been a change in what we are determining, compared with the previous position. Has the right hon. Gentleman had time to consider the view of Professor Steve Peers of the university of Essex in a Statewatch analysis on the justice and home affairs issues, for example, where he says clearly that there is a major change? He states:

"The introduction of a British and Irish opt out from this area of law is a major change from the text of the constitutional treaty".

In light of that, perhaps the right hon. Gentleman would prefer to temper his remarks about lack of integrity.

Mr. Lilley: I will go straight to one of the arguments used by those who try to cover over the change of heart that they have had since before the election—that it should be a matter for Parliament that there has been a significant change. Parliament established a European Scrutiny Committee to investigate, decide and advise us on whether the Lisbon treaty was the same as the constitutional treaty. That Committee reported:

"Taken as a whole, the Reform Treaty produces a general framework which is substantially equivalent to the Constitutional Treaty. Even with the 'opt-in' provisions on police and judicial cooperation in criminal matters, and the Protocol on the Charter, we are not convinced that the same conclusion does not apply to the position of the UK under the Reform Treaty."

I think that that answers the hon. Gentleman's point.

Those on the Front Bench have made it clear what they are going to do. It was positively embarrassing watching the Foreign Secretary squirming like a worm on a hook, if that is not rather unfair to worms, which do not deliberately place themselves on the hook. I wish Ministers had been as straightforward as Huey Long, a notoriously cynical senator in the United States of America, who on election promptly broke a solemn pledge that he had made to his electorate. When his advisers came to him and said, "What should we tell people who are asking why you changed your mind?" he said, "Tell 'em I lied." The trouble with the Minister, who is a charming and nice Member of Parliament, and the Liberal non-rebels is that they do not have Huey Long's integrity and they certainly lack his clarity.

The First Deputy Chairman: Order. The right hon. Gentleman should think carefully about the language that he uses and the insinuation that he made.

Mr. Lilley: I take your point, Mrs. Heal. I withdraw the point: they have the integrity of Huey Long.

The First Deputy Chairman: Order. The right hon. Gentleman is an experienced Member of Parliament. I am sure that he wants to employ the taste and decency that usually characterise debates in the Chamber.

Mr. Lilley: I take your point, Mrs. Heal, and entirely withdraw my previous remarks.

The first argument that supporters of the change of heart deploy is that the Lisbon treaty is less important than previous treaties. The only question that faces those who made a promise about the constitution is how the treaty compares with it—not with Maastricht or any other reforming treaty, but with the one on which they promised their constituents a vote. The European Scrutiny Committee has said that the treaty is substantially the same as the constitution. We know that almost all the leaders in Europe who are free to do so have said that the documents are the same. No Minister has explained to us why the Spanish Prime Minister, the author of the constitution, Giscard d'Estaing, the Belgian Foreign Minister, the Italian Prime Minister and countless other leading lights should say things that are untrue. Why would they say that the two documents are fundamentally the same if they are fundamentally different? Ministers have not even addressed the point.

The second argument is that no countries on the continent have held referendums on the Lisbon treaty. Of course they have not. Those that were required to hold referendums did so on the constitutional treaty. If they got a yes vote, they decided that they did not need another referendum on a document that is substantially the same. If they got a no vote, they decided not to get another biff in the face, and to pretend that the Lisbon treaty is different.

The third argument is that all the Governments of Europe signed up to the statement that the constitutional concept had been abandoned. I have before me the words of the statement that was issued after the Council meeting. It does, indeed, state that the constitutional concept was abandoned, but it continued, in the same sentence and the next, that, instead of

"repealing all existing Treaties and replacing them by a single 'constitution'...the Reform Treaty will introduce into the existing Treaties, which remain in force, the innovations resulting from the 2004 IGC."

[Mr. Lilley]

That IGC endorsed and decided to implement the European constitution. The statement makes no bones about it. Therefore, every time the Foreign Secretary quotes the statement without the second part, he misleads—unintentionally—the House of Commons and the British people.

The fourth argument is obscure—indeed, it is designed to be obscure. As Samuel Johnson said, if you want to escape from a difficult hole, emulate the squid and squirt black ink in their faces while making your getaway. Supporters of the change of heart have adopted the argument that the constitutional treaty involved repealing all the existing treaties whereas the Lisbon treaty does not. They fail to say that the constitutional treaty abolished existing treaties but reintroduced all their powers in its text.

6.15 pm

There are always two possible ways in which to move from an existing treaty, or set of treaties, or existing law, or set of laws, to a new final text. The first is to amend, in detail, all the existing laws until they are brought into the relevant form and adjusted and amended until they equal a final text; the second is to repeal all the existing laws and treaties and replace them with a new text incorporating those laws and any changes.

When we do that in this House—in respect, for example, of accumulated finance Bills—we normally call it a consolidation Bill. We consider it less, not more, important; we devote less time to it because it does not change any laws, but simply brings them all together. Essentially, what the European constitution did was to bring all the existing treaties together to make one document. If there is any doubt about the differences between those different routes, the Government have allayed them—they have published not only the Lisbon treaty, but the consolidated treaties that result from the Lisbon treaty. We know the final text that we have reached through the process of detailed amendment, and I have to report that it is almost identical to the consolidated text of the original European constitutional treaty. There is precious little difference, and the Government are adopting mere persiflage with their argument.

The Government say that a referendum is incompatible with parliamentary government. With a great flourish, the Foreign Secretary ended by saying that we should do what electors pay us to do. Well, after the last election, they sent us to fulfil our promises. All of us, except those who had dissociated themselves from the manifesto promise, were sent here to implement the promise to have a referendum on this treaty. If we do not do so, we are not doing what the electors pay us to do.

Those who believe in parliamentary government should be particularly wary, especially as that promise was made before the last election precisely to take out of the electoral arena the issue of whether the constitutional treaty should be ratified. People were told that that was done because they would have a separate vote on it in a referendum. If they are not to be granted that vote, Members were elected on false pretences—this House was elected having told people not to worry their little heads about Europe at the general election because they would face the decision later. It is an absolute abnegation of parliamentary democracy not to fulfil the pledge in those circumstances.

Finally, people say that the treaty is only a modest step and is no bigger than previous treaties. However, each step brings us nearer to a final point. If someone is on their way to Beachy Head, the first few miles do not matter, but the last few steps near the edge matter a great deal. I shall cite Hegel and Marx, authorities who may have more force on the Government Benches. They said that beyond a certain point, quantitative changes result in a qualitative change. Beyond a certain point, accumulative slices of the cake through successive treaties bring about a substantive, qualitative change. Over a period, if we keep on allowing without any check such transfers of power from us to the European institutions, we will cease to be a nation delegating powers to ancillary bodies and ourselves become an ancillary body allowed only to exercise such powers as a nation called Europe allows us to.

I do not think that my electors or those of any hon. Member want that to happen. If they do, they ought to have the chance to affirm it in a referendum and see whether they carry the day.

Michael Connarty: I have enjoyed today's debate because of the new characters who have appeared in the cast of this great endeavour. Now that we are on the 11th day of our consideration, it is good that people want to get their names on the record. It would have been nice if they had read the treaty and heard the earlier debates.

I disagreed with the right hon. and learned Member for Rushcliffe (Mr. Clarke) when he said that this was not a matter of detail. If people take the trouble to read the original European Scrutiny Committee report of October, they will see that it was matters of detail that flared up the treaty as a major item for public debate.

My right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) said that he was loyal, ever loyal and, therefore, too loyal. That was probably the case for many who should have advised the former Prime Minister that he was making a major error when he felt that he had to call a referendum because of parliamentary considerations. I do not think that the question of a referendum was relevant to this treaty. Why did that happen? Was it a rush of blood to the head? I would say that it was probably a rush of fear in the focus groups, which seemed to have more influence on Government policies in the run-up to the election than the party's wishes on the matter.

The Government benefit from being roughed up by Parliament, and from being roughed up by their own side. Being roughed up by the European Scrutiny Committee has made the Government and the Foreign Secretary go to Europe and fight our corner hard on a number of issues. They have brought back something different from the original treaty for a constitution. That is the reality; this treaty is significantly different. There would have been a European Foreign Secretary, a president of Europe and a constitution. It was a treaty for a constitution. Aided and abetted by the Dutch and French voters, who rejected it, there was a panic, and then a two-year period of reflection. Everyone is right: it was a question of getting the treaty under the wire so

that it did not cause another series of referendums, at a cost to the progress that member states wanted after Laeken and after the Convention.

We deal with many things every week involving EU powers that change the law-making relationship. Those EU powers are already in place in the Single European Act, Maastricht and Amsterdam. They are in processes we have had to opt into, such as the Schengen agreement, after the treaty of Amsterdam, to make a serious attempt to stop cross-border crime, terrorism, breaches of immigration and drug trafficking. That is why I believe that my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith) was wrong—we cannot opt out and have a new relationship. We have to deal with such matters within the European Union.

We have to progress with what we have, and what we have is—

Paul Farrelly (Newcastle-under-Lyme) (Lab): Will my hon. Friend give way?

Michael Connarty: No, I will not take interventions from someone who has just come in. People have been sitting here all day, and all week.

It is important that people realise that what was sent by the "I Want a Referendum" campaign was a series of falsehoods—calumnies, in fact—concerning the work done by the European Scrutiny Committee. It sometimes chose to use half of a sentence, or even a quarter of a sentence. For example, it said that the Scrutiny Committee had said that the

"Reform treaty was 'substantially equivalent' to the EU constitution."

That was not what was said in the report. What was actually said was completely different:

"What matters is whether the new Treaty produces an effect which is substantially equivalent to the Constitutional Treaty."

The campaign just took the last part of that sentence and presented it as a fact. The report went on to say that for countries that did not have opt-outs and derogations, the treaty was substantially the same, but that that was not the case for the UK.

What the referendum campaign sent out said that there would be a cut in the UK's voting strength. Not true; it is a lie. The UK's voting strength in the Council is going up because of the treaty. The campaign referred to immunity for Europol officers. People should read the report that we put out last week, which showed that the Home Office has won an agreement that Europol officers will not be given immunity. That is a fact; we have won that fight. It goes on and on, it says—

Mr. Heathcoat-Amory: Will the hon. Gentleman give way?

Michael Connarty: No, I will not give way. I do not have time.

The campaign refers to

"a president...for the EU."

The treaty will not create a president for the European Union; it will create a president of the Council, who will not be a member of the Commission.

Mr. Heathcoat-Amory: Will the hon. Gentleman give way?

Michael Connarty: I am not going to give way; I do not have time. We have a short timetable.

The campaign says that the treaty will create a Foreign Secretary for the EU. It will not. All those things are calumnies and lies, and they were in a document that was used to fool people. The campaign gave them a postcard, postage paid, to send back, so that it could call that a victory for a referendum.

Mr. Heathcoat-Amory: On a point of order, Mrs. Heal. Is it in order for the Chairman of the Committee to misquote the report, which is not just in his name but in mine, too? That is an outrageous abuse of the House, so can you correct it?

The First Deputy Chairman: That is not a point of order for the Chair; it is a matter for debate. I am sure that the right hon. Gentleman will get the opportunity to put the record straight.

Michael Connarty: The point is that the case is put in such a way as to suggest that the European Scrutiny Committee said something but did not expect the Government to respond. What we said—I am quoting from under the heading "the Constitutional Treaty and the Reform Treaty compared"—was that

"we are not convinced that the same conclusion does not apply to...the Reform Treaty."

However, we continued:

"We look to the Government to make it clear where the changes they have sought and gained at the IGC alter this conclusion in relation to the UK."

The Government came back and argued their case. We took a different view at different times, but let me put it on record that 48 amendments were tabled in the name of the hon. Member for Stone (Mr. Cash) and his colleagues, and that all of them were defeated. Nine of those amendments proposed a referendum. The question of a referendum was defeated nine times in the process of preparing the European Scrutiny Committee's report so, regardless of the— *[Interruption.]*

The First Deputy Chairman: Order. There are far too many private conversations taking place. Hon. Members who have been in the Chamber throughout the afternoon wish to hear the conclusion of the debate.

Michael Connarty: I was a teacher for 14 years and I had more rowdiness in my classes than in here, but I enjoyed the dialogue then and I enjoy here, too.

No one should leave the House saying that the European Scrutiny Committee did not consider the matter right to the end, including the question of a referendum. We took our job seriously, and I believe that those who have participated in the past 11 days of this debate have taken it seriously, too.

Angus Robertson *rose—*

Michael Connarty: The hon. Gentleman is recorded as having voted against a referendum nine times in the Committee. I understand why Members of the Scottish

[Michael Connarty]

National party intend to vote as they do, however, because of the competences, and I sympathise with them on that.

Angus Robertson: In fairness, will the Chairman of the Committee point out to the House that the reason why some of us voted against a referendum in the context that he is describing was that it was not part of the Committee's remit for that investigation?

Michael Connarty: If that was the reason, I am glad that the hon. Gentleman has put it on the record.

The main point for me is that those who took our business in the House seriously—those who read the treaty and referred to its substantive clauses—were doing the job that they were sent here to do. To say that that work should be done in a referendum is to abrogate our responsibilities as politicians.

The Minister for Europe (Mr. Jim Murphy): I have six minutes to respond to what has been a fascinating and often humorous debate. As one of the few Members who has spoken who was not here for the debates on the Maastricht treaty, it has been very interesting for me to hear the speeches for the first time.

We heard an excellent speech from the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), who reminded us of his personal history as a Euro rebel turned party leader. That joint history is part of the reason why his party denied him the opportunity to be defeated at a general election.

As I think everyone accepts, the shadow Foreign Secretary comes to the House in the middle of the afternoon and treats us to a series of excellent after-dinner speeches.

We also heard from the hon. Member for Stone (Mr. Cash), who is now in his place again. He made an excellent and telling contribution, which is why the former Prime Minister, John Major, was absolutely wrong when he said that the hon. Gentleman was

"obsessive, driven and, on Europe, frankly a bore".

That was of course entirely unfair.

Mr. Cash: I regard that statement, from that particular gentleman, as a tribute.

Mr. Murphy: When Conservative Members decry their former Prime Minister, who did so much, where he could, to keep the Conservative party in the European mainstream, that, more than anything else, reflects just how much the party has changed in recent years.

The Lisbon treaty is, as we know, the conclusion of the collapse of communism—a freeing of the human spirit that we all celebrated—and the decision of the countries concerned to join the European Union, so that we now have 27 member states and we need to reform our structures.

There are big questions before us this evening that the Opposition have as yet been unable to answer. For example, which specific line-by-line proposals in the Lisbon treaty make it more significant than the Maastricht treaty?

6.30 pm

Mr. Clappison: The Minister's point would have more force if we had had the opportunity that we were promised to scrutinise the provisions on borders, immigration and defence.

Mr. Murphy: I take that answer to mean "none". The hon. Gentleman has had the opportunity—as have all hon. Members here this evening—to state which specific proposals in the Lisbon treaty he thinks make it more significant than the Maastricht treaty, on which the Conservatives refused to have a referendum.

Mr. Shepherd: I am glad that we are able to get in obliquely like this. It is the accumulation of five or six treaties that has led us here—*[Interruption.]* No one in this country under the age of 57 has ever had the opportunity to express a view on this business.

Mr. Murphy: The Conservatives are judged by their words. The hon. Gentleman cannot identify a specific proposal in the Lisbon treaty that makes it more significant than the Maastricht treaty. He is a supporter and member of the Better Off Out campaign. He has the honesty of holding that view and commitment, and that is a growing trend among Back Benchers in the Conservative party, which continues to gallop ever closer towards Eurosceptic isolationism. The Conservatives also refuse to acknowledge the consequences of their isolationism, which has captured most—although, of course, not all—of today's Conservative party. No previous Conservative Government ever offered a referendum on a European amending treaty. No conservative Government anywhere in the European Union are even considering holding a referendum on this treaty. No conservative Opposition in any country of the European Union are demanding a referendum as our Conservative Opposition are doing.

We have heard today from my hon. Friends the Members for Ilford, South (Mike Gapes) and for Linlithgow and East Falkirk (Michael Connarty), the Chairs of the relevant Select Committees. The Foreign Affairs Committee voted against a referendum not once but twice, and the European Scrutiny Committee voted against a referendum not once, not twice, but on nine separate occasions.

The hon. Member for Rayleigh (Mr. Francois) will have the opportunity in a moment to tell the House which other conservative parties or Governments in the European Union are opposing the treaty and demanding a referendum as his party is doing. It is clear that his once influential party—which was the party of Europe for 30 years, in a tradition set by Macmillan and Heath—has, in the main, been reduced to an isolationist, anti-European rabble. That is a policy set and dictated by the hon. Member for Stone. It represents a victory of ideology over national interest, and this Parliament should not give such a policy its consent this evening.

Mr. Mark Francois (Rayleigh) (Con): This has been a debate about broken promises. First, the Government promised a referendum. Then, in lieu of a referendum, they promised the House of Commons 20 days of detailed parliamentary debate. Then they broke that promise, and allocated only 14 days—less than half the number given to debate the treaty of Maastricht. Then

they broke that promise. They told us that we would give the Bill line-by-line scrutiny, but they so manipulated the debate that the detailed scrutiny of the amendments was left until the end of the day, and large groups of amendments were not debated at all, including critical amendments on borders, visas, immigration, asylum, defence, social policy and the free movement of workers. None of those provisions was subjected to line-by-line scrutiny at all, yet such scrutiny was the Government's main excuse for not granting a referendum in the first place.

I turn first to the Foreign Secretary's speech. At the risk of being ungallant to him, I must say that he did not have a very good day. First, he tried to argue that the Government had originally promised a referendum on the EU constitution because it represented fundamental changes to our relationship with the European Union. Then, when he was pressed further, the right hon. Gentleman said that it did not represent a fundamental change in our relationship with the EU. Taking interventions from all sides, he completely dropped the ball when he said that the reason why the Government promised a referendum in the first place was that they needed to "clear the air". Well, if we needed to clear the air then, why do we not clear the air now and give the people of this country the referendum that they were promised? If that is the only argument that the Foreign Secretary can put to the House, I look forward to the rapid promotion of the Minister for Europe.

Let me turn now to deal with those parliamentary statesmen, the Liberal Democrats, who are planning, I am told—with some honourable exceptions—to abstain constructively. They have no mandate for an in/out referendum in their 2005 manifesto, which promised a referendum on the EU constitution and gave no promise on an in/out referendum. They are arguing a case to paper over the cracks in their policies without any endorsement from the people who sent them to this House of Commons. That is the mess that they find themselves in. My right hon. Friend the Member for Richmond, Yorks (Mr. Hague) made the point about the missing cojones—and I have to say that, at the end of this debate, they have still not been discovered. The Government lost a pair of discs; the Liberal Democrats lost a pair of something else—and they have not yet been found.

Tonight we are taking an important decision for our country, so what are the Liberal Democrats going to do? What is the party of Lloyd George, Asquith and Gladstone going to do tonight when the future of our country is in the balance? They are going to go and hide in the toilets because they do not have the guts to vote on the question either one way or the other! And it is the Liberal Democrats who promise us a new politics, a politics of change. If that is all they have to offer, they should go back to the starting board and start again.

The two documents are the same. The Council mandate of the intergovernmental conference 2004 brought forward almost all the same innovations. That is how it was done. The European Scrutiny Committee said that the two were substantially equivalent and Valéry Giscard d'Estaing summed it up perfectly when he said:

"Public opinion will be led to adopt, without knowing it, the proposals that we dare not present to them directly...All the earlier proposals will be in the new text, but will be hidden and disguised in some way."

In the latest poll, 88 per cent. of the British people wanted a referendum. This House collectively, and all parties, gave their word that they would have it. We dishonour this place if we do not keep that promise. We say: let the promise be kept, let the question be put, let the Commons retain its honour in the eyes of the public, and let the people decide.

Question put, That the amendment be made:—

The Committee divided: Ayes 248, Noes 311.

Division No. 117] [6.38 pm

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browning, Angela
Burgon, Colin
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cook, Frank
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Cummings, John
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Dunwoody, Mrs. Gwyneth
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Galloway, Mr. George
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Godsiff, Mr. Roger
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip

Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hoyle, Mr. Lindsay
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Marshall, Mr. David
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moss, Mr. Malcolm
Mudie, Mr. George
Mulholland, Greg
Mundell, David
Murphy, Mr. Denis
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Salmond, rh Mr. Alex
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Dr. Richard
Tredinnick, David
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Crispin Blunt and Mr. Richard Benyon

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gummer, rh Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hughes, rh Beverley

Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and Steve McCabe

Question accordingly negatived.

It being more than six hours after the commencement of proceedings in Committee, THE CHAIRMAN *put forthwith the Questions necessary to dispose of the business to be concluded at that hour, pursuant to Orders [28 January and 3 March].*

Amendment proposed: No. 296, page 4, leave out line 8 and insert—

'(2A) Section [Referendum on the Treaty of Lisbon (No. 2)] and Schedule [Conduct of the Referendum (No. 2)] come into force on Royal Assent.

(2B) The other provisions of this Act come into force if an affirmative answer has been given to the question specified in section [Referendum on the Treaty of Lisbon (No. 2)] in a referendum held in accordance with that section and Schedule [Conduct of the Referendum (No. 2)] and any legal challenge made under that Schedule has been disposed of by the court or courts in question.'.—*[Mr. Davidson.]*

Question put, That the amendment be made:—

The Committee divided: Ayes 247, Noes 311.

Division No. 118] **[6.55 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browning, Angela
Burgon, Colin
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cook, Frank
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Cummings, John
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James

Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Dunwoody, Mrs. Gwyneth
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Galloway, Mr. George
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Godsiff, Mr. Roger
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hoyle, Mr. Lindsay
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Marshall, Mr. David
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moss, Mr. Malcolm
Mudie, Mr. George
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Salmond, rh Mr. Alex
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Dr. Richard
Tredinnick, David
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Kelvin Hopkins and Mr. Ronnie Campbell

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank

Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gummer, rh Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hoyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and Steve McCabe

Question accordingly negatived.

Motion made, and Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 355, Noes 218.

Division No. 119] **[7.9 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brown, rh Mr. Gordon

Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Ciwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Farron, Tim
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John

Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Steve McCabe and
Mr. Frank Roy

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Grey, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mudie, Mr. George
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Salmond, rh Mr. Alex
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Dr. Richard
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Crispin Blunt and
Mr. Richard Benyon

Question accordingly agreed to.
Clause 8 ordered to stand part of the Bill.

Anne Main: On a point of order, Sir Alan. I seek your guidance. I disapprove of the Liberal Democrats' principled abstention, but I disapprove even more of

[Anne Main]

hon. Members, particularly those on the Government Benches, photographing those making that principled abstention.

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. I hope that it is understood across the Committee that taking pictures on a camera in the Chamber is completely out of order. A device was in evidence that was clearly not being used for a telephone conversation, although that, too, would be out of order. I will report the matter to Mr. Speaker at the earliest opportunity.

New Clause 9

Supremacy of Parliament

'Notwithstanding any provision of the European Communities Act 1972, nothing in this Act shall affect or be construed by any court in the United Kingdom as affecting the supremacy of the United Kingdom Parliament.'—*[Mr. Cash.]*

Brought up, and read the First time.

Question put, That the clause be read a Second time:—

The Committee proceeded to a Division.

The Chairman: Order. I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The Committee having divided: Ayes 48, Noes 380.

Division No. 120] **[7.24 pm**

AYES

Ancram, rh Mr. Michael
Bacon, Mr. Richard
Binley, Mr. Brian
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Conway, Derek
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dodds, Mr. Nigel
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Fraser, Christopher
Gale, Mr. Roger
Gray, Mr. James
Hancock, Mr. Mike
Heathcoat-Amory, rh Mr. David
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Jenkin, Mr. Bernard
Knight, rh Mr. Greg
Leigh, Mr. Edward
Lilley, rh Mr. Peter
Main, Anne
Malins, Mr. Humfrey
McCrea, Dr. William
Pritchard, Mark
Redwood, rh Mr. John
Robinson, rh Mr. Peter
Scott, Mr. Lee
Shepherd, Mr. Richard
Simpson, David
Spink, Bob
Stuart, Mr. Graham
Tapsell, Sir Peter
Taylor, Dr. Richard
Turner, Mr. Andrew
Walker, Mr. Charles
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas

Tellers for the Ayes:
Mr. Peter Bone and
Mr. Philip Hollobone

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Farron, Tim
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret

Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salmond, rh Mr. Alex
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Steve McCabe and Mr. Frank Roy

Question accordingly negatived.
Bill reported, without amendment.
Third Reading tomorrow.

PETITIONS

UK Foreign Policy (Israel and the Palestinians)

7.44 pm

Stephen Williams (Bristol, West) (LD): I wish to present a petition collected by constituents in Bristol, West.

The petition states:

The Petition of constituents of Bristol West,

Declares that despite ongoing human rights violations and the UK government's own export guidelines, the UK has consistently licensed exports to Israel for military equipment, thus providing material support for Israeli aggression, and sending a message of approval for its actions; further declares that the Israelis have declared Gaza a "hostile entity" within a "conflict short of war" and that the collective punishment of a civilian population is prohibited in international law.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Foreign Affairs to seek to end the siege on the Palestinians and to support Palestinian democracy by stopping arming Israel; reconsidering the UK's policy of refusing to provide aid to the Palestinian Authority following Hamas' election victory in January 2006 and pressing Israel to release all elected Palestinian parliamentarians, as well as other political prisoners; to censure the decision by the Israel cabinet to impose sanctions on supplies of electricity, fuel, and other basic goods and services to the civilian population of Gaza, to cease colluding with this act of State Terrorism against innocent people; and to work towards a just solution based on international law and an end to Israeli occupation.

And the Petitioners remain, etc.

[P000138]

EU Constitution (Referendum)

7.46 pm

Bob Spink (Castle Point) (Con): I rise to present a petition about the Government and MPs' duty to honour their promise of a referendum on the EU treaty. The vote just taken rejecting the referendum marks a low ebb in the history of this Parliament and represents a disgraceful betrayal of the British people.

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman is familiar with the procedure when petitions are presented. No speech is allowed, just a few minutes of comments, and that is all.

Bob Spink: I accept your guidance, Madam Deputy Speaker, and will keep my remarks to at least half a few minutes.

Tonight's vote represents a disgraceful betrayal of the British people and illustrates why the House is at a lower ebb than I can ever recall in my lifetime.

Madam Deputy Speaker: Order. The hon. Gentleman knows that there is a heading on the petition that it would be appropriate to read, rather than continuing the debate that has just concluded.

Bob Spink: On a point of order, Madam Deputy Speaker. It is my understanding that the traditions of the House allow hon. Members, when presenting a petition, to make some introductory remarks focusing on the contents of that petition. It is also a tradition of the House that hon. Members are allowed one or two minutes in which to do that—a maximum of two minutes is stated. I wonder whether I could be allowed to follow that tradition.

Madam Deputy Speaker: May I remind the hon. Gentleman that he is of course allowed to do so on the petition itself, but not on all the detail surrounding it? The words on the head of the petition will be a very good guide to him.

Bob Spink: Thank you, Madam Deputy Speaker. I will accept your ruling and read out what the petition states:

The Petition of residents of Castle Point and others supporting the Telegraph EU Petition,

Declares that the EU Reform Treaty will significantly affect the constitutional arrangements between the UK and EU, and affect the way Britain is governed, permanently removing powers from Parliament to Brussels, particularly through a European Head of State, an EU diplomatic corps and Foreign Minister, a common system of criminal justice and a European Public Prosecutor, the abolition of 40 vetoes, bestowing a legal personality, treaty making powers and therefore all the trappings of statehood on the EU, and reducing Britain's strength on the Council of Ministers by 30 per cent., and that all the main parties promised a referendum at the last general election and that those MPs who now renege on their election promise will be held to account when they seek to make further election promises.

The Petitioners therefore request that the House of Commons urges the Government to consult the people before ratifying the Treaty.

And the Petitioners remain, etc.

[P000140]

Devonport and the Royal Navy

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

7.49 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Last week, Plymouth was awash with rumours that our naval base was to close within five years, that our dockyard was in danger and that the Royal Navy was being run down and laid down. Some found this bizarre and bemusing, but others were worried, and, for those who were worried, I was angry because it was all so unnecessary. I was even more concerned to hear of one person, who was set to move their home from up north to Devonport, bringing with them valuable skills, who was nearly put off doing so.

I want to start by looking at the role of the Royal Navy in the 21st century, and at the threats that it is being configured to face. Understanding those factors is crucial to understanding the future for Devonport. Opportunities, as well as challenges, arise from the revolution in British military capabilities and, as ever, there will be a central role for the Royal Navy, which our city has such a proud record in supporting.

In the cold war, the Navy existed principally to counter the threat of Soviet submarines in the Greenland-Faroes-Iceland gap. It does not take a strategic genius to realise that that threat has pretty much gone. There might be concerns about Russia, but they are now of a very different character and scale. The cold war gave rise to the need for large numbers of anti-submarine frigates, small aircraft carriers carrying anti-submarine helicopters, and deep-water minesweepers optimised for the cold north Atlantic.

The threats of today and tomorrow arise from international terrorism and from rogue or failing states. These in turn are intertwined with a series of other issues, such as the rise of piracy, the trafficking of drugs and people, and humanitarian disasters. It is perhaps more difficult to articulate the threat now than it was during the cold war or in the first half of the 20th century. Indeed, the uncertainty that now exists in the world is in many ways the danger itself.

Today, the deployment of our armed services most often takes place in coalition alongside the US and others. Forty other countries are involved in the NATO international security assistance force mission in Afghanistan, and more than 20 are involved in Iraq. As the years go by, a European coalition might become an increasingly likely basis for deploying a joint capability. It is against that background that the announcement about the 65,000-tonne aircraft carriers needs to be viewed.

Britain is one of a handful of NATO countries that has largely got to grips with making changes to ensure that our armed forces, and their equipment, are relevant to the challenges that we face today and the threats that we may face tomorrow, and that they are interoperable with those of key allies. For the Royal Navy, that has meant a transformation from a cold war force to a versatile, multifaceted fleet with a range of capabilities. Out have gone the large numbers of escorts optimised for anti-submarine warfare, and in their place have come larger aircraft carriers, new amphibious ships, better kit for the Royal Marines—as well as more Royal Marines—a new generation of nuclear submarines, and the maritime airborne surveillance and control aircraft, which will provide general situational awareness and be able to control the carriers' aircraft. There will also be a fleet of more flexible and agile vessels, in the shape of the future surface combatant.

Today's Navy is making a significant contribution to the present conflicts, in the form of landing forces, artillery bombardment in support of ground forces, the minesweepers that clear Iraqi ports, and naval auxiliaries delivering humanitarian supplies, to name but a few. Even in landlocked Afghanistan, huge numbers of naval personnel—including reservists—are involved. The Royal Navy is unique among the three services in operating not only at sea, but on the land and in the air. Many people outside communities such as Plymouth fail to realise that the Royal Marines, who have been fighting with such intensity in Afghanistan and Iraq are, in fact, part of the Navy. Likewise, many of the aircraft so vital to operations in those countries are naval aircraft flown by naval pilots.

This country needs a strong Royal Navy as much now as it ever has. In no way is it being sidelined, but it must be tailored to the needs of today and tomorrow. We need large carriers that can deploy significant numbers of aircraft anywhere in the world they are needed, so as to avoid relying on foreign airfields and the diplomatic implications and restrictions that that can bring. We need submarines armed with missiles that can strike deep inland with pinpoint accuracy, that can gather intelligence, or that can land special forces. That is why the Government have equipped all our fleet submarines with Tomahawk and are building a new generation of Astute class submarines.

We need amphibious ships that can carry troops and their equipment and that can deploy them ashore by landing craft, by helicopter or directly onside—or, conversely, evacuate British nationals or foreign civilians from harm's way, as we saw happening two summers ago in Lebanon. The helicopter carriers, assault ships and landing ships represent a complete modernisation of our entire amphibious flotilla. We need sealift vessels and support ships that can support forces ashore for extended periods of time. That is why the Government will renew the Royal Fleet Auxiliary Service through the military afloat reach and sustainability project.

I sometimes wonder whether the Opposition have cottoned on to the importance and the nature of those changes. So much of what they say seems to be rooted in cold war thinking, just as their economic policy is in Thatcherism and their social policy is in Victorian thinking. Certainly, they seem very preoccupied with ship numbers rather than appreciating that what is really important is having a wide, balanced and flexible range of capabilities.

The Navy has a very positive future, as central to UK defence policy as the other services. The transformation of capabilities to meet modern threats is covered in an excellent article by Dr. Eric Grove in the February 2008 edition of the parliamentary briefing, "Tomorrow's Royal Navy for Tomorrow's World". He concludes that when all of this change has worked through:

[Linda Gilroy]

"It would be hard to deny that such a capability did not make the UK a world power of significance, as one would expect from a country with one of the largest defence budgets in the world. Observers might well then be looking back at the Brown years as those when the seeds were finally laid for a renaissance of British Maritime power and global presence."

As my noble Friend the Minister with responsibility for defence equipment and support said loud and clear in an article for Plymouth's *The Herald* last week, Devonport, its naval base and its dockyard are central to that future.

Let me deal specifically with Devonport's role. I am pleased to see in her place on the Front Bench my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) in her role as Whip. Devonport will be the only yard in the UK with the capability to undertake important work on nuclear submarines. I am certain that our prudent Prime Minister and our Chancellor of the Exchequer are not going to replicate the £1 billion investment in the infrastructure that was made in the D154 dock any time soon. The dockyard has two more refuelling refits on the Vanguard class submarines, Vigilant and Vengeance. Thereafter, there will probably be two, if not three, life extension refits on the Vanguard boats, pending introduction of the new deterrent, for which Parliament gave the go-ahead for the design stage last year. That equates to 12 to 14 years' work for a Babcock Devonport work force of more than 2,500 people.

In parallel, the yard's unique facilities mean that the dockyard will be there to carry out deep maintenance periods on the Trafalgar class—wherever they are based—because of the docking constraints at Faslane. There is also the de-fuelling programme, so it is nonsense to talk of our dockyard being in danger under current Government policy, as the contracts in hand amount to more than £1 billion over the next 10 years.

Of course, deep maintenance work on surface ships will be essential to help with the peaks and troughs of the submarine work load. Irrespective of base-porting issues, as it moves to complete the terms of the business agreement with Babcock for the purchase of the dockyard during the course of this year and as it seeks to agree these matters with the other major marine companies through the surface ship support alliance, Ministry of Defence commercial arrangements will need to recognise that. As the new carriers are built, Rosyth's capacity will be fully occupied, allowing further surface ship refits to be allocated to Devonport—an issue to which I will return.

We are, of course, already home to the Navy's biggest amphibious ships, Albion and Bulwark. Plans are under way to move Royal Marine assets into the south yard. With that, the naval base can become a centre of excellence for amphibious warfare. We are also home to the Navy's hydrographic surveying squadron—five ships that do vital work in charting the world's oceans. With the Met Office in Exeter, the Hydrographic Office in Taunton—both MOD agencies—and the fast developing, world-class marine science partnership based in Plymouth itself, our region has a cluster of complementary activities in marine science and engineering that can only grow with climate change, which is such a strongly emerging challenge. We are bidding strongly to become the home for the new marine management organisation, which will come with the marine Bill.

Since the Conservatives closed Portland naval base in the 1990s, we have been home to Flag Officer Sea Training and its staff. As First Sea Lord Admiral Sir Jonathon Band says:

"It is the quality of our people that underpin all that the Royal Navy does: dedicated; motivated; well trained; and loyal. Their determination, courage and selfless attitude has been displayed time and again."

FOST is what gives focus to that. It puts through their paces not just British warships, but foreign warships from numerous navies. Plymouth's hosting of scores of warships each year from every corner of the globe is a hugely valuable asset. However, if Devonport is to continue to provide its excellent service to the Navy, key considerations must be respected. I have made them clear in countless meetings with Ministers at both the Ministry of Defence and the Treasury, and I hope my right hon. Friend the Minister will confirm that the messages have sunk in.

First, there is the constant need to ensure that the strategically important nuclear work force is maintained. Skills, expertise and experience must not be allowed to atrophy, or to be lost in the periods between submarine refits. As I said, it is vital for Devonport to secure sufficient maintenance and refit work on surface ships.

Secondly, there is the importance of respecting our nuclear covenant. Devonport is currently home to operational nuclear submarines, to those undergoing refit and to those awaiting disposal. The people of Plymouth have always been supportive and understanding of that, but they will not tolerate Devonport without a broader thriving defence sector. Stripping out the fleet base-porting and warship refit work and leaving only submarine work is not acceptable. Apart from the need for such work to maintain the skills base, we must gain positive benefit and local economic prosperity through a broad base of surface ship work.

Thirdly, Plymouth must remain an operational base for the Royal Navy. Refits and maintenance are not enough. In 1997 I inherited from my Conservative predecessor a constituency that contained the poorest ward in England, which was not unrelated to the careless way in which the Tories had allowed the dockyard to be run down in the 1990s.

I think the message has been received that the MOD must play its part in removing jobs from the overheated south-east, which includes Portsmouth. I know that the MOD is delivering on its targets, but I know from my work in the Select Committee on Defence that it could do more.

As I have said, I am grateful for the countless meetings to which my right hon. Friend the Minister and his colleagues have agreed, but I am sure he will not be surprised to hear that I have a list of questions to put to him. Satisfactory answers to those questions would help us to chart the way forward for Devonport in the immediate future.

First, following the naval base review we need assurances that all possible help will be forthcoming to enable surplus land to be released quickly, along with

the support and investment that will be necessary to deal with its decontamination. For decades we have complained that the MOD is slow when it comes to dealing with land release. On this occasion Project Roundel has been introduced in double-quick time, but we need to know that it will continue to proceed rapidly, and in a way that maximises benefit to the local economy beyond the term of the current base commander, Commodore Simon Lister, who has done so much to make this happen.

Secondly, assurances have been given by the naval base review team leader to the Devonport task force group, which I chair—and at the recent meeting between my right hon. Friend, Plymouth Members of Parliament and trade union leaders—that work will continue to be done to assess socio-economic issues associated with the follow-through from the naval base review, and any issues arising from the base-porting of ships.

Will my right hon. Friend confirm that detailed information will be available to enable a full and transparent assessment to be made of any socio-economic impact that arises from any of the changes? How near are we to knowing where we are on base-porting issues? Is the date days, weeks or months away? Can he scotch the rumour unleashed among others last week that FOST will be moved from Plymouth?

My final question—for now—concerns the future surface combatant. I know that it is still at the very early initial-concept stage. Can my right hon. Friend tell us something about the role of those vessels, and will he ensure that serious consideration can be given to a role for Devonport in leading in-service support for them?

Plymouth's defence sector remains vital to our local economy, and as a city we need to be on the front foot to ensure that it remains vibrant. I believe that, as Babcock Marine has established its headquarters in Plymouth, we have every reason to be confident not just about naval base activity and our traditional role in submarines but about new as well as traditional ways of supporting the Royal Navy, and the many activities associated with its surface ships of today and tomorrow.

I am grateful to have had the opportunity to present those issues to the Minister, and I look forward to hearing his response.

8.5 pm

The Minister for the Armed Forces (Mr. Bob Ainsworth): I congratulate my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) on securing the debate, and it is good to see that my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) is present to support her. The comments of my hon. Friend the Member for Plymouth, Sutton made it clear why she is considered to be a champion not only of her city but of the Royal Navy and the Royal Marines.

I assure my hon. Friend the Member for Plymouth, Sutton and the House that recent suggestions that we are planning to close the naval base at Devonport are without foundation, and I can confirm that there are no plans for flag officer sea training to move from Devonport. I will address her other questions later.

Devonport, along with the other naval bases at the Clyde and Portsmouth, will continue to provide the support that ensures that our Navy remains one of the best in the world. The defence industrial strategy laid down a challenge to the UK maritime industry to reduce its overheads and invest in the facilities and skills needed to meet the future demands of the Royal Navy. It was clear that we could not rely on industry alone to achieve the necessary rationalisation. Therefore, in September 2006, we launched the naval bases review. After a period of analysis, my right hon. Friend the Secretary of State for Defence announced in July of last year that all three naval bases were to be retained and optimised. That decision secured the futures of the naval bases and remains the position today. Since that announcement, work has been progressing at each of the naval bases to improve the efficiency of the support provided. Going forward, this implementation work has now been incorporated into a single programme: the maritime change programme.

Industry has a big part to play in the rationalisation, as Devonport has seen through the acquisition of Devonport Management Ltd by Babcock Marine. That is an important step in the managed rationalisation of the UK maritime industrial base. Along with the formation of the joint venture between BAE Systems and VT Group, it is a key component in ensuring long-term balance in supply and demand after the carrier. It will also help to embed the right behaviours and benefits into ship-build and support programmes as we move to through-life solutions.

Devonport is playing an integral part in the maintenance and upkeep of the Royal Navy surface fleet. Babcock Marine has recently completed the successful upkeep of the Type 22 frigate HMS Cumberland, and is currently undertaking a similar overhaul of the Navy's helicopter carrier, HMS Ocean. Babcock Marine, along with Fleet Support Ltd at Portsmouth, is working closely with the Ministry of Defence to allocate future upkeep packages through the auspices of the surface ship support project.

In addition, Devonport is a vital element of the UK's submarine programme. Babcock Marine is providing direct support to the Navy's submarine flotilla; for example, a significant milestone was recently achieved when HMS Victorious was successfully refloated in her dock. That was a significant step in a complex three-year project to refuel and refit the submarine. We have to be realistic, however, and must not lose sight of the fact that the number of ships requiring maintenance and repair has been reducing, and in the future as the older classes of submarines leave service and we introduce more capable vessels requiring less maintenance, it will be inevitable that fewer refits will be required.

I know that my hon. Friend has been working hard with other stakeholders in Plymouth to develop further the city and build for the future. It is only right that its future should build on the success of its maritime past. While I know that the potential loss of jobs recently announced by Babcock is disappointing, there is still, as I have said, much to celebrate.

I can assure my hon. Friend that through the maritime change programme we will continue to work closely with Babcock Marine to devise an optimal programme of submarine and surface ship work in

[Mr. Bob Ainsworth]

order to maintain what is a most valuable skill base. I can also reassure her that I, my ministerial colleagues and officials in the Department are fully aware of the local feeling in Devonport about the mix of submarine and ship support work.

As my hon. Friend knows, we are committed to making further investment in Devonport over the next few years. This includes the approval of a £180 million investment to upgrade nuclear refitting facilities and to support the decommissioning of nuclear submarines. There has been recent discussion in various quarters that some of the Royal Navy vessels based at Devonport might be moved. I want to reassure my hon. Friend that we have not taken any decisions to change the base-porting arrangements for ships or boats at Devonport, or at the other two naval bases.

As my hon. Friend is aware, the Department is undertaking a planning round. In it, we always consider a number of different options, many of which are not taken beyond initial consideration. I stress that no decisions have yet been made, and while I am unable to give an indication of the timetable for those decisions, I can reiterate the assurances that I have given to my hon. Friend on other occasions that I am committed to keeping her and others informed throughout the process. As the maritime change programme moves forward, we will continue fully to engage with a wide range of stakeholders, including the trade unions and other Government Departments, as well as those locally in the south-west, as more detailed plans become available.

As my hon. Friend said, it is important that the Department does not take decisions without understanding the socio-economic and environmental impact of any changes at any of the naval bases. I can assure her that my officials and I will be as open as possible with her and the local authority.

To answer my hon. Friend's other questions, Project Roundel—the sale of land at the Devonport estate—is at an early stage and it is too early to determine the time scales for disposal. However, I can confirm that our intention is to work closely with the local authority in a way that benefits the local economy. I can understand her concern that we move that project forward as soon as we are able.

Linda Gilroy: Will my right hon. Friend confirm that that will proceed quickly, and that the change of base commander will not affect the speed at which it happens?

Mr. Ainsworth: As I said, I cannot give a time scale, but it is not my intention to delay the process. As I also said, I will be as open as I can with my hon. Friend going forward. We do not want to delay the process; we want to move forward with it as quickly as we can.

The future surface combatant is expected to build on the capabilities of the existing Type 22 and Type 23 frigates. This capability includes delivering maritime force protection, providing maritime security to deployed forces, global maritime reach and maritime support to civil organisations. The FSC is at the early stages of concept design and the detailed user requirements have not yet been defined, so I am afraid that I cannot give my hon. Friend the assurances she requested. However, I can assure her that there are no reasons at the moment why Devonport should not be considered to have a role in the support of these vessels.

Linda Gilroy: In concluding, could my right hon. Friend confirm my understanding that Babcock Marine, which has just purchased our dockyard, is the leading surface ship support supplier in the UK and has an extremely high reputation with the integrated project team at Abbey Wood, with whom it deals?

Mr. Ainsworth: It most certainly does, so it is well placed to bid for this work, but as I have said, it is early days and I cannot offer the confirmation that my hon. Friend doubtless wants me to offer. I know that she will keep badgering me until I do so.

Finally, I take the opportunity to reiterate that we have no plans to close any of the naval bases, including Devonport. It would be wrong, however, if we did not continue carefully to consider how best to support the Royal Navy and to ensure that waterfront activity is delivered in an efficient and sustainable manner.

Linda Gilroy: On the support to the Royal Navy, will the Minister confirm that there are no plans to move the flag officer sea training from Plymouth?

Mr. Ainsworth: At the start of my speech, I said to my hon. Friend that there are no plans to move FOST from Devonport. I am happy to repeat both that and my pledge to keep her, my hon. Friend the Member for Plymouth, Devonport and other local stakeholders, including the local authority, trade unions and others who represent the community in Plymouth, as informed as I am able as these important decisions go forward. If I did not do so, I am sure my life would not be worth living.

Question put and agreed to.

Adjourned accordingly at sixteen minutes past Eight o'clock.

House of Commons

Thursday 6 March 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BROADS AUTHORITY BILL (BY ORDER)
Order for Third Reading read.
To be read the Third time on Thursday 13 March.

BOURNEMOUTH BOROUGH COUNCIL BILL *[LORDS]* *(BY ORDER)*

CANTERBURY CITY COUNCIL BILL *(BY ORDER)*

LEEDS CITY COUNCIL BILL *(BY ORDER)*

LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL *(BY ORDER)*

MANCHESTER CITY COUNCIL BILL *[LORDS]* *(BY ORDER)*

NOTTINGHAM CITY COUNCIL BILL *(BY ORDER)*

READING BOROUGH COUNCIL BILL *(BY ORDER)*
Orders for Second Reading read.
To be read a Second time on Thursday 13 March.

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Northern Rock

1. **Mr. Desmond Swayne** (New Forest, West) (Con): What strategic business objectives he has set for Northern Rock. [191839]

The Chancellor of the Exchequer (Mr. Alistair Darling): The new board is developing a strategic plan, and once that is completed, we will be able to tell the House and the public more.

Mr. Swayne: Will the bank continue to take deposits in Guernsey—deposits that will benefit from the Government's guarantee, but the interest on which will not be liable to United Kingdom tax?

Mr. Darling: As I said, we will have to wait and see what the board proposes. The board will look at all the products that Northern Rock currently sells. It is acutely aware of its responsibilities, and of the fact that it is trading with the benefit of Government support at the moment. As I said, it will publish its plan fairly shortly and everyone will then have an opportunity to see what it proposes.

John McFall (West Dunbartonshire) (Lab/Co-op): I welcome the appointment of Ron Sandler to his new post. One of the first initiatives that he undertook was to abolish the Together mortgage—the 125 per cent. loan to value. That was a good move, because I considered that mortgage an example of irresponsible lending. However, does the Chancellor appreciate that there are genuine issues of competition at stake? A number of banks and others have been on to me, and at the moment the spread between the inter-bank rate—the LIBOR rate—and base rates is considerable. That may be causing problems for companies. In advance of Ron Sandler's appearance before the Treasury Committee, would the Chancellor discuss those issues with him so that he can put our minds at ease on that competitive advantage, which others in the market have seen?

Mr. Darling: My right hon. Friend raises two matters. First, with regard to Northern Rock's competitive position, he is absolutely right that Ron Sandler and the board will want to look at what it is selling and offering. I understand that the board is looking at that now with a view to ensuring that whatever products it has on the market are priced appropriately. Everyone recognises that it would be unfair for the bank to rely on those guarantees for anything like a short period, and it would not be possible in terms of the Government's objectives of reducing and removing their guarantees in due course. On his second point, the Bank of England keeps the spread of interest rates and the LIBOR rate under constant review.

Peter Viggers (Gosport) (Con): Based on 2006 accounts, the inclusion of Northern Rock in the national accounts would add £90.7 billion to public sector net debt and increase the debt-to-GDP ratio by 6.7 per cent. In view of suggestions that the Chancellor of the Exchequer may be seeking to airbrush Northern Rock out of the national accounts, will he explain how he intends to deal with Northern Rock in the financial statements accompanying his Budget?

Mr. Darling: The hon. Gentleman will see that next week, but I cannot believe that he is seriously suggesting that, because Northern Rock is temporarily on the Government's books, we should slash public spending to take account of that fact. That would be absolutely ridiculous.

Ms Sally Keeble (Northampton, North) (Lab): Does my right hon. Friend agree that, given that Northern Rock had a very rapid expansion, it is likely that there will be a quick contraction of the business? Will he say how he is going to set about explaining that to the public, or ensuring that it is explained to the public, so that people do not get into a panic and think that there is a crisis, but understand that the process is part of an orderly management of the business?

Mr. Darling: The whole point of asking the board to produce a business plan is to plot a course for the future to enable the bank to continue to trade. Our objective has always been twofold: to ensure that we obtain value for the taxpayers on repayment of the Bank of England loan and to secure financial stability. Both elements have been met. We have been consistent in our objective throughout, and that will continue.

Mr. Michael Fallon (Sevenoaks) (Con): Given that the national statistician has ruled that Northern Rock, as a public company, should count as part of the public sector net debt, surely excluding it from the sustainable investment rule is nothing other than a straightforward political fiddle. Nobody is suggesting cutting public spending, only that the figures should be accurate.

Mr. Darling: The figures will be accurate. As the hon. Gentleman said, the national statistician has classified Northern Rock as part of the public sector. That is hardly surprising in view of the legislation that we passed a couple of weeks ago. However, the proposition that I put to the hon. Member for Gosport (Peter Viggers) is that the Conservatives appear to argue that, because it is now on the books, we should take account of it in ensuring that we meet our fiscal rules. The code for fiscal stability, which is underpinned by legislation, makes it clear that we can accommodate a period of temporary public ownership, and that would be properly accounted for. To suggest that, by extension, we should take action that would be bad for the economy is ridiculous.

Ian Lucas (Wrexham) (Lab): Does my right hon. Friend agree that when Northern Rock got into difficulties the primary responsibility of Government was to ensure that the banking system as a whole would not be undermined? Have not the Government achieved a great deal by restricting the difficulty to Northern Rock and resolving the position through the course that they have taken?

Mr. Darling: My hon. Friend is right. The justification for our intervening to provide facilities for Northern Rock was the genuine risk of the problems affecting it spreading to other financial institutions. That is why we took the decision. As I said a moment ago, one of our central objectives is to maintain the financial stability of the system. I expect that if we had not intervened the terms of the debate in the past few months would have been different. I remind the House that the decision that we made last September had all-party support at that time, precisely because it was the right thing to do.

Mr. David Evennett (Bexleyheath and Crayford) (Con): What discussions have taken place between the Government and the Northern Rock board about the number of staff employed by the bank in future?

Mr. Darling: The hon. Gentleman is right to raise the matter, which is, of course, of concern to Northern Rock employees. The issue must be tackled as part of the bank's overall business plan as it moves from where it is today to a more viable position in future. I know that Ron Sandler and his colleagues are considering all the options and that they will want to discuss them with their staff and staff representatives. All those matters will be considered in the business plan. They need to be resolved relatively soon—the state aid approvals run out on 17 March and we must therefore submit a new application, although some of the details will take longer to be fully worked out. I will keep the House informed.

Sir Peter Tapsell (Louth and Horncastle) (Con): Since the Government are so keen at present on European treaties, may I draw the Chancellor's attention to the fact that his proposals are a clear breach of the budget deficit procedure imposed on Britain by the Maastricht treaty? I opposed it at the time on the precise ground that he is now using: the inflexible rules that Europe lays down often have to be broken in unforeseen circumstances.

Mr. Darling: I know, as does the House, about the hon. Gentleman's difficulties with many matters European, but the fiscal rules that we operate are designed precisely to allow the flexibility that we need, not only for long-term investment, which is important, but for exceptional circumstances, such as the temporary ownership of Northern Rock. The rules were designed to take account of that possibility. However, it would be plain daft, having acquired Northern Rock, to take action that would be wholly inappropriate and damaging to the British economy.

Dr. Vincent Cable (Twickenham) (LD): What is an appropriate mortgage lending policy for a state-owned bank, bearing in mind that house prices are falling at 10 per cent. a year on the Nationwide index and 13 per cent. in the forward market, so that even the 90 per cent. mortgage would produce negative equity in a year, let alone the 95 per cent. mortgage, which the Government's Post Office is promoting?

Mr. Darling: It is for the board to devise a strategy to enable the bank to get out of its current difficulties. The hon. Gentleman will simply have to wait until then. It is true that house prices are slowing down, but on the back of many years when house prices were growing at 10 per cent., or even more in some parts of the country. Although the housing market in this country will slow down, I believe that it is fundamentally strong, but all lenders will want to price their products at what they regard an appropriate level now and at any time in the future.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): What is the Chancellor's plan B if the European Commission rules that the Treasury's loan to Northern Rock is illegal state aid?

Mr. Darling: I believe that we can meet the European state aid rules. We have had many discussions with the Commission and I remain confident that we can resolve the situation, just as I was always confident that we could resolve the situation with regard to Northern Rock. The hon. Gentleman might be better employed trying to find a credible policy on Northern Rock—something that the Conservatives have singularly failed to do in the past six months.

Personal Debt

2. **Annette Brooke** (Mid-Dorset and North Poole) (LD): What recent estimate he has made of levels of personal debt. [191841]

The Exchequer Secretary to the Treasury (Angela Eagle): According to the latest Bank of England statistics, total personal debt was £1.4 trillion in January 2008. That is against a background of economic stability and rising prosperity, with rising employment and robust income growth.

Annette Brooke: I thank the Minister for her answer, but given that about one fifth of all income is necessary just to service debt, which in turn will affect the demand for final goods and services, how confident is she about her forecast for economic growth of 2 to 2.5 per cent., when the consensus is that economic growth will slow down to 1.75 per cent.?

Angela Eagle: The hon. Lady will have to wait until next week for the updated forecast in the Budget. When looking at net debt, we must look at the level of assets, too, which have also risen, to £7.5 trillion. Household net wealth has risen by 72 per cent. in real terms under the economic policies pursued by the Government since 1997. I think that that is a success.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend agree that an intrinsic part of personal debt is the mortgage? Is she worried that people are predicting a mortgage famine, as the banking system increasingly refuses to lend to anyone? Will that be good for the economy or for personal debt?

Angela Eagle: I am not quite so pessimistic as my hon. Friend. We are not complacent about the situation that we face, but I should point out that there have been 1.8 million more home owners in the past 10 years under Labour. Because of our policies of economic stability and success, the average mortgage rate has been 5.6 per cent., which is half what the Conservatives managed to achieve between 1979 and 1997. That makes mortgages more affordable.

Mr. Mark Field (Cities of London and Westminster) (Con): I must confess that I was rather disappointed with the Exchequer Secretary's complacent answer to the original question. Does she not recognise that while she preaches stability and prudence her Department is setting the worst possible example of personal debt, given the enormous amount of public debt now on the balance sheet, which is getting ever worse?

Angela Eagle: Would the hon. Gentleman have preferred that we let Northern Rock go down?

Mr. Andrew Love (Edmonton) (Lab/Co-op): One of the best ways to address personal debt is through the provision of generic financial advice. This week the Thoresen review was published. Will my hon. Friend say whether she has had a chance to read it yet, when the Government are likely to come forward with recommendations based upon it and when we can look forward to a comprehensive system of generic financial advice throughout the country?

Angela Eagle: We strongly welcome the Thoresen review and have already announced £12 million to finance the pathfinder roll-out of all the generic financial advice involved in the review, in order to increase financial literacy, which Thoresen suggested that we do.

Northern Rock (Granite)

3. **Mr. Andrew Turner** (Isle of Wight) (Con): What Northern Rock's relationship with Granite is; and if he will make a statement. [191843]

The Chief Secretary to the Treasury (Yvette Cooper): Northern Rock set up Granite as a separate company structure for the sole purpose of raising finance for mortgage lending by Northern Rock. The commercial relationship between them reflects that. Other banks have set up similar securitisation arrangements.

Mr. Turner: The 2006 annual report says that Granite's

"ultimate controlling party is Northern Rock".

Did the Government nationalise Granite or did they forget?

Yvette Cooper: No, as we have made repeatedly clear, Northern Rock has been taken into temporary public ownership; Granite has not. It is the case that Northern Rock has significant control over Granite, because it sets the mortgage rates and decides whether to sell mortgages to Granite, and it set up Granite solely for the purpose of raising finance for mortgage lending by Northern Rock, so there is a clear commercial relationship between them. However, the hon. Gentleman seems to be proposing that we should effectively buy out the Granite bond holders. That would not be sensible for the taxpayer and could lead to considerable taxpayer costs.

Mr. Philip Dunne (Ludlow) (Con): The Chief Secretary told us in the debate on the Banking (Special Provisions) Bill that Granite was not being taken into public ownership—she has just confirmed that again now—and that it was not being guaranteed by the Government. Was she not aware that, in the week before that debate, the Office for National Statistics had determined that Granite's debts would be included in the public sector net debt?

Yvette Cooper: Of course we were aware of the ONS classification, which was set out on the basis of the loans and guarantees provided to Northern Rock at the beginning, and not on the basis of the subsequent decision to take Northern Rock into temporary public ownership. The ONS approach is to look at issues of control, and it is right that it should do that. However, we have to take these decisions in the interest of the taxpayer. Safeguarding those loans and guarantees by taking Northern Rock into temporary public ownership was the right decision for the taxpayer. It would not have been the right decision to buy out Granite's bond holders. They take risks, and it is right that they should do so. Frankly, this is becoming another day, another policy from the Opposition. Now they want us to fork out to buy up Granite as well.

Mr. Andrew Mackay (Bracknell) (Con): Does the Chief Secretary recall that Ministers kept reassuring us that Northern Rock had a very strong loan book? Will she confirm, however, that all the mortgages that have been hived off to Granite are the best and the early mortgages, and that those remaining with Northern Rock represent a much higher risk?

Yvette Cooper: No; the Financial Services Authority has testified that the loan book held by Northern Rock is of high quality. It is the case that Northern Rock has sold high-quality mortgages to Granite, but Northern Rock also holds high-quality mortgages, as assessed by the FSA, on its own books. That is why we have taken the decisions that we have taken, in the interests of financial stability and of the taxpayer.

Investment in Schools

4. **Mrs. Linda Riordan** (Halifax) (Lab/Co-op): What recent assessment he has made of the effects on the economy of expenditure on secondary schools. [191844]

The Chief Secretary to the Treasury (Yvette Cooper): Investment per pupil in England has increased from £2,500 a year in 1997 to £5,600 a year in 2007 to 2009. That has supported a big increase in attainment, with more than 60 per cent. of pupils now getting five or more GCSEs, compared with 45 per cent. in 1997. As the Leitch report showed, increasing skills in education has a long-term impact on economic growth.

Mrs. Riordan: I thank the Minister for her reply. Will she assure me that she will continue to work with colleagues in the Department for Children, Schools and Families to ensure that teenagers who want a practical, rather than an academic, career continue to get that funding and investment? That will enable the economy in Halifax to continue to grow, through the welcome investment by the Government into secondary education in Halifax, where GCSE results are above the national average and three of our schools—Halifax high, Park Lane and Sowerby Bridge—are in the top 30 most improved schools in the country.

Yvette Cooper: My hon. Friend is right to say that there has been a significant improvement in the schools and education in her area. She is also right to say that that is a direct result of the additional investment that we have put in. I can assure her that I will continue to work closely with my right hon. Friend the Secretary of State for Children, Schools and Families on determining how we can sustain that investment and improve education in the future.

Mr. David Chaytor (Bury, North) (Lab): Does my right hon. Friend recall that one of the most welcome announcements by the former Chancellor was his commitment to close the funding gap between the per pupil spend in state schools and that in private schools? Does the Treasury still share that commitment? Will it be possible, in next week's Budget statement, to give the House an update on the extent to which the funding gap has been narrowed?

Yvette Cooper: I can tell my hon. Friend that we think it right substantially to increase investment spending. In fact, that spending will rise as a result of the comprehensive spending review to £6,600 per pupil in 2010-11. It is not fair that those who are in private schools should get such a consistent advantage in investment and funding, and that is why we have set such great store by increasing investment—something that the Conservatives have repeatedly refused to support.

Mr. David Kidney (Stafford) (Lab): Given the national priority to raise skill levels as far and wide as we can, let me tell my right hon. Friend that when just one school in Stafford, the Sir Graham Balfour, was transformed through the private finance initiative from tired buildings on two sites to a modern state-of-the-art learning environment, attainment levels rocketed. The school is now oversubscribed, and with my and other people's help, it has an excellent partnership with a local manufacturing business. Should my right hon. Friend soon be talking to Ministers in the Department for Children, Schools and Families about accelerating the Building Schools for the Future programme, may I assure her that Staffordshire offers very good value for money in every sense of the word?

Yvette Cooper: My hon. Friend is right that we should not underestimate the impact of good facilities on teachers, children and education as a whole. That is partly about the books, computers and facilities that we have invested in for teachers to use in the classroom, but it is also about the physical environment—the buildings in which people are able to learn. That is why we have allocated £9.3 billion for Building Schools for the Future and for academies; we want to see that money well spent.

Budget Deficit

5. **Andrew Rosindell** (Romford) (Con): What his most recent estimate of the UK budget deficit is; and what plans he has to reduce it. [191845]

The Chancellor of the Exchequer (Mr. Alistair Darling): I shall publish all my Budget forecasts next week.

Andrew Rosindell: The Chancellor will be aware that according to the European Commission's economic forecasts, there is to be a structural deficit of 2.8 per cent. for the United Kingdom, compared with western Europe's overall deficit of 1.1 per cent. On that basis, how will Britain be able to cope with an economic shock?

Mr. Darling: Actually, we are well placed to deal with current times of uncertainty. Debt levels are lower now than they were in the 1990s. Our interest rates are historically low and our economy is much more resilient than it was. Government borrowing was 7.8 per cent. of gross domestic product in 1993-94, whereas it was 2.3 per cent. in 2006-07. What would, of course, exacerbate the situation and make it extremely difficult for the UK would be to follow the hon. Gentleman's party's policies, as the Conservatives have in excess of £10 billion-worth of unfunded tax

promises, not to mention other promises about prisons, the health service and even their green ISAs, where they had to admit that they had no idea how much those policies would cost.

Mr. Jim Devine (Livingston) (Lab): What contribution to reducing the national debt will be made by the privatisation of the Tote, as that decision will mean a reduction in choice for punters and invariably that one of the three big bookmakers will buy it at below market price?

Mr. Darling: As my hon. Friend knows, the Government are considering the sale of the Tote. I am not sure that I would agree with him that its sale would necessarily result in a reduction in choice, but that is the Government's policy and it remains our policy.

Richard Ottaway (Croydon, South) (Con): Will the ceiling for the sustainable investment rule remain at 40 per cent. over the next economic cycle?

Mr. Darling: As I said to the hon. Member for Romford (Andrew Rosindell) a few moments ago, the fiscal rules that we set up 10 years ago have served this country well and enabled us to protect public investment, which Conservatives were unable to do in their 18 years in government. Those rules are important and it is also important to ensure that we maintain public investment and long-term sustainable finances.

Justine Greening (Putney) (Con): The Institute for Fiscal Studies does not agree with the Chancellor's warm assessment of national debt levels. In fact, it recently concluded that it expects the sustainable investment rule to be broken. Given what he has just said about including Northern Rock and that having to react to that in national debt would be damaging to the economy, will he give the House a guarantee right now that the sustainable investment rule will not be broken?

Mr. Darling: As the hon. Lady knows, before any Budget or, indeed, any pre-Budget report, many commentators make forecasts. She, like the IFS and everyone else, will have to wait until next week to see what our forecasts are. What I can tell her—she ought to pay attention to this—is that under the Conservatives' latest economic policy of having a rule stating that there cannot be borrowing when the economy is growing above trend, they would have had to have cut something like 85 per cent. of capital investment over the last 10 years. To pursue that policy would be to repeat the very mistakes that the Conservative party made when it was last in office. We are not going to do that. We have rules that ensure that we can have long-term sustainable growth, which is one of the reasons why our economy is in much better shape now than it was in the 1980s and 1990s.

Aviation

6. **Norman Baker** (Lewes) (LD): If he will introduce fiscal measures to require the aviation sector to meet its environmental costs. [191846]

The Exchequer Secretary to the Treasury (Angela Eagle): In the 2007 pre-Budget report, the Government announced their intention to replace air passenger duty with a duty payable per aeroplane. The reform will take effect on 1 November 2009 and will send better environmental signals, ensuring that aviation makes a greater contribution to covering its environmental costs as well as raising a fair level of revenue to support public services.

Norman Baker: I welcome the Government's adoption of that Lib Dem policy, but will the Minister express her concern at the fact that it is usually much cheaper to fly to Manchester than to take the train, although flying produces far more carbon emissions per passenger? Is it not time that the Government sought to remedy that market distortion and somehow ensure, by means of Treasury levers, that the cost of travelling equates far more closely to carbon emissions than to the abstract formula that currently applies?

Angela Eagle: We have invested a substantial amount—over £10 billion—in our railways, with more to come in Government programmes. As we proceed towards decarbonising our economy over the medium to long term, the issues raised by the hon. Gentleman will have to be taken into account. That is why the Climate Change Bill is so important: it will make carbon budgets possible for the first time, thus enabling us to make decisions on all those issues.

David Taylor (North-West Leicestershire) (Lab/Co-op): According to its own calculations, aviation contributes about £13 billion to the United Kingdom's economy—less than 1 per cent. of GDP—yet its tax-free status produces for the industry about £10 billion, which is £50,000 for each of the 200,000 employees in the sector. On grounds of fairness, economics and environmental impact, is it not about time we addressed that long-standing issue?

Angela Eagle: Taxing aviation involves international issues, which are dealt with in the Chicago convention. The Government are trying to ensure that the convention is renegotiated; that is not an easy task. They are also pursuing—with some success, and hoping for a final decision soon—the inclusion of aviation in the European Union emissions trading system, which would begin to address the points that my hon. Friend has rightly made.

Mr. Alistair Carmichael (Orkney and Shetland) (LD) *rose—*

Hon. Members: Hear, hear!

Mr. Carmichael: There are few things more worrying than being cheered by Tories.

Does the Minister accept that, given the distances covered, a full plane is a very carbon-efficient way of transporting people around the highlands and islands? Does she also accept that the present system of per capita air passenger duty recognises the socio-economic importance of aviation to the remote communities in the highlands and islands, and will she ensure that it continues to be recognised when she constructs her new system?

Angela Eagle: Now that the hon. Gentleman has more time on his hands, I hope he will be able to respond to the public consultation on the design features of the tax. The consultation opened on 31 January, and will close on 24 April.

Mr. Brian Jenkins (Tamworth) (Lab): As my hon. Friend said, this is an international cause—and rightly so—fought on European ground. There will be little effect on our pollution if we tax aviation fuel in this country when planes are buying their fuel in France and then flying over here. Will my hon. Friend put more emphasis on the fact that we need to work internationally to solve the problem?

Angela Eagle: My hon. Friend is absolutely right. That is why we are trying to gather an international consensus to amend the Chicago convention, which is now anachronistic. It is also why we are working very hard with our partners in Europe—with, I hope, some success—to ensure that aviation is included in the EU emissions trading system. That would mean that the problem of aeroplanes diverting to airports in Europe where the tax is not payable would not arise.

Mr. Graham Brady (Altrincham and Sale, West) (Con): I welcome the Minister's last response. Will she look in particular at air freight? That is a very competitive market, and there will be no environmental benefit at all if planes simply divert to near-European airports and there is then transhipment to the UK.

Angela Eagle: The hon. Gentleman is right. I have met representatives of the freight industry, who are engaging positively in our consultation, and we will take into account the issues to do with, and the effects of, the move to the plane tax, which his party supports, in its design.

Climate Change

7. **Anne Snelgrove** (South Swindon) (Lab): What recent discussions he has had with Cabinet colleagues on the effects of climate change on the economy. [191848]

The Chancellor of the Exchequer (Mr. Alistair Darling): The Government are committed to reducing carbon emissions by 60 per cent. by 2050 through both domestic and international action.

Anne Snelgrove: My right hon. Friend may be aware of my private Member's Bill, which seeks to make public sector buildings more energy efficient and comes before the House on 25 April; all are welcome. Has he done any cost-benefit analysis on moving public sector buildings into the top quartile of energy performance?

Mr. Darling: I know that my hon. Friend is introducing that private Member's Bill, and she is right to raise the issue because it is important that at every single stage we do everything we can to reduce carbon emissions. I remind the House that through the Climate Change Bill that is currently passing through Parliament we will be the first Government in the world to impose a discipline on ourselves that will require us to meet the objectives we have set; there will not be room for Governments to escape the consequences of that. It follows, of course, that all buildings must play their part in ensuring that we emit less carbon as a result of heating and lighting them.

Mr. Graham Stuart (Beverley and Holderness) (Con): When the Government came to power 10 years ago, they promised to move taxation from "goods", such as employment, on to "bads" such as environmental emissions. They started along that line when first in power, but since then the percentage of taxes taken on environmental grounds has reduced over time. Will the Chancellor explain the rationale for that?

Mr. Darling: That is principally because the rate of increase in fuel duty was reduced after 2000. I recently listened to one of the hon. Gentleman's colleagues castigating the Government for that, and I was waiting for him to say, "And a new Conservative Government would, if ever elected, at some stage put up taxes on fuel." I suspect that the Conservatives are not going to say that. When the Opposition actually come up with a coherent set of policies that would tackle the environmental challenge we face, they will have rather more credibility than they do currently.

Lynne Jones (Birmingham, Selly Oak) (Lab): In 2006, Sir Nicholas Stern told the Chancellor's predecessor that expenditure of approximately 1 per cent. of GDP would be necessary to avoid dangerous climate change, which could result in the loss of between 5 and 20 per cent. of GDP. In 2008, what is the Chancellor's estimate of the proportion of the UK's GDP that will be spent on reducing our carbon dioxide emissions?

Mr. Darling: It is important that we follow Sir Nicholas Stern's advice. My hon. Friend is right that his findings, which I do not think have been disputed by any serious commentator, are that unless we are prepared to make the necessary investment now to tackle climate change, we will pay a heavy price in terms of loss of GDP not just in our country, but across the world. The Government will keep that under continuous review, and the sums that we are spending on tackling climate change are reflected in the additional money that has been given to Departments right across the piece. She is right that we must make the necessary investment over the next few years if we are to tackle climate change and ensure economic growth in the future.

Miss Anne McIntosh (Vale of York) (Con): The Climate Change Bill does not currently make clear what the relationship will be between the UK emissions trading scheme and the European Union emissions trading scheme. Will the Chancellor give a commitment to the House that that will be made clear in the Bill before it reaches the House of Commons, and that that relationship will not make our industry less competitive than its competitors in the European Union?

Mr. Darling: As the hon. Lady knows, that Bill will be coming before this House shortly, and she will doubtless be able to express her concerns to my ministerial colleagues at that time. She makes an

important point; it is important that all of us meet our environmental obligations, and it would be wrong for us to discriminate against British businesses. Is that not all the more reason for us to work together in Europe? The sooner the rest of her Conservative colleagues realise that Europe is a reality that can benefit our country, not only in environmental terms, but in industrial terms, the better it will be for all of us.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): The progress that we have made on the emissions trading scheme is universally recognised. What assessment has my right hon. Friend made of the willingness of other countries' Finance Ministers to introduce other fiscal measures to tackle climate change?

Mr. Darling: The signs are encouraging. Finance ministries across the world realise that this issue is not something that they can leave to their colleagues who deal with energy or environmental matters. Tackling climate change and dealing with these problems must be central to everything that Treasuries across the world do. I shall give an example. At the previous meeting of the G7 countries in Tokyo, we reached agreement with Japan and the United States—other countries indicated their support—for setting up a fund to help tackle climate change, particularly in developing countries. That demonstrates how Finance Ministers' thinking has changed over the past few years; most of us realise that we must deal with the economics and the problems of climate change together.

HMRC

8. **Bill Wiggin** (Leominster) (Con): What estimate he has made of the number of staff at HM Revenue and Customs who will receive bonus payments in 2007-08. [191849]

The Financial Secretary to the Treasury (Jane Kennedy): A final figure for the number of staff at HMRC who will receive bonus payments in 2007-08 is not available, because the period has not yet ended. Bonuses were received by 35,916 staff in 2005-06 and 38,179 staff in 2006-07.

Bill Wiggin: Can the right hon. Lady confirm whether the amount expected by those people will be more than £23 million? In light of the losses of 25 million people's data on the twin discs and the Standard Life pensioners' details, is she not concerned that the payments will be seen as a reward for failure?

Jane Kennedy: I am not going to be drawn into speculation about what the estimate might be for the end of the year. We do not yet know how many members of staff will have earned a bonus. It is important to remember that, in line with what happens in the wider civil service, bonuses are paid to encourage and reward performance.

Notwithstanding the incident to which the hon. Gentleman refers, HMRC's staff are working extremely hard to improve performance. They are making genuine progress in customer service—I am sure that many hon. Members would be prepared to acknowledge that that is happening in a number of fields, in particular tax credits. HMRC is internationally recognised as one of the leading tax administrations in the world, and when members of staff receive a bonus for their performance, it is because it has been very well earned. I do not accept that there is any indication of failure.

Dr. John Pugh (Southport) (LD): May I ask the Financial Secretary to give another estimate? What estimate does she make of the number of staff likely to lose their jobs as a result of the dramatic closure of tax offices in Merseyside and Southport?

Jane Kennedy: The hon. Gentleman knows that the existing network of offices does not match how HMRC will need to operate in the future. Like any other public service, it needs to examine its operations in detail and compare its processes and procedures with those of the best in the world. That is what HMRC is doing. All the staff affected by last Friday's announcements will be able to consult their managers to ensure that changes affecting them are handled in the most appropriate way for their circumstances. I hope that he will acknowledge that HMRC has an agreement with the trade unions, which handles this process in a good way.

Mr. Mark Hoban (Fareham) (Con): How will the HMRC bonus scheme deal with staff who apparently break rules designed to protect taxpayer confidentiality when posting tax returns between offices in order to cut costs and paperwork? Have no lessons been learned from discgate?

Jane Kennedy: If the hon. Gentleman has been studying the work that HMRC has been doing, he will know that it has implemented several changes already in response to lessons that were and are being learned as a result of the loss of the data. Opposition Members are seeking to exploit press speculation about what may or may not happen with bonuses. The HMRC staff who earn bonuses will have done so because of the efforts they have made to improve performance and to learn from experiences such as happened last year.

Health Expenditure

10. **Ben Chapman** (Wirral, South) (Lab): What recent assessment he has made of the effects on the economy of expenditure on primary health care. [191852]

The Exchequer Secretary to the Treasury (Angela Eagle): The NHS will devolve 82 per cent. of its revenue budget to primary care trust control, giving more money to the front line than ever before next year. Local organisations supported within a robust national framework are best placed to secure value for money on local services, as they understand the real needs of their community.

Ben Chapman: I accept that value for money for patients is a primary determinant, but does my hon. Friend think that the controls on PCTs, both democratic and governmental, are sufficient to ensure that value for money is always obtained and that when, for example, GPs enter into joint ventures with the private sector for primary care premises, we can ensure that best value for health is obtained?

Angela Eagle: I believe that the system is robust. Local improvement finance trust schemes have already injected £1.3 billion of investment into primary care. In our area, as my hon. Friend will know, the Wirral PCT has just won a national award as the best in the country. Both his constituency's primary care facilities, and those in my constituency at the Victoria Central hospital, are achieving huge increases in investment, all of which was opposed by the Opposition.

Lynda Waltho (Stourbridge) (Lab): I recently had the privilege of opening a new £8.1 million primary care centre in my constituency, which left my constituents in no doubt that Labour is the party of the NHS. Will my hon. Friend continue to prioritise spending on health care so that they continue to receive the benefits of sound, costed investment, instead of being seduced by the promises and pipe dreams of the Opposition?

Angela Eagle: I agree with my hon. Friend. Over the past 10 years we have seen a 17 per cent. fall in cancer deaths and a 17 per cent. increase in operations, with 1 million more operations being done and 1.8 million more out-patient attendances. That is good value for money for the doubling of investment, in real terms, in the NHS that has happened under this Government, thanks to the success of our economic policy, which has provided money for us to invest in the things that people really care about.

Topical Questions

T1. [191829] **Mr. Philip Hollobone** (Kettering) (Con): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Mr. Alistair Darling): The core purpose of the Treasury is to ensure the stability of the economy, promote growth and manage the public finances.

Mr. Hollobone: Will the Chancellor of the Exchequer halt the proposed closure of the tax office in Kettering and its relocation to more expensive premises in Northampton? Given that it is Government policy to increase the local population by one third and create 46,200 jobs in north Northamptonshire by 2021, local residents and businesses need more locally accessible tax advice, not less.

Mr. Darling: I understand the point that the hon. Gentleman makes, and hon. Members on both sides of the House could make the same point. As the Financial Secretary has just said, it is necessary to reorganise how HMRC does its business. That will mean in many places that the configuration of offices and services provided needs to change. If the hon. Gentleman has specific concerns, he will no doubt make them known, but we all have to recognise that HMRC needs to adapt to be able to provide a service that is up to the mark. That will sometimes mean that office reconfiguration is necessary. If he wishes to make further representations, we will of course listen to them.

T2. [191830] **John Robertson** (Glasgow, North-West) (Lab): Many of my constituents are elderly pensioners and they have been hard hit by the energy price increases introduced this year. Does the Chancellor think that it is now time to levy the energy companies and use that money to increase the winter fuel allowance from £200 to £300, which would help the elderly in the winter, when they really need it?

The Exchequer Secretary to the Treasury (Angela Eagle): My hon. Friend should also recognise that annual winter fuel payments, introduced by this Government, now total £2 billion. Warm Front, which has spent £1.6 billion on energy efficiency so far, has helped 1.4 million households to be more energy-efficient, including, I am sure, many in my hon. Friend's constituency. He will have to wait until next week for more clarity on those issues.

Mr. George Osborne (Tatton) (Con): May I ask the Chancellor about the latest confusion at his Treasury: the future of the Barnett formula? Wendy Alexander says that the formula should be reviewed, and Lord Barnett says the same. The Prime Minister is dithering and, for once in his life, does not want a review. The Secretary of State for Justice and Lord Chancellor says that

"the Government would need to engage on this issue...and to deal with concerns in English constituencies about the fairness of the current system."

Does the Chancellor agree with the Lord Chancellor?

Mr. Darling: I wondered when we would hear from the hon. Gentleman, who has been uncharacteristically quiet this Question Time. As the House will know, the Unionist parties in the Scottish Parliament—the Liberals, Conservatives and Labour—have agreed to review arrangements under the Scotland Act 1998. As part of that, the Government have said that they will publish the way in which the Barnett formula has operated over the past 30 years. We are not currently reviewing it, but it will inform debate. There will have to be a lot of discussion. I hope that there will be agreement among those of us who believe that the Union is important. It is important that we have that debate, and I shall publish something—probably in the summer—that will contribute to it. I hope that all parties, the Conservatives included, who have supported the Barnett formula up to now will contribute to that.

Mr. Osborne: I am sorry that I waited 45 minutes to intervene. I almost lost the will to live listening to the Chancellor for 45 minutes. The whole House is dreading his hour-long Budget speech next week.

I have the minutes of the Cabinet Committee meeting in Downing street on 28 January, at which the Chancellor was present. I know that he is only the Chancellor of the Exchequer, but he did not express an opinion at all, according to the minutes. It says that there is concern in English constituencies about the Barnett formula and that the Prime Minister says that there needs to be a

"period of debate and discussion before concrete proposals could be put forward."

Does the Chancellor agree that if there is to be a period of debate and discussion, as the Prime Minister wants, at the very least the Treasury paper that he wants to produce should make a needs-based assessment of how

spending will be allocated across the UK? That would give us the facts on which to have the discussion—and he could show some leadership on the issue.

Mr. Darling: I know that the hon. Gentleman has the minutes, as I understand that they were inadvertently widely circulated, not only within Government but without Government, too. As I said, it is important that people understand the way in which funding of the devolved Administrations has been made for almost 30 years. If we are to change that, we must discuss the implications not only for the devolved Administrations but for the whole UK. I intend to publish the position on the Barnett formula, probably in the summer, but there ought to be a debate. I hope that all parties will join in, especially those that are committed to maintaining the UK, which I believe is of the utmost importance.

Several hon. Members *rose—*

Mr. Speaker: Order. May I appeal to Ministers and Members alike? We have to get through the Order Paper, and I wish to call as many hon. Members as possible.

T3. [191831] **Ian Lucas** (Wrexham) (Lab): The UK's economic stability has helped to secure a £20 billion investment for EADS and Airbus in north-east Wales. Does my right hon. Friend recall that, in 1981, the largest ever single job-loss announcement was made in the same constituency? Does he also recall which party was in power?

Angela Eagle: It is absolutely true that unemployment tends to soar when the Conservatives are in office and plummet when Labour is in office. My hon. Friend's constituency is a case in point. There has been a 53 per cent. fall in unemployment in Wrexham and, as he points out, the new and very welcome investments in both Airbus and Toyota are bringing good, high-skilled jobs with good value-added capacity to the local economy. Unemployment is a Conservative phenomenon; employment is a Labour phenomenon.

T4. [191832] **Norman Baker** (Lewes) (LD): Will the Chancellor use the Budget next week to announce the removal of his poll tax on non-domicile qualifiers, on the basis that it hurts small, independent people greatly while doing nothing at all to tackle the rich oligarchs of whom he is so enamoured? Can we instead have a seven-year period in which non-doms pay no tax, after which they pay normal tax, the same as everybody else? Would that be a fairer solution?

The Financial Secretary to the Treasury (Jane Kennedy): The aim of the residence and domicile changes that were announced in the pre-Budget report was to make the tax rules fairer while supporting UK competitiveness. I do not recognise the hon. Gentleman's description of the situation, but we do acknowledge that the special rules for non-domiciles make an important contribution to the overall attractiveness of the UK to international talent and investment. That is why those special rules are going to be staying in place.

T5. [191833] **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): Farmers who are struggling under a mountain of Government-imposed paperwork are likely to be extremely irritated if rules on income shifting require them to keep detailed records, including timesheets, of the family members who make a great contribution to the survival of their businesses. What assessment have the Government made of the cost that will be imposed on farms and other small businesses by the proposed changes?

Angela Eagle: The rules on income shifting are out to consultation. I hope that, if the hon. Gentleman has constituents who have worries about them, they will contact us and let us know. It is important for hon. Members to know that I have had many meetings with tax representatives who are worried about the matter, and we are listening. The idea of the rules on income shifting is to prevent people from gaining unfair advantages by shifting income from one person to another in a way that ordinary taxpayers cannot. That is what we are trying to get at, not genuine businesses that suffer from simplification or complication issues. I hope that the hon. Gentleman will talk to me about his constituents' worries if he wishes.

T8. [191837] **David Taylor** (North-West Leicestershire) (Lab/Co-op): The Chartered Institute of Purchasing and Supply's activity index for February was published yesterday, and showed the level rising to 54.0, the highest since 1996. That is a barometer of inflationary pressure and shows how right pensioners and others are to be concerned about inflation, as revealed by the consumer prices index. Will the Chancellor tell the House how our performance in relation to the CPI compares with the other countries in, for example, the G7, the euro area and the EU27?

Mr. Darling: The answer to my hon. Friend's question is that inflation here is less than in the euro area and half that in the United States. The reason for that is that when we gave the Bank of England independence to deal with monetary policy and interest rates, we gave it a very clear remit. That has resulted in our inflation being historically low. We are in an infinitely better position than we were in the 1970s and 1980s.

T6. [191834] **Mr. David Heath** (Somerton and Frome) (LD): I imagine that all hon. Members continue to have constituents who have problems with tax credits. Several of my constituents have gone to the tax credit office in the past few weeks and been sent from there to me to sort out their tax credit problems. Is that an innovative way of giving underemployed Members of Parliament enough casework, or is it, as I suspect, a way of fobbing off my constituents by not dealing with their problems properly in the first instance?

Jane Kennedy: I am sorry to hear of the hon. Gentleman's experience—

Sir Patrick Cormack (South Staffordshire) (Con): Which experience?

Jane Kennedy: The experience of tax credits—given the other matter, he will have a lot more time to consider it. Will he write to me about the detail? I

would like to look into the allegation, which is serious. I assure him that HMRC staff are working extremely hard through the transformation programme to improve the service to customers. He will have followed closely the changes that we have made in the past year or so, and I hope that in future hon. Members will not have experiences such as those that he describes.

T7. [191835] **Mark Pritchard** (The Wrekin) (Con): The Chancellor will know that the Post Office offers a very competitive savings account with a rate of 5.5 per cent. What advice would he give to sub-postmasters around the country who are seeing an outflow of those savings to an even more competitive savings account—that of Northern Rock, which is offering a rate of 6 per cent., subsidised by the taxpayer? Is that not a further blow to the post office network as a result of this Government's incompetence?

Mr. Darling: No. I am not sure whether the hon. Gentleman was present earlier, when we discussed Northern Rock, but I made it clear that the board of directors of Northern Rock is looking at the products that it offers, with a view to ensuring that they are not competing unfairly against other financial institutions. As for the Post Office, the Government have made very substantial sums available to support it, which was not the case in the past.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): I am grateful to the Treasury for its recent reply that revealed that the former Chancellor's decision to sell the nation's gold reserves cost the country more than £8 billion net of interest, which is more than the losses incurred by rogue traders such as Jérôme Kerviel and Nick Leeson and a multiple of the losses on black Wednesday, and cost every household in this country more than £200. In the words of my constituent, Sonia Chohan, who has referred the former Chancellor to the "Guinness Book of Records", is not

"Gordon Brown...the biggest rogue trader in history"?

Mr. Speaker: Order. I said that I wanted to get down the Order Paper, but it is getting difficult.

Angela Eagle: The right hon. Gentleman is being completely absurd, and he knows it. If it is such a terrible policy, why on earth are many other countries divesting themselves of their gold reserves to get a more balanced portfolio? He knows as well as anyone else that the then Governor of the Bank of England, Eddie George, when he was asked about it in 1999, said that it was a perfectly reasonable portfolio decision that spread risk and reduced the risk of the national reserves by 30 per cent.

Mr. Speaker: The only one who has not been called: Mr. Loughton.

Tim Loughton (East Worthing and Shoreham) (Con): I am grateful for your charity, Mr. Speaker.

I need to declare a personal interest, because yesterday I had cause to ring the late-filing penalty helpline of the Inland Revenue, having filed my tax return and had the cheque cashed on 30 January. The very helpful lady I spoke with said that she could not help me because the address she had for me was 12 years out of date, and for my wife 17 years out of date, despite our filing tax returns every year. She ended up by saying, "As you are an MP, perhaps you will take away from this call the complete chaos we are in." Does the Minister share that view and, if she does, why are so many of her colleagues getting paid a bonus?

Jane Kennedy: I am sorry to hear the hon. Gentleman's report of his experience with the self-assessment process. I shall take it away and investigate, but I point out that, despite the problems on the day, HMRC dealt with a very large number of cases. As he knows, people always leave it until the last minute, and HMRC experiences a huge surge in the number of self-assessments. All I can say is that I will investigate the hon. Gentleman's case and look into exactly what reports he has made to HMRC in recent years.

Business of the House

11.34 am

Mrs. Theresa May (Maidenhead) (Con): Will the Leader of the House please give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for the week commencing 10 March will be:

MONDAY 10 MARCH—Estimates [2nd allotted day]. There will be a debate on Northern Rock and banking reform, followed by a debate on London Underground and the public-private partnership agreements.

At 10 pm the House will be asked to agree all outstanding estimates.

TUESDAY 11 MARCH—Proceedings on the Consolidated Fund (Appropriation) Bill, followed by remaining stages of the European Union (Amendment) Bill.

WEDNESDAY 12 MARCH—My right hon. Friend the Chancellor of the Exchequer will open his Budget statement.

THURSDAY 13 MARCH—Continuation of the Budget debate.

FRIDAY 14 MARCH—Private Members' Bills.

The provisional business for the week commencing 17 March will include:

MONDAY 17 MARCH—Continuation of the Budget debate.

TUESDAY 18 MARCH—Conclusion of the Budget debate.

WEDNESDAY 19 MARCH—Opposition day [7th allotted day]. There will be a debate on an Opposition motion, subject to be announced.

THURSDAY 20 MARCH—Topical debate: subject to be announced, followed by motions to approve changes to Standing Orders and other House business.

[Monday 10 March: Treasury Committee, "The run on the Rock"—Fifth Report of Session 207-08, HC56-I.

Transport Committee, "The London Underground and the Public-Private Partnership Agreements"—Second Report of Session 2007-08, HC45.]

Mrs. May: I thank the Leader of the House for giving us the forthcoming business. This morning the Home Secretary issued a written statement to the House on changes to the Government's policy on ID cards. She also made an oral statement to the media. Why has she not made an oral statement to the House?

The Prime Minister's senior aide has now warned that closing post offices will have an appalling impact on rural areas. The Leader of the House promised my hon. Friend the Member for Mid-Worcestershire (Peter Luff) a debate on his Select Committee's report on the post office closure programme. When will we have that debate?

Yesterday in the House, the Liberal Democrat leader flunked his first big test. He sat on the fence as a point of principle, divided his party after only a few weeks and created two classes of Front Bencher: those who have to resign for rebelling and those who do not. Weak, divided and vacillating—can we have a debate on the qualities of political leadership?

Two days after the Prime Minister declared that child poverty was

"the scar that demeans Britain",

the latest report by the Select Committee on Work and Pensions found that the Government are set to miss their target of halving the number of children living in poverty, and that one in five families with a disabled child are so hard-up that they have to cut back on food. The Government talk about helping working families, but they have not done enough. May we have a topical debate on the Select Committee report?

Six years ago, the Government set up a project to restore historical footpaths and rights of way in the countryside. Now the project has been scrapped. Not one single pathway has been reopened, and the project has cost the taxpayer £15 million. No wonder the Government are losing their way. May we have a statement from the Secretary of State for Environment, Food and Rural Affairs about that waste of taxpayers' money?

On Monday, we learned that the NHS in England is heading for a surplus of £1.8 billion this year, but accident and emergency departments and maternity services face cuts, and average waiting times have risen from 41 days to 49 days, so may we have a statement from the Secretary of State for Health on improving patient care?

May we have a debate on standards in public life? Last December, in the House, the right hon. and learned Lady supported Lee Jasper, the London Mayor's former director for equalities and policing, who has been referred to the police for channelling public funds into organisations run by friends and cronies. The Labour Mayor has said that he trusts Lee Jasper with his life and would reappoint him, and the Prime Minister will not admit that anything is wrong, so will the Leader of the House make a statement on whether the Mayor and Lee Jasper still have the support of the Government over the scandal?

Lastly, may we have a debate on the Prime Minister's "Government of all the talents"? After repeatedly embarrassing the Prime Minister on his business and tax policies, we learn that the noble Lord Jones of Birmingham—Digby to his friends—is cutting loose. According to an e-mail, he has set up an office outside his Department. Where can he be found? At www.thebigblanket.co.uk. It is a move from the big tent to the big blanket, but with this circus, I am surprised that it is not to the big top. The Government have lost their moral compass and their way, and cannot deliver on their promises. When will they start treating the House with the respect that it deserves?

Ms Harman: The right hon. Lady asked about the Home Secretary's announcement on ID cards. The policy on them has not changed; the Home Secretary has announced the rolling out of the policy on ID cards. It makes sense for passports to have biometric data and for visas for foreign nationals to include such data. It also makes sense to extend ID cards next year to people working in secure areas of airports, as the Home Secretary has announced today. If there were a question of extending them on a compulsory basis, the

[Ms Harman]

House knows that that would be a matter for its consideration. The Home Secretary made it absolutely clear that there would be a roll-out on a voluntary basis, and that is what she is putting in place. *[Interruption.]* It is not a change of policy, so it does not require a statement in the House.

The right hon. Lady asked about the post office closure programme, and there will be a debate on that matter in due course. She also asked for a debate about the qualities of political leadership; I suggest that she makes that a topic for an Opposition day debate.

We made child poverty a priority when the question of poverty was not on the agenda of the previous Conservative Government. Having a strong economy and high employment so that children are not brought up in workless households, as well as increasing financial support for low-income families, is the best way to tackle child poverty. We will press on with our commitment to tackling child poverty and we are glad that at last the Conservative party has joined us in that commitment.

The right hon. Lady talked about the question of footpaths, and I will refer that to the Secretary of State for Environment, Food and Rural Affairs.

There are not cuts in maternity services or accident and emergency; there has been record investment in our health services, including maternity services and accident and emergency.

The right hon. Lady mentioned the Mayor of London. During the past eight years, while Ken Livingstone has been Mayor, London has been transformed for the better. At the elections in May, there will be a clear choice for Londoners. *[Interruption.]* Yes, there will. It will be the man from Oxfordshire offering cuts in the police and in transport and risking London's economy versus Ken Livingstone, who will put more police in all London neighbourhoods and who has massively increased public transport. When it comes to allegations of criminal offences, the police investigate, not the House, and the courts judge, not the House. That is not the business of the House—nor should it be.

Mr. David Chaytor (Bury, North) (Lab): In the autumn Budget statement, the Chancellor announced the launch of the competition for the carbon capture and storage demonstration project. Since then, an application has been made to build a new coal-fired power station—without any form of clean-coal, let alone carbon-capture, technology—at Kingsnorth in Kent. Does my right hon. and learned Friend accept that there is a clear contradiction between the expansion of new coal-fired power generation without carbon capture and the aspirations in the Climate Change Bill to reduce carbon emissions by at least 60 per cent. and possibly more? Would not the best way forward be to hold a public inquiry into that new application, and may we have a debate so that the contradictions can be explored?

Ms Harman: In the Climate Change Bill there is not an aspiration but a requirement by law to reduce carbon emissions, and our energy policy will make sure that that is the case. We want more carbon capture and storage, which is important, and we want to make sure that our carbon emissions are down overall. That will be kept under review.

Simon Hughes (North Southwark and Bermondsey) (LD): May I say to the Leader of the House that in the mayoral election, as in all elections, there are more than two choices? *[Interruption.]*

Mr. Speaker: Order. Allow the hon. Gentleman to speak.

Simon Hughes: Before we have the Budget statement next week, may we have a statement from the Chancellor of the Exchequer or a debate to make sure that the Treasury has understood the concerns about the collapse in the bingo industry and the need for changes in tax regime to ensure that clubs in all our constituencies, which have hundreds of thousands of members, have a chance of survival?

On Monday night in the debate on the estimates, we have a debate on the failed private finance initiative scheme for Metronet. Will it be possible to debate then or soon afterwards the other apparent PFI scandal? Not only do we appear to have non-domiciled Members of the House of Lords, but it seems that because of the PFI scheme that the now Prime Minister brought in, the Home Office, the Treasury and other buildings have been built under PFI and the owners have moved to tax havens such as the Channel Islands and are not paying taxes. That is clearly scandalous and entirely inconsistent with other Government policy.

As we come to the end of the financial year, we gather that during the financial year the health service has made a profit of a sum approaching £2 billion. If that is the case, may we have a debate to explain how, at the same time as the health service is making a profit, many trusts are unable to fulfil waiting list targets and probably every local authority in England, including the one that the Leader of the House and I represent, must make cuts in social services for the vulnerable? The Department appears to be making a profit and at the same time pulling money in from local government, which is caring for people.

Can the right hon. and learned Lady explain the reports that there will be a cut in the budget for science and research, potentially leading to the closure of our seven radiotelescopes, including the world-renowned Jodrell Bank telescope, which costs only £2.5 million to sustain—the same as the expenses of the members of the Cabinet?

I have asked the Leader of the House three times, as Commonwealth day approaches, whether we may have a debate on the Commonwealth. I hope she will be able to give me a positive reply, given that Commonwealth day is next Monday.

I also ask, as last week, whether we could have a debate on Home Office matters, the citizenship Green Paper, and the immigration rules, which have come into force even though there is much opposition to them, and whether, as is illustrated by the case reported on the front page of one of our national papers today about a constituent of mine, the Home Office is still insisting that gay people should be sent back to countries such as Iran.

Mr. Dennis Skinner (Bolsover) (Lab): I think they sacked the wrong one.

Ms Harman: As I said to the hon. Member for North Southwark and Bermondsey (Simon Hughes) last week, deportation of people to their country of origin is a matter for the rules and regulations laid down by the House and for the interpretation of the courts. People should not be sent back to their country of origin if they face torture or death there. If he wants to raise that individual case, perhaps he will write to the Home Secretary.

The hon. Gentleman raised three issues which I suggest he should raise in the Budget debate—tax in relation to PFI, our increasing investment in the national health service, and levels of investment in an area of great concern and importance to the Government, science and research. Those are three topics which he and his hon. Friends will have ample time to debate during the Budget day debate.

The hon. Gentleman raised the matter of bingo, which I noticed caused a great deal of mirth and laughter among members of the official Opposition. I agree that bingo is an important matter, so I will draw that point to the attention of my right hon. Friend the Chancellor. Perhaps the hon. Gentleman is hoping that on the Liberal Democrat Benches he will be able to declare full house.

Mr. Jim Hood (Lanark and Hamilton, East) (Lab): I begin by congratulating my right hon. and learned Friend. I see on the Order Paper today, under the heading "Memorandum", that the Welsh Grand Committee is meeting on 26 March. She will recall that I raised the matter of the Scottish Grand Committee some time ago. Will she revisit that matter with her right hon. and hon. Friends in the Scotland Office, and ask them to stop colluding with the abstaining Liberals and the separatist nationalists to deprive me of my right as a Labour Back Bencher to attend my Scottish Grand Committee to ask Ministers about issues relevant to my constituency?

Ms Harman: My hon. Friend raises an important point, and he has raised it with me on a previous occasion. I apologise for not getting back to him about it earlier, and I will do so expeditiously.

Sir Patrick Cormack (South Staffordshire) (Con): Does the Leader of the House think that we could have a debate in the near future on the naming of political parties? She will be aware that in 19th-century America there was a party known as the Mugwumps. They were so called because they sat with their mugs on one side of the fence and their wumps on the other, and the iron entered into their soul. Would that not be a better description for that lot down there?

Ms Harman: That is not a matter for the business of the House. The naming of political parties and how they appear on the ballot paper is decided by this House under the Electoral Administration Act 2006.

Mr. Jim McGovern (Dundee, West) (Lab): May we have a debate in Government time about the Security Industry Authority? This Government can be justifiably proud of their record in helping people move off benefit and back into work. I have been contacted by a number of constituents who want work, and have had lucrative offers of work, but cannot take them up because, despite having applied and paid for licences, the SIA has not yet processed their applications—for as long as 18 weeks in some cases. A debate would surely help us to determine what has gone wrong with that organisation, and help us to correct it.

Ms Harman: That is an important regulatory authority, but it needs to do its work promptly. I will raise the matter with the relevant Minister and ensure that action is taken so that my hon. Friend is written to, in order to deal with that point.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): In the last few weeks, tuberculosis has reached parts of my constituency that have not had it for 60 years. Farmers have recently heckled the Secretary of State for Environment, Food and Rural Affairs badly. May we have a debate in this House about what we will do about TB? There is surely enough evidence to warrant the taking of decisions by Government. Now that the disease is inexorably moving faster and faster across parts of Britain, is it not time to sort it out?

Ms Harman: The question of bovine tuberculosis is kept under serious review by the Department for Environment, Food and Rural Affairs, and the question of whether culling badgers is the right way to deal with it is a scientific one. The matter should not be decided on party political terms; there is great concern about animal welfare, and that we should have security and confidence in the dairy industry and agriculture. That is something about which my ministerial colleague has given evidence to the Select Committee, and the matter remains under review.

Mr. Elliot Morley (Scunthorpe) (Lab): My right hon. and learned Friend will be aware that concern has been expressed about the dramatic rise in energy prices for electricity and gas. My constituent, Mr. Peter Seaman, recently came to see me to say that apart from the significant rise in base prices, changes in the structure of tariffs had resulted in a 44 per cent. increase in some of the tariffs in his bill. May we have time for a debate on those issues, recognising that although oil prices have risen—something that has underpinned this process—there have been other changes, such as a big increase in the profits of electric companies? Ofgem estimates that those companies will make a potential £1 billion windfall profit due to the fact that they got carbon credits and did not pay for them.

Ms Harman: The question of people being able to afford their fuel bills and keep themselves warm is of great importance, and our winter fuel payments of £200 for the over-60s and £300 for the over-80s makes a contribution. My right hon. Friend is absolutely right, however. We want to be sure that there is fair competition and a fair way for companies to go about their business in the energy industry. As he said, that includes the structure of tariffs, and metering as well. As the Prime Minister told the House yesterday, Ofgem is looking into those matters; they are matters of great national importance.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): World war two lasted more than five and a half years. This month marks five years since the Iraq war started. The Nobel prize winner Joe Stiglitz reckons that it has cost $6 trillion. The Library says that it has cost the UK about £2.5 million a day. May we have a debate with a view to setting up a Committee of inquiry into this war, which may have cost half a million lives?

Ms Harman: There has been much discussion in this House about the stage at which there should be proper consideration of our involvement and use of armed force in Iraq, and of our involvement in the reconstruction of Iraq. For the moment, troop numbers are being reduced, the Iraqi army and police are taking over their responsibilities with the support of British troops, and we shall no doubt return to the question of a review at a future date.

Mr. Marsha Singh (Bradford, West) (Lab): Will my right hon. and learned Friend find time to debate the current crisis in Gaza? While we all deplore the rocket attacks by Hamas, the killing of innocent civilians, including women and children by the score, the economic blockade and the failure to let medical supplies through make up a completely disproportionate response. It is not only disproportionate but appalling. Israel is strangling Gaza to death.

Ms Harman: My hon. Friend expresses strongly the great concern throughout the House and within the Government about the very grave situation in Gaza. My right hon. Friend the Foreign Secretary called for restraint earlier this week. We continue to give economic and aid support to Gaza, but it is unacceptable that so many in Gaza have no option but to live their lives dependent on food aid. We work as part of the Quartet because the only solution is to try to make progress on the peace process.

John Penrose (Weston-super-Mare) (Con): Before the promised debate on post offices, will the Leader of the House undertake to look into the question of the three post offices in the Palace of Westminster itself? At a time when many of our constituents are facing problems with post offices being closed throughout the country, does she agree that it cannot be right for MPs not to face the application of the same disciplines to the facilities that we enjoy in this place? If one or two of them are to be closed, would she consider recommending to the Post Office that they are taken instead of some of the six under threat in my constituency?

Ms Harman: I am not aware of how the post office services in the House of Commons fit into the general local postal services consultation, but I will endeavour to find out, and write to the hon. Gentleman.

Anne Moffat (East Lothian) (Lab): Is my right hon. and learned Friend aware that as we sit in the House today, there is a demonstration outside to support Justice for Colombia? Atrocities are happening in that country, and trade unionists are disappearing from the streets. May we have a debate on that issue?

Ms Harman: I will take that as a suggestion for a topical debate. Many of us in this House support the campaigns for justice, freedom and human rights in Colombia.

Mr. John Randall (Uxbridge) (Con): Would the Leader of the House consider a debate on London? My constituents in the suburbs have been facing increased demands for taxes from the Mayor, which seem to be squandered on what are at best dubious projects by advisers who are now subject to police inquiries. There are many other issues to consider, such as the closure of post offices. May I urge that we have a debate on what is happening in London?

Ms Harman: On Monday we have a debate on the London Underground, but I will consider whether there should be a further debate on London as one of the topical debates.

Dr. Brian Iddon (Bolton, South-East) (Lab): On Wednesday of last week the Government published their second 10-year drugs strategy—in a written statement, unfortunately. Yesterday the United Nations launched its International Narcotics Control Board annual report for 2007. Please may we have a debate in Government time on that important policy area soon?

Ms Harman: We have had several discussions through statements and oral questions in the House on the drugs strategy, but I will take my hon. Friend's proposal to consider that important issue again as a suggestion for a topical debate.

Richard Younger-Ross (Teignbridge) (LD): Will the Leader of the House explain or make a statement on the disrespect shown to the House in the way in which Departments answer named day questions? The office of the Leader of the House has an exemplary record in that every question in the past five years has been answered in five days. However, may we have an explanation of why the Treasury's replies on time have fallen from 79 to 51 per cent. and those of the Department for Communities and Local Government have fallen from 87 to 49 per cent., and why the Department for Children, Schools and Families does not even keep records, claiming that such information could be provided only at disproportionate cost?

Ms Harman: The hon. Gentleman makes an important point. It is fundamental to the House's ability to scrutinise the Government that Members can table questions, which are answered fully and promptly. I want to place on record my thanks to our officials who help us to reply in such a timely manner to parliamentary questions. The hon. Gentleman may know that the Procedure Committee is looking into parliamentary questions. I will certainly raise his points about individual Departments with the Committee on behalf of the House.

Paul Flynn (Newport, West) (Lab): When may we debate the need to prosecute GlaxoSmithKline for suppressing the truth about drug trials, which show that the drug Seroxat is not only useless but produces lethal side effects that have killed many people? The matter was last debated in the House in 2004.

The regulatory authority has failed to control GlaxoSmithKline. Such a debate would be an opportunity to congratulate "Panorama", Charles Medawar of Social Audit, the Seroxat Users Group, the charity Mind and certain hon. Members on a campaign which has sadly been ignored for five years.

Ms Harman: I thank my hon. Friend for raising that important point. My right hon. Friend the Secretary of State for Health issued a written ministerial statement this morning on the matter. The Government prosecutors have decided that there is no realistic prospect of obtaining a conviction in the case and there will therefore be no prosecution. However, the process of investigation has revealed serious weaknesses in EU legislation as it stood and, as the written ministerial statement sets out, some immediate steps to remedy the situation are being taken, including through secondary legislation.

Mr. Nigel Evans (Ribble Valley) (Con): Is it possible to hold a debate on tourism next week, given that the Minister for Culture, Media and Sport decided on Tuesday to attack one of the great British institutions, the Proms, because not enough people from different backgrounds felt comfortable with it? Why did she stop there? Why did she not also attack Ascot, Wimbledon, the boat race, Henley régatta, Cowes week and so on? The list is endless. The Notting Hill carnival and the Glastonbury festival are not everybody's cup of tea, but all the events together help make Britain one of the greatest cultural centres in the world.

Ms Harman: The Government have done a great deal to support culture and the arts in this country. The Proms has been a great success and it is important that the organisers try to involve and reach out to new audiences, as they do through Proms in the Park and the Electric Proms. The Government want all our great arts institutions to do that, and that is why, for example, we introduced free entry to museums. We want to support our long-standing cultural institutions but also enable them to reach out to new audiences.

Keith Vaz (Leicester, East) (Lab): May we have a debate on the development of housing on brownfield sites, following the decision of General Electric, one of the biggest companies in the world, to sell its site in Rushy Mead in Leicester but to put a restrictive covenant on it so that it can be used only for commercial and employment purposes, not housing? The site is contaminated, but should not companies that occupy sites for more than five decades clean them up before selling them on? May we have a debate on that matter?

Ms Harman: My right hon. Friend makes an important point, which touches on Government concern for a good environment and more housing. He has raised the matter on several occasions and is campaigning on it. I will bring it to the attention of the relevant Ministers.

Mr. Paul Goodman (Wycombe) (Con): This year, money for the Government's preventing violent extremism scheme, which is paid to local authorities, has been ring-fenced. It has recently become clear that money in future years will not be ring-fenced. If it is not ring-fenced, some—perhaps many—councils may use it for other purposes. If they do that, it implies the disappearance nationally of the whole scheme. Has the Leader of the House any information that a Minister from the Department for Communities and Local Government will come to the House to update us on that interesting development?

Ms Harman: It is important and right that, having set out priorities and increased year on year the funding available in real terms to local authorities, we should allow them more power to make decisions about the way in which they spend resources locally. While we ensure that they have more opportunities to make decisions about how to spend money locally, it is also important to keep the position under review.

Mr. David Drew (Stroud) (Lab/Co-op): I associate myself with the remarks of my hon. Friend the Member for Bradford, West (Mr. Singh). I also agree with my hon. Friend the Member for Bolton, South-East (Dr. Iddon) about the need for a drugs strategy. However, I am sure that my right hon. and learned Friend has seen yesterday's United Nations report. We should view our sentencing policy with some shame because we appear to have three verdicts: innocent, guilty and celebrity. That cannot be right for drugs policy. Will my right hon. and learned Friend provide an urgent debate to consider sentencing policy? It cannot come a moment too soon.

Ms Harman: I take my hon. Friend's point. We want to ensure that we have good prevention policies, enable those who become drug abusers to get off drugs and support those who work with people who have fallen prey to addiction as well as having good police operations in respect of suppliers. The issue concerns hon. Members of all parties and I will consider it for a topical debate in due course.

Mr. James Clappison (Hertsmere) (Con): In response to the request of my right hon. Friend the Member for Maidenhead (Mrs. May) for a debate on child poverty, the Leader of the House noticeably made certain statements but did not show a willingness to put them to the test in a debate. Given that, last week, the Government smuggled out an admission that they are unlikely to meet their child poverty targets and that this country has the highest number of children in Europe growing up in workless households, is not it right to hold such a debate as soon as possible?

Ms Harman: Next week, there will be a Budget debate. When the Conservatives were in government, poverty was scarcely mentioned and tackling it was certainly not a public policy objective. The hon. Gentleman should wait and see what the Budget says, then he is free to join us in that debate in expressing our concern to tackle child poverty.

Barry Gardiner (Brent, North) (Lab): It is now almost one year since Mr. Moudud Ahmed, the former Prime Minister and Vice-President of Bangladesh, was seized by armed military personnel at his family home at the age of 67 and held under emergency powers. I understand that our Prime Minister is to meet Dr.

[Barry Gardiner]

Fakhruddin Ahmed, the chief civilian adviser to the military Government in Bangladesh, on 16 March. Will my right hon. and learned Friend raise the case of Mr. Moudud Ahmed with the Prime Minister and ask him to mention it on that occasion?

Ms Harman: I undertake to speak to my right hon. Friend the Foreign Secretary and ask him what action can be taken about Mr. Moudud Ahmed.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The historic vote in Parliament last night on the abolition of the blasphemy laws will be welcomed by hon. Members of all parties because it will allow publishers, artists and others to use freedom of expression, including showing disrespect to or even ridiculing religious belief. Why did Baroness Andrews read into the record a letter that the Secretary of State for Communities and Local Government had written to the Archbishop, saying that the vote should not be viewed as a licence for the expression of disrespect towards faith or those who hold religious beliefs? Will the Leader of the House give notice of when the Secretary of State for Communities and Local Government will come to the House to give us a lecture or exposition on why the Government feel that they should tell us to whom we should and should not show disrespect, and which specific religions should be especially privileged in not having disrespect shown to them?

Ms Harman: There will be an opportunity to discuss the hon. Gentleman's points when we consider Lords amendments to the Criminal Justice and Immigration Bill.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May we have a debate on how best to encourage young non-academic people into the world of politics? British politics is grossly over-represented by the academic world. If we are to be truly a party of the people, recognising all the talents, that should be reflected in our political structures, which should not be left to be monopolised by the toffs.

Ms Harman: My hon. Friend raises two important points. We need to ensure that more young people have skills as well as academic qualifications and training, and we need to have more young people involved in politics. That is why it is important that we should have young councillors, as well as young Members of Parliament. I strongly support the action that we took to reduce to 18 the age at which people can stand for elected office in council and parliamentary elections.

Sir George Young (North-West Hampshire) (Con): The Leader of the House has announced that there will be four days' debate on the Budget after the Budget statement, which I welcome. However last autumn, after the comprehensive spending review and the pre-Budget report, which are equally important statements of Government policy, we had no debate at all. Is there not a case for a better balance of financial debates throughout the year?

Ms Harman: I think that there is. I am glad that the right hon. Gentleman approves of the amount of time that has been allocated for the Budget. The question whether we have the right balance across the year for debates not just on financial matters, but on defence and foreign affairs, will be considered.

David Taylor (North-West Leicestershire) (Lab/Co-op): Further to the comments of the hon. Member for North Southwark and Bermondsey (Simon Hughes), may I make a bid for a topical debate on early-day motion 1108 on the private finance initiative and tax havens, co-sponsored by myself?

[That this House is concerned to discover that the ownership of billions of pounds worth of public assets, which are reported to include the Treasury offices in Whitehall, the new Home Office, the Inland Revenue's estate, 42 per cent. of the Colchester Garrison building, 90 per cent. of the Stoke Mandeville Hospital, 85 per cent. of the Central Middlesex Hospital as well as schools in Gwynedd, the Health and Safety Laboratory in Buxton, Exeter Crown Court, 50 per cent. of a project for new schools in the Highlands and 26 per cent. of the Norwich and Norfolk Hospital have all been transferred to offshore tax havens in order to avoid tax obligations; urges HM Treasury to require the return of all such assets to ownership in the UK where tax obligations can be properly enforced; and suggests that all private finance initiative (PFI) contracts which do not return assets to the UK should be abrogated, and that all future contracts should specify that neither the ownership nor the company operating the PFI can operate from a tax haven in order to avoid their legitimate tax obligations in the UK, and that this policy decision should be supplemented by a requirement that all competitors for Government and local authority contracts should be registered in the UK and pay tax in the UK.]

Our early-day motion demonstrates clearly that PFI contracts are prohibitive in cost, flawed in concept and intolerable in consequence for the taxpayers, citizens and public sector workers in this country. Could we have a debate on that, to explain why, at least from the Government's point of view, those who bid for Government and local authority contracts should not be registered in the United Kingdom or pay tax in the United Kingdom, which is not happening anywhere near often enough?

Ms Harman: Those are important points. We want to ensure fair treatment in tax matters. The issue is one that hon. Members might look to raise with the Chancellor of the Exchequer in the Budget debate.

Robert Neill (Bromley and Chislehurst) (Con): May we have a debate on the operation of the Greater London Authority Acts? If an employee of any other local authority in this country failed to declare that they were a director of a company that had applied to that authority for a grant, there would be a formal report to the authority's monitoring officer and disciplinary action. In the case of Mr. Jasper, a political appointee under section 67 of the 1999 Act, we now know that although the Mayor was notified of his failure to declare, no formal report was made to the monitoring officer and no disciplinary action followed. Does the Leader of the House accept that it is

necessary to explain why proper probity does not appear to reign at city hall, as opposed to other local authorities?

Ms Harman: There are proper rules for accountability and probity in the Greater London authority, which were passed by the House. The GLA operates under the rules that were laid down by the House. That was the agreement that was made and they are the rules that are enforced.

Andrew Rosindell (Romford) (Con): Does the right hon. and learned Lady accept that we need an urgent debate in the House on matters relating to London, particularly the antics of the Mayor, Mr. Livingstone, in the light of his adviser and his declared intention, apparently, to reappoint that adviser, despite the scandal and the police investigation? Is it not time that the House debated that issue?

Ms Harman: It is very important that, under the privilege available to Members of the House of the Commons, unsubstantiated allegations are not thrown around as part of a build-up to an election campaign. For all the efforts of Conservative Members, people in London will ask themselves at the election on 1 May, "Do we want somebody who has never had anything to do with London, who is the Member of Parliament for a constituency in Oxfordshire and who had never asked any parliamentary questions about London until he became the Tory candidate? Is he the right person to be Mayor of our great capital city, or should we have Ken, born and bred in London, who has seen London and Londoners prosper over the past 10 years?" We will see you at the ballot box.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Yesterday, under the cover of the referendum vote, the Government sneaked out a statement saying that they would fail to meet not one, but two consecutive manifesto promises, namely to privatise the Tote and to give it to racing. Will the Leader of the House see whether the Secretary of State for Culture, Media and Sport can come to the House and explain why the Government took an ordinary, viable business, nationalised it, bungled its privatisation and then admitted that they would have to sell it on the open market, thereby betraying the people of Wigan, the racing industry and the electorate, to whom they had made those promises?

Ms Harman: I suggest that the hon. Gentleman seek to raise the matter as an oral question on Monday.

Mr. David Evennett (Bexleyheath and Crayford) (Con): I should like to add my voice in support of the suggestion that my hon. Friend the Member for Uxbridge (Mr. Randall) made for a general debate on London. I raised the issue with the right hon. and learned Lady some time ago and she promised that we would have one. There are so many issues in London to be debated, including the proposed closure of another post office in my constituency, in the Brampton ward, crime, housing and the matter that my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) raised. May I urge the right hon. and learned Lady to reinstate the annual debate on London as a matter of urgency?

Ms Harman: I will consider London for a forthcoming topical debate, because I know that hon. Members who represent London constituencies will want to discuss making even further progress on reducing congestion, increasing the amount of affordable housing available, increasing police numbers and reducing crime. A great deal has been achieved in London and we want to make further progress, continuing with a Labour Mayor.

Mike Penning (Hemel Hempstead) (Con): In 1997, when the Labour Government sadly came to power, there was a consultant-led maternity unit in Hemel Hempstead hospital. That unit was quickly closed. In 2001, a birthing unit was opened in an attempt to protect the then Labour MP from losing his seat. Straight after the 2005 election, when I was elected, that was closed, too. It is therefore not true that no cuts have been made in maternity services, as the Leader of the House said. They have. We must have a debate on maternity services, because cuts are being made throughout the country.

Ms Harman: We want to ensure that we give mothers more choice about whether to have their babies at home, that we improve community midwife services and that we improve in-patient services, including specialist neonatal services. Nobody should imagine that maternity services were perfect when we came into government in 1997 and needed no change. That was far from the case. We needed change and improvement. There needed to be more midwives trained and more investment in the health service, and that is indeed what has happened.

Mr. Nick Hurd (Ruislip-Northwood) (Con): May I put it to the Leader of the House that her response to my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) was wholly inadequate? We know that in the Mayor's office rules are being broken. We know that there are serious questions about how local government structures set up by the House are working in practice. We were promised a beacon of transparency; we have got the stench of corruption. May I press her to do more than just consider a debate on the governance of London and confirm that we will have one?

Ms Harman: I do not have anything further to add to my response to the hon. Member for Bromley and Chislehurst (Robert Neill). There are rules in place, and they are quite clear. They were decided by the House and they will be enforced.

Mr. Andrew Mackay (Bracknell) (Con): Following the serious and well-publicised problems in Scotland last May, when we had multiple elections, will the Leader of the House ensure that a Minister comes to the Dispatch Box next week to assure us that the European and local elections—and, possibly, a general election next year—will not all take place on the same day, causing confusion?

Ms Harman: The Scottish elections were the subject of a review, and action has been taken in respect of that. The question of future elections will be considered by the Government, and also by the Electoral Commission.

[Ms Harman]

The Ministry of Justice will also shortly produce its review of the different electoral systems. One of our concerns has been to review how the different proportional systems that we have introduced have operated in European elections, in the devolved Assemblies and in councils in Scotland.

Miss Anne McIntosh (Vale of York) (Con): Has the Leader of the House had a chance to read the Work and Pensions Committee report on eradicating child poverty, which was published on Monday? Paragraph 55 states that the gender pay gap is contributing to child poverty and that some Jobcentre Plus advisers are pointing women—particularly lone parents—into low-paid employment. That is unacceptable on a day when we are celebrating international women's day. Will the right hon. and learned Lady therefore confirm that we can have a topical debate on child poverty in the next week or two, so that we can discuss the contents of the report? What has happened to topical debates over the past week or two? They seem to have dropped off the Order Paper.

Ms Harman: The Government will issue a response to the Select Committee report in due course. Of course it is the case that low pay and unequal pay among women contribute to child poverty. That is one of the reasons why we introduced the national minimum wage, which has done more than anything to narrow the pay gap, and has seen the pay gap between men and women at the bottom of the labour market all but close. I suggest that the hon. Lady seeks an opportunity to speak in the debate on international women's day, which will follow immediately after business questions.

Andrew Selous (South-West Bedfordshire) (Con): May I ask the Leader of the House for an urgent debate on the way in which rail franchises are granted, particularly in respect of disabled passengers? My constituent, Adrienne Staniford, used to be able to take her wheelchair on to Silverlink trains. Now, London Midland has told her that she is not allowed to take the same wheelchair on to identical rolling stock. The Government are telling us, quite properly, that we need to get more disabled people into work, so why should my constituent lose her job when the trains are the same and the wheelchair is identical? Why was this not spotted during the franchise process? Is this not a disgrace?

Ms Harman: Everyone will sympathise with the hon. Gentleman's point. I will ask my right hon. Friend the Secretary of State for Transport to look into that individual case and to seek a solution for it. As to whether further action needs to be taken, we want to be absolutely sure that disabled people do not suffer discrimination, whether on transport or in any other services, and whether or not it affects their opportunity to work. I hope that he will join us in supporting the further measures to tackle inequality and discrimination in the equality Bill that we will introduce later this year.

Bill Wiggin (Leominster) (Con): Today, for the first time in 150 years, members of Her Majesty's Coastguard have gone on strike. Responsibly, those manning helicopters are still at work. May we have a debate in Government time, or even an oral statement, so that we can understand how this unfortunate situation has come about?

Ms Harman: It is an unfortunate situation, and we all hope that a settlement of the dispute will be reached shortly. In the meantime, we can be reassured that contingency arrangements are in place to ensure that no lives are at risk as a result of the dispute.

John Bercow (Buckingham) (Con): May we please have a debate in Government time on the Floor of the House on small businesses, in recognition of the fact that such debates used to take place at least once a year as a matter of course? Given that 99 per cent. of companies employ fewer than 100 people, and that they account for 50 per cent. plus of the private sector work force and generate no less than two fifths of our national output, would it not be timely for us to have a debate in this Chamber to seek to establish how best we can create a balanced and equitable legal framework that requires companies to do what is right by their employees and by the community while simultaneously facilitating a situation in which they can still be the seedcorn of our prosperity?

Ms Harman: I am sure that the hon. Gentleman could raise those issues in the Budget debate if he so wished. I agree that small and medium-sized businesses have played a major part in the growing prosperity of this country and the growing strength of the economy. I should also mention that the Modernisation Committee is looking at the question of departmental debate days, to which he referred.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on Iran? Does the Leader of the House believe that it is a coincidence that Iran has continued to progress its nuclear programme while also progressing its long-range ballistic missile programme?

Ms Harman: I will draw the hon. Gentleman's points to the attention of my right hon. Friend the Foreign Secretary.

Mr. Philip Hollobone (Kettering) (Con): Will the right hon. and learned Lady give due and proper consideration to early-day motion 1127, on the Human Fertilisation and Embryology Bill?

[That this House believes that the Human Fertilisation and Embryology Bill raises important issues of conscience which merit the full consideration of the whole House; notes during the passage of the Human Fertilisation and Embryology Act 1990 the issue of embryo research, abortion and Schedule 2 was debated and voted on in a committee of the whole House; further notes that the Joint Committee on the Human Tissue and Embryo (Draft) Bill noted that 'when what is now the 1990 Act was before Parliament the issue of embryo research was put to a free vote' considered 'that the creation and use of inter-species embryos for research purposes is a comparable issue and recommended that the issue be put to a free vote' and calls upon the Leader of the House and usual channels to ensure that a committee of the whole House is arranged to consider issues of conscience arising from the Bill.]

The motion was initiated by my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) and calls for the Committee stage of the Bill to be held on the Floor of the House so that the important issues raised by the legislation can be discussed by as many Members as possible.

Ms Harman: We are considering how to ensure that that very important Bill can be properly debated in the House, including perhaps having part of the Committee stage upstairs in Committee and part on the Floor of the House. The hon. Gentleman will know that the Bill has now concluded all its stages in the Lords and is now waiting to be brought to this House for its Second Reading. We regard the Bill as immensely important. We want our scientific community to be able to make progress and to contribute to finding treatments and preventions for major health issues such as Parkinson's, multiple sclerosis and spinal injuries. This is a very important Bill, and we want it to be fully debated in the House.

Mr. Henry Bellingham (North-West Norfolk) (Con): Thank you for getting us all in, Mr. Speaker.

The right hon. and learned Lady will recall that, a few weeks ago, I raised the sad case of Simon Mann, who was unlawfully kidnapped and taken in chains to Equatorial Guinea. Perhaps we should have a wider debate on the plight of British and EU citizens who are unlawfully imprisoned abroad. More specifically, may I ask whether our envoy in Equatorial Guinea has been to see Simon Mann? Does Mr. Mann have access to legal assistance? Is he being humanely and fairly treated?

Ms Harman: I know that our consular officials have been involved in that case. If the hon. Gentleman wishes to raise those wider issues, may I suggest that he put in for an Adjournment debate on the case?

Mr. Mark Field (Cities of London and Westminster) (Con): While I agree with the Leader of the House that matters that are subject to a police investigation should rightly be outside the scope of parliamentary debate, it is still a fact that the Government office for London administers huge sums of public money to be given to grant-giving organisations and to the London Development Agency. Given the importance of this matter to all London constituents—including hers and mine—in the run-up to the election on 1 May, I believe that this is the right time to have a broad debate on the way in which the Greater London authority operates and the way in which the mayoral advisers are appointed, how they operate, and how they can properly be scrutinised. I hope that the Leader of the House will consider that issue. She will have gathered from earlier questions that a number of Members feel extremely strongly about it.

Ms Harman: I think all London Members feel extremely strongly about those issues, and I have said that I will consider making London the subject of a topical debate. We are all pleased to know about the bigger investment in police in London and in agencies that provide London with important services across the board. I do not know about the hon. Gentleman's constituency, but in mine, grants and other financial support have been provided for small voluntary organisations that do so much to keep communities together. I would like to pay tribute to the work put into building and supporting communities in London, particularly those in inner London.

International Women's Day

12.30 pm

The Minister for Women and Equality (Ms Harriet Harman): I beg to move,

That this House has considered the matter of International Women's Day.

I am proud to open the debate both as the Minister for Women and Equality and as Leader of the House. I will speak briefly, as many women will be speaking in this debate and I also see a number of men in their places, waiting to speak. There is no doubt that in today's House of Commons, there is not only a band of strong women but even some men who could justifiably be seen as honorary members of the sisterhood—although we will have to wait until we hear them speak before we form a final judgment on that point.

Mr. Nigel Evans (Ribble Valley) (Con) *rose—*

Mark Pritchard (The Wrekin) (Con) *rose—*

Ms Harman: In this debate, as we mark international women's day, I want us to recognise the transformation that women in the House of Commons have brought about. Women MPs have not only changed the face of British politics, as they—we—have also changed its agenda, which needed to change because women's lives are changing. The world of work is changing and family life is changing, too. If we are to back up families as they bring up children, earn a living and care for older relatives, we need to understand and represent women as well as men.

Today, women regard themselves as equal citizens and expect to share in decisions, both at home and at work. A Parliament or a party that is male-dominated is an outdated relic—and that is certainly what this House of Commons was like when I joined it 25 years ago.

Mr. Evans: Will the right hon. and learned Lady give way?

Ms Harman: I will.

Mr. Evans: I am extremely grateful. On this day of all days, as the Minister quite rightly tries to attract more women into politics, will she pay tribute to Margaret Thatcher, the first woman Prime Minister of this country, who proved by her actions that the very top job in this country is open to all, irrespective of gender?

Ms Harman: As I was about to say, I think that the importance of women in the House of Commons and in government is not that we are here for our own sake, but that we are here to deliver for other women. Margaret Thatcher did not deliver for other women—*[Interruption.]*

Mr. Evans *rose—*

Mark Pritchard *rose—*

Ann Clwyd (Cynon Valley) (Lab) *rose—*

Anne Snelgrove (South Swindon) (Lab) *rose—*

Ms Harman: I give way to my hon. Friend the Member for South Swindon (Anne Snelgrove).

Anne Snelgrove: My right hon. and learned Friend is right to say that we are here to deliver for women, but I can tell her one thing that Margaret Thatcher delivered for me. I was selected to fight my first election on the night that Margaret Thatcher resigned—and I am very proud of that fact.

Ms Harman: When I first joined this House of Commons 25 years ago, I was one of only 10 Labour women MPs. At that time, there were only 13 Tory women MPs. For the Tories, however, the march towards gender equality has yet to get under way: they have moved from having 13 Tory women MPs 25 years ago to 17 today, while we in the Labour party have made great strides, as Labour women MPs are 96 strong, coming from Scotland, Wales and England.

Mark Pritchard *rose—*

Ms Harman: Labour women MPs range from those with great experience, such as my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody), who is the Chair of the Select Committee on Transport as well as being a mother and grandmother, to the fresh-faced new arrivals who entered in 1997, 2001 and 2005.

Mark Pritchard *rose—*

Ms Harman: When I popped into the Whips Office last night, I noticed that it was considerably improved by the presence of two lovely new babies, so many congratulations to the Economic Secretary to the Treasury, my hon. Friend the Member for Burnley (Kitty Ussher), and to my hon. Friend the Member for North-East Derbyshire (Natascha Engel).

Ann Clwyd *rose—*

Mark Pritchard *rose—*

Ms Harman: My point is not just that it is possible for women to be MPs and Ministers and have children and grandchildren, but that it is necessary for the House to have such women who are mothers and grandmothers if we are to understand, speak up for and deliver for women, as well as men. That is what this Government are striving to do.

Miss Julie Kirkbride (Bromsgrove) (Con) *rose—*

Ann Clwyd *rose—*

Mark Pritchard *rose—*

Ms Patricia Hewitt (Leicester, West) (Lab) *rose—*

Ms Harman: I give way to my right hon. Friend.

Ms Hewitt: I am very grateful to my right hon. and learned Friend. Can she estimate how long it will take, at the current rate of progress, before there is equal

representation of women and men in this House generally, but particularly on the Conservative Benches?

Ms Harman: Many hundreds of years! I shall come on to that point.

Mr. Philip Hollobone (Kettering) (Con) *rose—*

Mark Pritchard *rose—*

Ms Harman: I think that we have made a great deal of progress and while we should be gratified about it, we should not be grateful for it. We are not doing women a favour, but delivering long overdue rights. Although we have made great strides, we have much further to go.

We have introduced a national minimum wage, which has just about ended the pay gap between the lowest paid men and women, but that is not enough. We need to close the gender pay gap altogether and our new equality Bill, which we will bring forward later this year, will help us step up progress towards that.

We now have nurseries and after-school clubs in all areas. In my constituency in the London borough of Southwark, there are double the number of child care places that there were six years ago, but it is still a problem for many women to find good child care that they can trust and afford, so we will continue to improve its accessibility, affordability and quality.

Ann Clwyd *rose—*

Ms Harman: We will increase the number of Sure Start centres and learn from the London child care affordability programme, which will tell us the best way to help low-income families with child care.

We have given parents with children under six new rights to request flexible working. Thanks to my right hon. Friend the Member for Leicester, West (Ms Hewitt), who was then Secretary of State for Trade and Industry, 3.5 million parents, mostly mothers, have been able to adjust their work patterns to suit their family. Children do not stop needing their parents when they get to their sixth birthday; the responsibilities of parents change as children grow, but they do not lessen. The Prime Minister has said that we will extend the law so that parents of older children can also request flexible working.

Mrs. Theresa May (Maidenhead) (Con): Will the right hon. and learned Lady give way?

Ms Harman: Yes, I will give way to the right hon. Lady.

Mrs. May: I am very interested in the what the right hon. and learned Lady has just said. In fact, that is the policy announced by the Conservative party some considerable time ago, yet it was only about 10 days ago that the Secretary of State for Business, Enterprise and Regulatory Reform announced that he was against the extension of flexible working to parents of older children and that the Government were not going to adopt that policy. Is there a division in the Cabinet on that issue?

Ms Harman: My right hon. Friend made no such announcement—*[Interruption.]* He did not. The position is as announced by the Prime Minister when he introduced the draft legislative programme and brought the Queen's Speech before the House. He said that we were going to set up a review under Imelda Walsh—not into whether we should increase the age of children whose parents can have flexible working, but into how we will go about doing it. The review is shortly due to report and when it does, we will extend up the age range of children the right for their parents to have flexible working. I hope that I have reassured the right hon. Lady that on this process of extending flexible working, which we have already led on—and I am grateful for the right hon. Lady's support—we are going to make even further progress.

The stay-at-home mother has become the working mother, which means that child care, flexible work and after-school clubs are all mainstream public policy issues. We put a family focus at the heart of government because although it matters most of all to parents, it matters to everyone—to the whole of our society and to our economy, too—that the next generation is properly brought up and able to use their skills and talents to the full.

Family policy is not just about parents and children, but about the older generation. Without the involvement of active grandparents, many families would not be able to cope. Families are multi-generational, which means not just granny helping with grandchildren, but younger families helping the older generation. That is why we have introduced a right for people caring for older relatives to request flexible working, but still too few people know of that right, so we are going to have a campaign to ensure that they do.

Mark Pritchard *rose—*

Ann Clwyd *rose—*

Ms Harman: The Prime Minister has set up a review to look at the support services and financial support for families caring for older or disabled relatives. It will report later this year, and will help 6 million carers. When we have pressed on with providing nurseries and rights for parents, we have not been afraid to be called the nanny state. Now we shall be proud to be called the granny state.

Simon Hughes (North Southwark and Bermondsey) (LD): I see that the Secretary of State for Communities and Local Government is sitting on the Front Bench. Can the Minister assure us that the Department for Communities and Local Government has a policy on local authority and other social housing that allows people who move, perhaps to their first home, to stay near members of their family with caring responsibilities? For far too long people have been allocated homes away from parents or grandparents, or others whom they need and want to look after. If we really want to liberate women, young and older, so that they are able not only to work but to bring in family members to fulfil caring responsibilities, housing policy will be a crucial element in the equation.

Mark Pritchard *rose—*

Ms Harman: Policy on the allocation of council and social housing is very important in enabling families to stay together and support each other; so is the design of individual homes allowing people to remain independent and in their own homes as they age. Just as we have ensured that new housing developments include access to facilities for children such as schools, playgrounds and open spaces, we seek to ensure that sustainable communities include the granny flat, the day centre, the sheltered housing and the community centre. We recognise the importance of families supporting older people in local communities, and being able to live near their relatives.

Mark Pritchard *rose—*

Ann Clwyd *rose—*

Ms Harman: I give way to my right hon. Friend.

Ann Clwyd: I want to set the record straight, as my right hon. and learned Friend has attempted to do herself. She is right: Margaret Thatcher did nothing for women. I was in the House when Margaret Thatcher was here, and we watched her for a long time. There were huge gaps in the Sexual Discrimination Act 1975 and the Equal Pay Act 1970, and it was a Labour Government who put that right, not Margaret Thatcher.

Mark Pritchard *rose—*

Ms Harman: All the developments that I have been listing, including the national minimum wage and increased provision for child care, were matters that Margaret Thatcher and the Tory Government considered not even worthy of being raised in the House of Commons, let alone desirable. Indeed, in 1982, when I asked my first question to the then Prime Minister, Margaret Thatcher—it was about the need for after-school clubs—her only response was to laugh, and to say it was irrelevant and nothing to do with Government. This Government believe that those are mainstream issues.

Mark Pritchard *rose—*

Ms Harman: Let me now deal with the question of tackling violence against women, particularly rape and domestic violence. I pay tribute to the important work of many of my hon. Friends, especially my hon. Friends the Members for Cardiff, North (Julie Morgan) and for Luton, South (Margaret Moran). There has been a 26 per cent. increase in the number of men convicted of rape since 1997. We are opening more expert sexual assault referral centres. We have new laws such as the Domestic Violence, Crimes and Victims Act 2004, along with the new specialist domestic violence courts and tougher sentencing.

We know that early intervention can save lives, and that if the issue is swept under the carpet it only gets worse. We need to ensure that every police station treats rape with the seriousness it deserves and that in every court domestic violence is treated with deadly seriousness, because it still claims the lives of two women every week. My right hon. Friend the Secretary of State for Justice will shortly conclude his review of homicide, which will include consideration of the provocation defence in domestic violence cases. There can be no excuses for domestic violence, least of all when the victim has been killed.

Mark Pritchard *rose—*

Mrs. May: Will the Minister give way?

Ms Harman: I will.

Mrs. May: The Minister herself promised last July that she would introduce the domestic violence restraining orders permitted by the 2004 Act, but they have not yet been introduced. Why is that?

Ms Harman: There will be an announcement shortly about the two provisions in the Act that are still to be implemented, and that will be implemented.

Just as we seek to banish the old crimes against women—

Mark Pritchard *rose—*

Ms Harman: —we must seek to tackle new crimes, such as extreme violent pornography on the internet and human trafficking of young women for sex.

Mark Pritchard *rose—*

Margaret Moran (Luton, South) (Lab): Will my right hon. and learned Friend give way?

Ms Harman: I will.

Margaret Moran: Will my right hon. and learned Friend join me in congratulating this Government, who introduced the 2004 Act? In the Home Affairs Committee yesterday the Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling (Mr. Coaker), announced that we would be introducing homicide reviews, and that the problem of no recourse to public funds for victims of domestic violence was being fixed. That is welcome news to everyone affected by domestic violence.

Ms Harman: Those are indeed welcome announcements. My hon. Friend the Under-Secretary of State will make further detailed information available on those announcements shortly.

Mark Pritchard *rose—*

Ms Harman: Just as we are tackling the age-old problems of domestic violence, we are tackling new problems such as human trafficking. It is shameful that women are shipped into the country from abroad, kept as modern-day slaves for sex and advertised for sale in the local newspapers. I welcome the new guidelines issued by the Newspaper Society to try to stop those advertisements.

Mark Pritchard *rose—*

Ms Harman: My hon. and learned Friend the Solicitor-General, Home Office Ministers and my hon. Friend the Under-Secretary for Women and Equality are reviewing the way in which other countries tackle the international sex trade. In this country there are

laws to prevent a man from buying a faulty car and to prevent women from working in unsafe workplaces, but apparently it is still okay for men to buy women for sex. Surely, in the 21st century women should not be for sale.

Mark Pritchard *rose—*

Ms Harman: I pay tribute to the work of my hon. Friend the Member for Slough (Fiona Mactaggart) and my right hon. Friend the Member for Rotherham *(Mr. MacShane), and to the all-party group on* trafficking of women and children. We will report later this year on what steps we will take to tackle the demand side of human trafficking.

Mark Pritchard *rose—*

Ms Harman: Our concern to work with and support other women does not stop at our borders. We work to prevent female genital mutilation and forced marriage here and abroad. In developing countries, we work to reduce maternal mortality and AIDS.

Mark Pritchard *rose—*

Ms Harman: We work to ensure that girls are educated, and that micro-credit is provided to enable women to start their own businesses in developing countries.

Mark Pritchard *rose—*

Ms Harman: But I do not think that if our Parliament were still 97 per cent. male, any of those things would have happened. Although we now have more women Members of Parliament—

Mark Pritchard: On a point of order, Mr. Deputy Speaker. I understand that this is supposed to be a debate. It is on an important issue, and it is sad that the Leader of the House wants to make it so partisan. Is it not right that if there are to be interventions in a debate, those interventions—although they are in the gift of the Leader of the House at this particular point—should be distributed across the House as a whole?

Mr. Deputy Speaker (Sir Alan Haselhurst): That is not a point of order for the Chair. It is entirely up to whichever Member has the Floor to decide which interventions to take.

Mark Pritchard *rose—*

Ms Harman: Although we now have more women Members of Parliament and we have made a difference, we are still a minority.

Mark Pritchard *rose—*

Ms Harman: That is why we intend, in our new equality Bill, to extend until 2030 the right of political parties to have women-only shortlists for Parliament.

Mark Pritchard *rose—*

Ms Harman: We will consult on the timing shortly. We are determined to increase the proportion of Labour women Members of Parliament from nearly a third to a half.

Mark Pritchard *rose—*

Mr. Russell Brown (Dumfries and Galloway) (Lab): Will my right hon. and learned Friend give way?

Ms Harman: I will.

Mr. Brown: When it comes to representation in the House of Commons, does my right hon. and learned Friend agree that we have something to learn from Rwanda, which has suffered so much in recent years but which has female representation of some 48 per cent. in its Parliament?

Ms Harman: My hon. Friend has made an important point. We are still lagging behind, which is why we intend to include provisions in the equality Bill to enable us to press on with ensuring that we increase the representation of women in the House of Commons.

Mark Pritchard *rose—*

Ms Harman: There are still areas of British life that remain male-dominated. In our top companies 89 per cent. of the FTSE top 100 directors are men, and in our courts 91 per cent. of High Court judges are men.

Mark Pritchard: Will the Minister give way on that point?

Ms Harman: In our universities 92 per cent. of vice-chancellors are men, and in the Tory party in Parliament 91 per cent. of Members of Parliament are men.

Mark Pritchard *rose—[Interruption.]*

Ms Harman: In the 21st century—

Mark Pritchard *rose—[Interruption.]*

Ms Harman: I am not giving way to one of the 91 per cent. *[Interruption.]* I suggest that Conservative Members should give way to more women.

Mark Pritchard: On a point of order, Mr. Deputy Speaker. We are debating a very serious issue, and this is a very serious point of order. I feel discriminated against in this female debate. We need some male representation.

Mr. Deputy Speaker: The Chair is unable to recognise a point of order in the hon. Gentleman's comments. All Members are equal in this House.

Ms Harman: In the 21st century, the fact that 91 per cent. of Tory MPs are men is shameful male domination, and male domination cannot be challenged or changed if it is covered up.

Mark Pritchard: Will the Leader of the House give way?

Ms Harman: No, I will not give way; I have thought better of it.

I invite the Tories and all other parties in this House to say that they will back us when we introduce the equality Bill to extend the right to have all-women shortlists.

Mark Pritchard *rose—*

Jim Sheridan (Paisley and Renfrewshire, North) (Lab) *rose—*

Ms Harman: I shall give way to my hon. Friend.

Jim Sheridan: I thank my right hon. and learned Friend for giving way. She is right to identify the valuable job that women do in this House, but does she agree that it is not only the women Members in this Chamber who do a valuable job, but the women who clean and look after our offices, some of them on extremely poor pay? Will she send out a message to unscrupulous employers who are exploiting women—particularly women cleaners in this place—by giving them low pay?

Ms Harman: My hon. Friend makes an important point. Many of the women who clean the House of Commons are my constituents, and we will look at the new contract for the House of Commons cleaners and make sure that they have a fair deal, which they are entitled to.

Mark Pritchard *rose—*

Ms Harman: Women in this country are no longer prepared to leave all the talking to men, or to leave men to get on with making the decisions. If that had been the case—

Mark Pritchard: On a point of order, Mr. Deputy Speaker. I should not have to join the 350 people in the west midlands who apply for a sex change every year in order to be called in this Chamber.

Mr. Deputy Speaker: The hon. Gentleman is now pushing at the limits of good order himself. The Chair cannot determine how many interventions are taken and from whom they are taken; that is entirely within the gift of the Member who has the Floor.

Ms Harman: Women—

Mrs. May: Will the Leader of the House give way?

Ms Harman: I shall give way to the right hon. Lady.

Mrs. May: I am grateful to the Leader of the House for giving way. She has asked us a direct question about our position on the single equality Bill that she will introduce later in the year. It is, of course, possible for the use of all-women shortlists to be extended purely by taking away the sunset clause and extending the Sex Discrimination (Election Candidates) Act 2002. Is that what the right hon. and learned Lady intends to do in the Bill?

Ms Harman: That certainly is what we will do, and I invite the right hon. Lady to ensure that her party backs us not only over putting that into law, but by using it so that instead of only 8 per cent. of Tory MPs being women, her party can move into the 21st century and towards equality.

Mark Pritchard *rose—*

Ms Harman: This is not about representation for its own sake; it is about representation because of what women in this House do for women outside it. I offer as an example my hon. Friend the Member for Keighley (Mrs. Cryer), who has bravely raised, and campaigned on, the issue of forced marriages.

Mark Pritchard *rose—*

Ms Harman: Women in this country expect that women will share the decisions both at work and at home. The days of women accepting being told what to do by men are long gone. As we celebrate 2008 international women's day, we will ensure that we have more women in local government and here in Westminster representing women in this country and fighting for equality here and abroad.

We are in the era of expectation of equality, but the expectation is not yet matched by reality. Let us—women in Parliament and women in the country—work together to make 2008 a year of further progress towards equality.

12.54 pm

Mrs. Theresa May (Maidenhead) (Con): I welcome the opportunity to speak on this 97th international women's day. In the past 97 years, the role of women in politics, business and society has progressed beyond recognition. Women did not even have the vote 97 years ago, but now as many women turn out to vote as men, and we have 126 female representatives sitting in this House. Women were almost non-existent in the business sphere 97 years ago, but today there are about 620,000 majority women-owned businesses in the UK generating about £130 billion in turnover, and at long last businesses have realised that employing a woman is not a hindrance, but an asset to the running of the business—although perhaps they would all like to tell Sir Alan Sugar that. Only a handful of universities admitted women 97 years ago, but there are now more women than men at university in the UK, and that trend is set to continue. Those three examples show that in politics, business and education women have not simply waited for men to give them rights; we have gone out and achieved tremendous progress for ourselves. We must, of course, use international women's day to look ahead to the many complex challenges that women face, but we must also use it to look back and celebrate how far we have come.

Mark Pritchard: Will my right hon. Friend give way?

Mrs. May: I shall, indeed.

Mark Pritchard: I am very grateful to my right hon. Friend for giving way. I rise with sadness, as all I wanted to say earlier was that I backed the Leader of

the House for the deputy leadership of the Labour party—so much for sisterhood, as you never get called. On a serious point, does my right hon. Friend agree that the contribution of women in the judiciary is a very important part of public life? Will she consider endorsing the Filipina candidate for the new International Criminal Court? Is it not a disgrace that there is not one female judge sitting on the ICC, out of 15?

Mrs. May: My hon. Friend raises a very serious point, and he is right to remind us of the significant role women play in the judiciary. Some very distinguished women have played a role in the judiciary.

Dr. Andrew Murrison (Westbury) (Con): The Leader of the House spoke for 24 minutes, and during that time she did not once mention the women who serve on the front line in our armed forces; I am sure that my right hon. Friend will cover that point. Does my right hon. Friend not agree that women who are serving are probably as aghast as I am that the Government should have scheduled this debate on international women's day, which as it has been running since the early 1900s can hardly be described as topical, when we have had so little time to debate the defence and security aspects of the Lisbon treaty, which is of great relevance to them, and to both men and women in general?

Mrs. May: My hon. Friend makes a valid point about women who serve in our armed forces, and we should indeed pay tribute to them and the work that they do in putting themselves on the line for the sake of our country. He also made a point about the Lisbon treaty. I suspect that you would look at me somewhat aghast, Mr. Deputy Speaker, if I were to comment too much on that. I shall simply say that I would have hoped that it was possible for the Government to find time for both a full debate on international women's day and the extra day's debate that was asked for on those specific aspects of that treaty.

Let me turn now to the challenges that we face. I accept that we must increase the representation of women in our democracy. I find it sad, however, that the Leader of the House and her colleagues line up to attack the Conservative party on our record on women in this House despite the fact that the first woman to take her seat as a Member of Parliament was a Conservative, as was the first woman Prime Minister, and I think I am right in saying that the first woman chairman of a major political party was a Conservative—me, in my appointment as chairman of the Conservative party.

Jim Sheridan: Will the right hon. Lady give way?

Mrs. May: If I may continue a little further, I shall give way to the hon. Gentleman shortly.

I am very ready to say that my party accepts the need to do much to improve female representation on the Conservative Benches in this House. That is why the very first issue that my right hon. Friend the Member for Witney (Mr. Cameron) spoke about in his acceptance speech as leader of the Conservative party in December 2005 was the need to increase the number of women Conservative Members of Parliament. That is also why I am very pleased that this party has taken the opportunities open to it under the Sex Discrimination (Election Candidates) Act 2002—I shall say a little more about them shortly—to take positive steps to improve that situation after the next election.

Jim Sheridan: On the question of women making progress in politics, does the right hon. Lady think that, if we have the first female President of the United States of America, it will be a help or a hindrance?

Mrs. May: The hon. Gentleman is trying to tempt me down a road that I do not intend to go down. There is a well-accepted tradition that we do not try to interfere in other countries' elections. Let me say simply that we watch that election with close interest.

Mrs. Maria Miller (Basingstoke) (Con): Does my right hon. Friend share my concern that such a partisan introductory speech by the Minister does little to encourage more women to listen to debates in this place and to consider a parliamentary career as one that they would want to pursue?

Mrs. May: My hon. Friend has made an extremely important point, which I was going to make later but shall come to now. I often say to people who are talking about women in politics and Parliament that they should listen to debates predominantly involving women, notably debates on days such as international women's day, because they will hear a different quality to them. Sadly, the Minister ruined that by her approach to this subject.

I shall comment on where the Government could do more to improve the quality of life of women in this country. It was shameful that the Minister was unwilling to accept that a single Conservative had done anything to improve the lot of women. Indeed, when she referred to the all-party group on trafficking of women and children, she could not even bring herself to thank its chairman, my hon. Friend the Member for Totnes (Mr. Steen), who has done valiant work to bring that issue to the forefront of the political agenda.

Ms Harman: I mentioned the group.

Mrs. May: But the Minister could have specifically mentioned my hon. Friend and his work as chairman when she was listing people who had done a lot of work in that area.

Mrs. Eleanor Laing (Epping Forest) (Con): I thank my right hon. Friend for giving way and for the gracious way in which she is making her speech. Does she agree that every time the Minister goes on about the percentage of male Conservative Members and how few women sit on these Benches, as she does frequently, she is being personally insulting to those of us who work hard for the cause of women, the Conservative party and general representation in this country, including my right hon. Friend? In the interests of democracy, the Minister ought to stop this utter insult.

Mrs. May: I thank my hon. Friend for her intervention. She is right, because those on both sides of the House

[Mrs. May]

could agree on, and work towards, getting more women into this House. Conservative Members accept that we have work to do. I am proud of the fact that my party adopted the priority list route for selecting candidates. It was first proposed in 2001 by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) and I. I am proud to be a co-founder of women2win. My hon. Friend the Member for Braintree (Mr. Newmark), who was sitting on the Treasury Bench as a Whip, is my co-chairman in that organisation. It has provided support for women, bringing them through and ensuring that more women are selected. I am pleased to say that nearly a third of our selected candidates for the next election are women. The problem for this House is that a significant number of female Labour MPs represent marginal seats, so when we succeed at the next election the overall number of women in this House may not change that much. We will increase the number of women on our Benches, but the number of women on the Labour Benches may decrease.

Lynda Waltho (Stourbridge) (Lab): I am impressed with the right hon. Lady's words, but will she expand on the figures? How many of those selected women will be candidates in winnable Tory seats? How many of them will be normal working-class women who do not have Ashcroft money or are millionaires in their own right?

Mrs. May: The hon. Lady must get rid of her stereotyped image of women in the Conservative party. A diverse range of women have been selected as Conservative party candidates. I am pleased to tell her that even if a Conservative Government are elected at the next election with an overall majority of just one, 55 women will be sitting on the Conservative Benches.

Fiona Mactaggart (Slough) (Lab) *rose—*

John Bercow (Buckingham) (Con) *rose—*

Mrs. May: There would still be more to be done, but that would be a significant increase on our current number. I shall give way to my hon. Friend.

John Bercow: I well recall the initiative that my right hon. Friend launched in concert with my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) in 2001. Had she been too self-effacing to mention it, I had been intending to do so on her behalf. Nevertheless, may I put it to her that whether or not it is popular in our party, there is a compelling case for the adoption of all-women shortlists as the best and indeed the only proven method by which dramatically to increase representation, as I argued in an article in *The Independent* as long ago as 27 January 2003?

Mrs. May: My hon. Friend has been a long-standing supporter of the cause of getting more women into Parliament, particularly as Conservative MPs, and of the all-women shortlist. Opinion in the party has been changing on the question of such shortlists. I have always had a concern about them, and I say to members of the Labour party that it may also be a problem for them in using only all-women shortlists as a means of getting women into this House. We need to reach a situation where there is no issue about whether a man or a woman is selected for this House and the attitudes are such that those doing the selecting are examining the individual's skills rather than whether they fit a stereotyped image of a Member of Parliament—

Several hon. Members *rose—*

Mrs. May: Quite a queue is building up. I am only two pages into my speech, but I am trying to be as generous as possible with interventions. My concern is that all-women shortlists might not change the attitude in the party to the selection of women. We should all want to achieve a situation where selection is genuinely gender-blind and—

Several hon. Members *rose—*

Mrs. May: I am spoilt for choice. I noted that when reference was made to women candidates who were millionaires the hon. Member for Slough (Fiona Mactaggart) stood up. I wonder whether she still wants to intervene.

Fiona Mactaggart: As the right hon. Lady noticed, I was not standing up at that point. I did not want to intervene on the issue of millionaires—everybody knows that I am one; it is because I inherited money. I wanted to ask whether she could envisage a situation in which a majority of her party's new Members of Parliament were women, as happened among new Labour MPs elected in 2005.

Mrs. May: Indeed, I can envisage such a situation. To ensure that it happens, it is important to continue the work within the party and reach a position where people no longer have a stereotyped image of the sort of person who makes a good Member of Parliament.

Jim Sheridan *rose—*

Mrs. May: I have given way to the hon. Gentleman once, and I shall do so again, but then I want to make some progress before taking further interventions.

Jim Sheridan: The right hon. Lady has been generous. On the question of stereotypes and the selection of women, will she join me in congratulating Mr. Speaker on his progressive views in appointing the first female Serjeant at Arms?

Mrs. May: Yes. Indeed, I was happy to join others in congratulating the first female Serjeant at Arms when she first took her position in the Chamber after her appointment.

The Minister asked me a specific question about the equality Bill and I intervened to ascertain exactly what the Government were going to propose in it. I hope that she realises that we supported the Sex Discrimination (Election Candidates) Act 2002. I was the shadow Front-Bench spokesman who dealt with it, taking the Bill through from my side of the House. We were happy to support that Act, and I would be happy to support its extension and the removal of the sunset clause so that the opportunities it provides continue.

However, it is wrong to portray the Act purely as one about all-women shortlists. What it does is enable parties to take positive action to ensure that they have women candidates. That positive action can take a variety of forms. It can take the form that we have adopted for selections for Westminster or the form we have adopted for selections of European parliamentary candidates. It can also take the form of all-women shortlists. A variety of methods can be used, and we support the removal of the sunset clause and the extension of the Act.

It is important to get more women into Parliament. We are not trying to do that to be politically correct, as some people complain, but to be politically effective. Women make good MPs. The business community is developing a strong understanding about the different skills and experiences that women can bring to business and the benefits that they can provide. They include skills of listening, using constructive methods and an approach to collegiality and the delivery of objectives that enable businesses to excel. It is those positives that also mean that we should work to increase the number of women MPs.

I reject the arguments—sadly, one does still hear them—that if we try to get more women Members, we will get second class Members of Parliament. That is absolutely wrong. We may get Members of Parliament who have a different approach to political issues, but we must all recognise that that different approach is equally as valid as the traditional, more male and macho approach that we have seen in this House. I suggest that the big challenge that remains for women in business and in politics is to be able to succeed as themselves and not to feel that they have to behave like, and adopt the attitudes of, the men in those male-dominated environments. That is why we can genuinely make a change by bringing those new skills into the House, but everybody has to recognise that that approach to being a Member of Parliament is as valid as the more traditional macho approach.

Judy Mallaber (Amber Valley) (Lab): I am pleased that the right hon. Lady is saying that those of us selected on all-women shortlists are not second class, because that is what was suggested by the Conservatives when I stood in 1997. Does she agree that there is a demonstrative effect to selecting a woman? It was notable that in the following two elections, both the Conservatives and the Liberal Democrats selected women to stand in my constituency, although unfortunately the Conservatives have selected a male candidate for the next election.

Mrs. May: There is a proven demonstrative effect, in that having a woman candidate increases turnout at elections, according to figures from the former Equal Opportunities Commission. At the last election in Maidenhead, the three main political parties were all represented by women.

Another reason for parties to seek more women candidates is that we should be seeking the most talented candidates, so we should not ignore 50 per cent. of the population and their talents. If decisions are taken by a narrow group of people who think the same way and have the same sort of backgrounds and experiences, they will be less good over time than decisions taken by a wider group of people with greater diversity. Women have different experience sets from those of men, and women know first hand about issues that men do not know about. Indeed, the same goes for many under-represented groups in politics. They all possess valuable experiences that are unique to them and of value to our political life.

There is perhaps another reason why having women in politics is important. It is that politics has changed. The issues that matter most to people in Britain today are no longer those that are understood as the traditional male issues, although I did receive an intervention on the issue of defence. By and large, when we go out into the streets to talk to people about the issues that matter to them, they talk not about defence and unemployment, but about health and education. It is vital to be able to draw on the experiences that women have in those areas.

The approach to politics has also changed. In the new politics, we see a feminisation of politics and a less macho approach. We have seen a move away from the yah-boo tone—although that may not have been demonstrated today. A new politics is emerging, characterised by both issues and method, and it means that we are seeing a different, feminised political agenda.

Philip Davies (Shipley) (Con): Some of us believe that candidates should be selected entirely on merit, irrespective of their gender. Does my right hon. Friend agree that those men, in particular, who articulate the cause of all-women shortlists should, if they really believe in them, do the decent thing and give up their seats to allow a woman to take their place?

Mrs. May: All the candidates who have been selected by the Conservative party, male and female, have been selected on their merits and because they would make first class Members of Parliament.

I am pleased to have recently published a document, "Women in the World Today", which sets out the five priority areas that the Conservative party has for women's issues. Unlike the Leader of the House, who was not willing to accept that anybody in another political party could ever have done anything good in this area, I accept that the Government have made some changes and taken some steps that should be welcomed. For example, the approach taken in the Domestic Violence, Crime and Victims Act 2004 was important. I visited the domestic violence court in Solihull recently and talked to the police and the Crown Prosecution Service about its operation. Such courts have been a valuable step forward and of benefit.

John Hemming (Birmingham, Yardley) (LD): On the issue of domestic violence, does the right hon. Lady share my concern that women are frequently threatened with the removal of their children if they are victims of such violence? Jean Robinson of the Association for Improvements in the Maternity Services is concerned that women sometimes do not report domestic violence because they fear that that will happen.

Mrs. May: The hon. Gentleman is right and there are many aspects of the issue that still need to be addressed. Despite the fact that the Government have

[Mrs. May]

introduced legislation on this and various other issues that affect women, there are many other issues that need to be addressed. If a woman who is on the receiving end of domestic violence chooses to act, she can still become the victim all over again if she has to leave her home and live in the fear that her children will be taken away.

The hon. Member for Luton, South (Margaret Moran) intervened earlier on the issue of recourse to public funds for victims of domestic violence. That has been a problem, in relation not only to domestic violence, but to trafficking—

Margaret Moran: As I pointed out, the Government are addressing the issue of no recourse to public funds, and will put money towards supporting women in that situation. Does the right hon. Lady accept that this Government introduced safeguards for victims of domestic violence who could potentially become homeless? We are also looking to further safeguard women in those situations through the Housing and Regeneration Bill.

Mrs. May: The hon. Lady perhaps did not hear me say that I am fully willing to accept that the Government have taken steps to improve the lot of women in several ways. However, in several areas, the Government have not followed through on their legislation, and there are still significant challenges facing women. I am concerned that the Government's approach has tended to look at women as a whole, and failed to take into account the diversity of the 30 million British women. The Government have failed to recognise that women are individuals facing distinct challenges. The Government have also tended to take the view that the answer to everything is legislation—

Mark Pritchard: Will my right hon. Friend give way?

Mrs. May: Perhaps if my hon. Friend had moved seats when trying to intervene on the Leader of the House, she might not have realised it was him. I shall give way to him in a moment.

In a number of areas, we must look much more sensitively at a range of solutions, rather than simply look for the legislative answer.

Mark Pritchard: I am grateful to my right hon. Friend for giving way; she is being very generous. There is a great difference between arranged marriages and forced marriages. I recognise that some ethnic groups in this country allow and want to continue arranged marriage, but does my right hon. Friend agree that forced marriage is completely unacceptable? If the Government are serious about such issues, they will change the legislation to make forced marriage a criminal offence rather than a civil one.

Mrs. May: I am grateful to my hon. Friend for raising the issue of forced marriages. I hope he will be patient with me, as I will comment on it later.

The Minister for Women and Equality and I have already debated domestic violence restraining orders. If the Government intend to introduce them, I welcome that. The Minister also mentioned female genital mutilation.

Ann Clwyd: Why did not the Conservatives in the European Parliament support legislation further to outlaw FGM? Why did they abstain and why did only one vote in favour? That was amazing.

Ms Harman: They have only one woman, and she is leaving.

Mrs. May: The right hon. and learned Lady might not have heard me say that we are using the facilities available under the Sex Discrimination (Election Candidates) Act 2002 to ensure that women candidates are selected where they will win seats in the next European parliamentary elections and that we have women in the European Parliament.

I will be honest with the right hon. Member for Cynon Valley (Ann Clwyd). I have not looked at the legislation proposed by the EU, although I am happy to do that. We need to consider the question of enforcement. The Government introduced the Female Genital Mutilation Act 2003, which made FGM an offence, but 74,000 women in the UK are estimated to have undergone the procedure and another 3,000 to 4,000 will do so each year. Despite the prevalence of FGM, not one person has been prosecuted under the Act. We must ensure that we have not merely measures on the statute book but measures on the statute book that change people's lives. That is what it is about.

Ann Clwyd: I agree entirely with the right hon. Lady's point: I introduced the Female Genital Mutilation Bill, and the failure to bring prosecutions for breaching the Act is an absolute disgrace.

Mrs. May: I congratulate the right hon. Lady on her work on that issue.

We know that between 5,000 and 8,000 trafficked women are thought to be working in prostitution in the UK. The Government have signed the convention on action against trafficking in human beings, but so far they have failed to ratify it or to change their policies. I hope that the Minister for Women and Equality will seriously consider adopting the policies that we have proposed. The issues are ensuring the prosecution of more traffickers, increasing the number of places in safe houses for victims of trafficking, allowing 16 to 18-year-olds to be admitted to POPPY project places and setting up a helpline for victims of trafficking. I hope that those suggestions are non-contentious, because they could make a difference to the victims of trafficking, reducing their number and supporting those who fall under this terrible slavery of the 21st century.

Mr. Hollobone: As a member of the all-party group on the trafficking of women and children and of the Committee that scrutinised the Criminal Justice and Immigration Bill, may I say that it is right, for once, to welcome the Government's initiative of visiting other countries to see how they tackle the issue? My right hon. Friend is absolutely right to highlight the urgency of the issue, because, to this country's shame, London,

our capital, has become Europe's capital for sex trafficking. We must introduce legislation as soon as possible to tackle this scourge.

Mrs. May: My hon. Friend makes a valid point. I pay tribute, again, to the all-party group's work on the issue. He is right to emphasise this country's shame. We must ensure that we act preferably to stop, or at least to reduce, this terrible trade in human beings.

Richard Younger-Ross (Teignbridge) (LD): Will the right hon. Lady give way?

Mrs. May: I will give way once more and then I must make genuine progress.

Richard Younger-Ross: The right hon. Lady makes a valid point about trafficked women being forced into prostitution. Women in prostitution are abused in different cities across the country and are often the target of murderers. Does she agree that the decriminalisation or legalisation of prostitution would end that scourge?

Mrs. May: No, I do not. I look forward with interest to the Government's review on prostitution. There is a debate to be had about the measures that can be taken. Again, enforcement is an issue, because the enforcement of kerb-crawling laws varies across the country. We must ask what we can do, even within the existing framework, to ensure that we try to do something for women who all too often, sadly, are drawn into prostitution through no fault of their own and are on the receiving end of abuse as a result.

On women in the workplace, the issue of flexible working has already been raised. Some time ago, we said that we would extend the right to request it to the parents of children under 18. In the workplace, the stubborn pay gap is still an issue. I am disappointed that although the Government say that they will do something about the gender pay gap, they intend to leave it to the single equality Bill, which will not be introduced until the Queen's Speech has been delivered later this year. We have made a simple set of proposals to tighten the legislation, which the Government could, if they chose, adopt today. The Government have followed our agenda in a number of other areas and I would be happy if they followed our agenda on pay. Again, we must not only legislate, but ensure that schoolgirls do not simply go into the lower-paid careers that lead to the gender pay gap.

Bill Wiggin (Leominster) (Con): Will my right hon. Friend give way?

Mrs. May: I said that I would try to make more progress before taking another intervention. I am sure that my hon. Friend will find an opportunity to intervene later.

We must look at child care and the lack of choice. The Government's support for child care is restricted and it restricts choice. The Minister for Women and Equality referred to the number of people who rely on support from family and friends. We must see whether we can ensure that that is recognised. One of my concerns about female carers is that all too often they do not know what support is available to them or often find access bureaucratic. We must tackle those issues.

On vulnerable women and particularly violence against women, I have said in the past to the Minister that the Government need to do more to help the victims of stalking. About 880,000 people in Britain have been the victims of stalking or harassment, but the authorities are all too often ill-equipped to deal with that problem. We must look at police training to support victims of stalking, so that the police can recognise the problems that stalking brings and the damage it does to someone's life.

Also on violence against women, I am pleased to say that we have made a series of proposals relating to rape. The first is to give rape crisis centres a longer, three-year funding package, which would give them greater certainty about their future. Sadly, too many have closed because of funding problems and uncertainty. We also need to consider the low figure of rape convictions, but approaching that subject is not just about legislation or the criminal justice system. A wider, strategic approach is needed, which is why we would make it compulsory for the sex education curriculum to include the teaching of sexual consent. It is shameful that many young people believe that it is okay for a boy to expect to have sex with a girl if she is being flirtatious, or if he has spent a lot of money on taking her out that evening. It is also shameful that many young people think that it is okay for a boy to hit a girl at some point in their relationship. Those problems cannot be dealt with in legislation; they can be dealt with only with a wider, more strategic approach.

I wish to mention matters concerning certain ethnic communities. My hon. Friend the Member for The Wrekin (Mark Pritchard)—I see that he has moved again, so his patience obviously ran out—made it clear that forced marriages are quite different from arranged marriages. We must make it absolutely clear that forced marriages are wrong. They often involve abuse of the girls who are forced into them, who are sadly often very young. Although 300 cases of forced marriage are reported to the Government's forced marriage unit each year and many more come to the attention of the authorities, even more sadly go unreported. We have recently made a number of suggestions on the matter, including making local authority children's services departments registered third parties that could apply for protection orders. We must ensure that information is available in schools to young girls who may find themselves victims of pressure to marry and ultimately victims of a forced marriage.

There is a debate to be had on whether a criminal offence should be introduced, because there are differing opinions. Once the Forced Marriage (Civil Protection) Act 2007 is in force, we must see how the civil offence operates. It is valid to argue that fewer people will report forced marriage if it is made a criminal offence, because it will mean reporting members of their family. On the other hand, a group of women in Bradford who support the victims of forced marriages made the point at a recent meeting that they wanted a clear message to be sent that forced marriages were wrong. They said that that would happen by making such marriage a criminal offence. We must consider the matter seriously and then do whatever will reduce the number of young girls forced into marriages against their will.

[Mrs. May]

Another matter on which there are challenges, and on which we can find benefits by working with and through women, is women's role as agents for change in the developing world. Using women as recipients of aid can significantly improve development. The Women's National Commission has argued that

"government institutions are not always best placed to plan, promote and deliver development programmes. Domestic and international civil society, including women's organisations, often have untapped expertise which could be utilised to ensure local contexts are not lost in strategic aims."

Women have an important role to play in international development, aid and post-conflict resolution. We should include them in that as much as possible, because of the benefits that they can bring not just to themselves and their families, but to their community and the whole of society.

I know that a lot of Members wish to speak, many of whom have a fine record of working to improve the rights of women and their representation in the House. There must not be a one-size-fits-all approach to women's policy, and it must not be about preaching to women about how they should lead their lives. The approach taken should be about offering women choice in their lives and giving them opportunities to make choices. It should be about more than simply legislation, because we recognise that there is a social responsibility, and that problems are sometimes about a community attitude and can be solved in ways other than simply reaching for the law.

We have set out five areas in which women still face strong challenges, and we intend to follow up on them and produce policies that will appeal to women and help to resolve their problems. I hope that the Government are willing to examine our policies and take them on board, not because I have mentioned them today or because they are in a Conservative party document, but because they would make the lives of women in this country better.

1.35 pm

Ann Clwyd (Cynon Valley) (Lab): First, I congratulate my right hon. and learned Friend the Minister for Women and Equality on introducing the debate and on her great efforts over the years. She has been here a few months longer than I have—I came in after a by-election. We all recognise that she has always made women's rights one of her top priorities, which was important at a time when it was difficult to get it on the agenda. In 1983 or 1984, we had to make tremendous efforts to do so. That is why we can speak with feeling about our disappointment in the first woman Prime Minister. Having made it to the top of the ladder herself, she pulled the ladder up behind her very quickly.

Mrs. Laing: Does the right hon. Lady agree that between 1980 and 1990 the proportion of young people going to university in this country increased massively due to the policies of Margaret Thatcher's Government? That made an enormous difference to many thousands of young women, who had an educational opportunity for the first time.

Ann Clwyd: The hon. Lady should not express so much ire. I do not discount everything that that Government did, but there were huge gaps in such legislation as the Sex Discrimination Act 1975 and the Equal Pay Act 1970, and they needed closing. We continually asked the first woman Prime Minister to do so, but she chose not to.

Ms Katy Clark (North Ayrshire and Arran) (Lab): Does my right hon. Friend agree that, whatever legislation was made in those years, there was huge social change in Britain that led to many of the women on these Benches arriving here? The pressure from women, and indeed men, outside is incredibly significant. They expect all of us here to do more to ensure that we achieve equality.

Ann Clwyd: I thank my hon. Friend for making that point. I am pleased to see all the women in the House, because I know from personal experience how difficult it has been for women to be elected. I was the only woman from Wales here for 14 years, so like my right hon. and learned Friend the Minister, I am pleased to see more women in the House. It was a long fight; there had been only three women MPs from Wales before I was elected in 1984, two of whom were daughters of famous men. One was Lloyd George's daughter, and the other was the daughter of the then Deputy Chief Secretary to the Treasury. The third was Dorothy Rees, who was unfortunately defeated after one year. That is why some of us speak with considerable feeling about the difficulties of getting here.

I was elected in competition with a lot of other people, but I know that if it had not been for all-women shortlists, I would probably not have been joined by other women from Wales. There was a culture of women not selecting women, and I am afraid there still is.

Mrs. Laing *indicated assent.*

Ann Clwyd: I see the hon. Lady nodding. We have all had experience of that problem. Now, however, I think most people see that to increase the representation of women here, it has been necessary to discriminate in favour of women where previously they were discriminated against. A number of people have mentioned merit, but if candidates had been selected on merit there would have been many more women in this House than there have been over the years.

We now have 96 women in the parliamentary Labour party, six of them in the Cabinet and 41 in ministerial positions. The Conservatives know they are lagging behind, with only 17 women Members of Parliament. The right hon. Member for Maidenhead (Mrs. May) acknowledged that and talked about ways to bring more women into her party. Looking at the Opposition Benches, I am sorry to see so few women. Only one woman Liberal is here this afternoon; I would have hoped that more of her colleagues would join her for this debate.

Philip Davies: Can we get to the nub of the matter and find out how serious the right hon. Lady is about getting more women into Parliament? At the next general election, in those constituencies where a

Labour man is standing against a Conservative woman, will she support the Conservative woman to get more women in Parliament, or will she support the Labour man?

Ann Clwyd: I think the hon. Gentleman knows the answer to that. Obviously I want to see more Labour women in Parliament; but after more Labour women, I want to see more women on the Opposition Benches, both in the Conservative party and in the Liberal party. Plaid Cymru has no women, nor does the Scottish National party. We all want to see an improvement.

Julie Morgan (Cardiff, North) (Lab): Does my right hon. Friend acknowledge the Labour party's great achievement, in which she and many other Members here today played a role, of ensuring that when the Assembly was set up in Wales, equal numbers of men and women stood for election, which resulted in its being, in the last Session, the only totally balanced legislative Chamber in the world?

Ann Clwyd: My hon. Friend is absolutely right, and that was my next point. Forty-seven per cent. of Assembly Members are women. We had to battle hard for that against a lot of opposition, as my hon. Friend knows, because she and I took a lot of flak at the time when we were making the case. A lot of the flak came from Welsh men—and Welsh men in the Labour party, I am sorry to say—but eventually we got our way, and we are pleased that nearly half of the Labour AMs are women.

I want to mention one or two women who made great efforts to bring more women into Parliament. When I stood for my first election in 1970—a very long time ago now—a woman who spoke for me was one of the first suffragettes. Leonora Cohen lived in retirement in north Wales, although she was originally from Leeds. She was 97 when she stood on a platform in Denbigh town hall; she was ramrod straight, had what must have been an 18 inch waist as well as a mass of white hair, and was dressed in black.

One of Emmeline Pankhurst's suffragettes, Leonora Cohen played a largely supportive role in selling suffragette newspapers and marmalade to raise funds, but in 1911 she was so incensed by Asquith—the Liberal Prime Minister and arch-anti-suffragette—breaking his commitment to women by announcing a manhood suffrage Bill to give all adult males the right to vote, that almost overnight she was seized by a votes-for-women passion. In 1913, she broke the showcase of the Crown jewels in the tower of London. Wrapped around the bar she used to smash the cabinet was a piece of paper stating:

"This is my protest against the Government's treachery to the working women of Great Britain."

She spent time in Armley jail and Holloway for her protests, going on hunger and thirst strike.

In 1918, after the first world war, women over 30 got the vote in Britain, and in 1928 it was granted to women over 21. Leonora Cohen went on to become president of the Yorkshire Federation of Trades Councils and later a justice of the peace. She died in 1978, aged 105. Had she hung on for another year, she would have seen me elected as a Member of the European Parliament in 1979. I am sorry that she did not. Leonora Cohen and people like her were an inspiration to me and many others. I hope that, at the age of 97, I can stand on a platform to support another woman candidate.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I and my hon. Friend the Member for Dundee, East (Stewart Hosie) have been making some back-of-an-envelope calculations—literally—since the right hon. Lady mentioned women's representation in the SNP. We figure that roughly a quarter of SNP parliamentarians over time have been women. I just wanted to inform her of that, given her earlier reference to us.

Ann Clwyd: But, of course, not at Westminster.

Stewart Hosie (Dundee, East) (SNP): Yes, including at Westminster.

Mr. MacNeil: Over time.

Ann Clwyd: I remember Winnie Ewing, of course, but my point was that at this moment in time, there are no women SNP Members.

As my right hon. and learned Friend the Minister for Women and Equality said, our Government introduced the minimum wage, which the Conservatives opposed. When Labour was in opposition I spoke on employment matters, so I know how much opposition there was from big business to the minimum wage. The same arguments were made then as are being made now in relation to legislation on agency workers—that the measure would cost hundreds of thousands of jobs. However, in my Cynon Valley constituency, workers are now guaranteed a fair wage and thousands of women have been lifted out of poverty. The minimum wage was an important step forward, and I welcome the recently announced increase to £5.73 an hour. I am also proud to support the Temporary and Agency Workers (Equal Treatment) Bill, which I hope will ensure fair conditions for thousands of men and women on temporary contracts or working through agencies. It is a scandal that temporary and agency workers work in such poor conditions on such low wages.

For many years, I have been concerned about women prisoners in the UK. There are still no prisons for women in Wales, so women are imprisoned hundreds of miles from their children, their families and their loved ones. This week, a report from the Sainsbury Centre for Mental Health shows that short spells in prison, even on remand, damage women's mental health and family life, yet do little or nothing to stop them reoffending. The damage is made much worse when women are imprisoned a long distance from home and they receive inadequate health care during and after their time in prison. There are more than 4,400 women in 17 prisons in England. Four women prisoners in every five have mental health problems, most commonly depression and anxiety, and almost half have been the subject of abuse. I welcome the recent report by Jean Corston, a former Member of this House, and very much hope that the Government will take up its recommendations, including the replacement of women's prisons with smaller local

[Ann Clwyd]

custodial units. We should imprison women only when there is no other option. It is of the utmost importance that female prisoners be treated with the dignity and respect that they deserve.

Julie Morgan: In Wales, we have no prison for women. Does my right hon. Friend agree that it would be ideal if south Wales had one of the small units recommended by Corston?

Ann Clwyd: As a north Wales person and a south Wales MP, I think that we should have the units in north and south Wales, but apart from that I agree with my hon. Friend's point.

Miss Kirkbride: I am very interested in what the right hon. Lady is saying, and I agree with large parts of it. I point out for the record that a women's prison in my constituency was closed and changed into a men's prison, as there was so much pressure to incarcerate men. There is only one issue on which I might disagree with the right hon. Lady. Is the implication of what she says that when we make decisions about giving people custodial sentences, we should treat men differently from women? I shall have to part company with her if she does not think that there should be equality on such a big human rights issue.

Ann Clwyd: My point is that women are usually imprisoned for quite low-level crimes. The people who sentence them should think carefully before putting them in already overcrowded prisons. Overcrowded prisons are a problem for both men and women. I should like far fewer people to be put in prison, and alternatives found for dealing with whatever crime they have committed.

Ms Katy Clark: Does my right hon. Friend agree that women are often given far harsher sentences than men for the same crime because of society's attitude and how it thinks women should behave?

Ann Clwyd: I entirely agree.

I want to come on to the issue of carers, which the Minister mentioned. The issue is often raised in the House, with good reason. I know that the right hon. Member for Maidenhead has a particular view on carers, which I think we all share. There are 6 million carers in the UK, and they are estimated to save the economy £87 billion a year through their unpaid work. The burden of caring falls disproportionately on the shoulders of women, with 58 per cent. of carers being female. The Government have done a lot to support carers and look after their needs, but a lot more needs to be done to protect that growing section of society as the population age.

Richard Younger-Ross: Does the right hon. Lady accept that there is a particular problem with young carers, who not only give up their time but often sacrifice their education and career to look after someone?

Ann Clwyd: That was my very next point. I am particularly concerned about the eligibility criteria for carer's allowance and the inability of those in full-time education to claim the allowance. The links between disability and poverty are crystal clear, and we must do all that we can to break them. It is hard enough for people who provide care for more than 35 hours a week to continue their education, without having to worry about financial arrangements. If women are being put off education because they cannot afford to go to school or university while caring for friends and family, there is little hope of their ever escaping the cycle of poverty. It is only fair that they, too, be eligible for carer's allowance.

I want to talk about the American elections. Recently, I gave the annual lecture at Wellesley college in Boston, which is of course the college of Hillary Clinton, Madeleine Albright, Madame Chiang Kai-shek, and many other women who have made a real contribution to society. There is an interesting piece in *The Times* today by Anatole Kaletsky, which gives two reasons why

"They must go for Hillary".

He points out:

"The possibility of a black president has electrified the world—and rightly so. President Obama would become an inspiring role model, not only for black Americans, but for oppressed races around the world, not least in Africa.

But surely this is even truer of a woman becoming the world's most powerful human being. In any rational comparison of frustrated talent, women, who are half the world's population, have suffered far more from disempowerment than Africans, Hispanics, Jews or any other racial group."

On Monday, I listened to a piece on "Woman's Hour" while I was driving to Westminster. There was a discussion of why Hillary was not doing as well as she might have done—this was before the most recent results—and it was suggested that it was because she was too like a man. It was said that she was too manly in her presentation, whereas Obama had shown a feminine streak, which was more appealing than Hillary's macho streak. Of course, women are always in a no-win situation. I found it particularly ironic that that point should be made.

I also want to talk about ageism. There is the matter of maturity and experience. I welcome the many young people in the House, but there is also a place for people who have been here longer than they have; I say that with some feeling. I do not like the ageism that I sometimes see in the House. I did not like what happened to the previous leader of the Liberal Democrat party, the right hon. and learned Member for North-East Fife (Sir Menzies Campbell). People should be judged not on their age but on their ability to do a job. I am not making the case for McCain, although on some issues, particularly Iraq, I agree with him, and not with the Democrat candidates. Hillary is 61, and people say that she may be too old. The point is made in *The Times* today that

"there is the matter of maturity and experience. This is Mr McCain's biggest gift to the Clinton campaign…Given the high propensity to vote among the elderly"—

we know that there is such a propensity in this country, too—

"this election will not be decided by a baby boom but by a senility surge."

An older candidate can attract older people to vote.

As I said earlier, women are never thought to be just right; it is always thought that there is something

wrong with them. That is true of their appearance, too. They are judged to be too fat, too thin or too old, but they are never just right. I got involved in the issue of cosmetic surgery some years ago; the trend is of long-running concern to me. A constituent came to me who had had silicone implants, which were all the rage at one time. The silicone implants exploded inside her. They had both ruptured, and she had to have a double mastectomy. As a result of that case and the fact that such implants were fashionable at the time, we set up a group called Survivors of Silicone. I was contacted by many women who had had experiences similar to my constituent's. When the Labour Government came in 10 years ago, we managed to introduce a regulation to ensure that whenever there was a silicone intervention, people had to register it, so that there was some tracking of those who had had such implants.

I am worried about the growth of cosmetic surgery. Last year alone, 32,453 surgical cosmetic procedures were carried out, compared with just 28,000 the previous year; that represents a 12 per cent. rise in cosmetic operations. Some 91 per cent. of the patients were women, and the rest were men; the trend is growing among men as well. Research from various groups has pointed out some of the dangers. More and more women and men are opting for non-surgical treatments. By the way, if something goes wrong during private cosmetic surgery—and many people still contact me about things that have—the national health service very often has to pick up the problem; unfortunately, the patients cannot get it put right in the private sector.

Some time ago, surgeons from Moorfields eye hospital told me that they were worried about the growth of eye operations on the high street. It is suggested that people can walk in and walk out for such procedures, and that because of that they must be okay and safe. However, most of us know that that is just not right. Things very often go wrong, particularly with laser eye surgery, which has not yet reached perfection. Things go wrong with it and, again, the NHS has to pick up the problem.

I am working with *Which?* at the moment. We are pushing for the recommendations in the chief medical officer's expert group report on the regulation of cosmetic surgery to be adopted by the Government. They are that there should be an end to self-regulation and that there should be greater enforcement of existing legislation. Self-regulation, I am afraid, does not work and the regulation of the huge growth in cosmetic surgery cannot be done by the industry alone. I hope that our campaign will succeed so that men and women who opt for cosmetic treatments are not fooled into their decision by advertising gimmicks and pushy salespeople, only to regret their decisions after receiving substandard treatments.

Richard Younger-Ross: Will the right hon. Lady give way?

Ann Clwyd: I am just about to finish, but yes I will.

Richard Younger-Ross: Does the right hon. Lady accept that part of the problem is the celebrity culture, which is promoted through fashion and weekend magazines? The stars are seen to be having all these operations and they appear to have size-zero bodies, to which people aspire. Those magazines have a social responsibility not to feature an article on bulimia once every blue moon, but to change the size and the sort of women that they feature.

Ann Clwyd: I agree, as I tighten my jacket. The pressures on women to conform to certain shapes, sizes and looks are extraordinary. The Advertising Standards Authority has a real role to play, but I believe that it is not carrying out the role for which it was set up in respect of regulating adverts of the type that appear in magazines and newspapers. There are pages and pages of such adverts. The things that appear in such media put pressure on young women in particular to get a nose job or some other kind of job done, and that should be regulated by the ASA. As the hon. Gentleman said, there should also be lengthier magazine articles and television items that give a fairer idea of what is going on.

All the women whom I see in this Chamber are just right—they are not too fat, too thin or too whatever; they are just women. I am pleased to have spoken on international women's day.

2.5 pm

Jo Swinson (East Dunbartonshire) (LD): It is a pleasure to follow the right hon. Member for Cynon Valley (Ann Clwyd). I particularly enjoyed her remarks about the American elections, which I have also been following with much interest. My overriding concern is that either Obama or Clinton should be in the White House next time; I shall be pleased to see the back of its current occupant. However, I confess that, faced with the choice between the two Democrat candidates, I would be a Hillary supporter. I share the right hon. Lady's abhorrence of ageism, but as the youngest Member of the House, I should point out that the issue works both ways.

I must apologise on behalf of my hon. Friend the Member for Hornsey and Wood Green (Lynne Featherstone), who would normally speak for my party on women's issues; she has a prior constituency commitment. I am delighted to speak in her place in this debate to mark international women's day. Yesterday, there was a wonderful cross-party event just outside Parliament to pay tribute to Emmeline Pankhurst of the suffragette movement. It was a bit of a shame that the nearest she has got to having a statue in Parliament is having one outside it in Victoria Tower gardens. None the less, the event was very enjoyable and it was good to see so many men there as well—one of whom, the hon. Member for Braintree (Mr. Newmark), is in the Chamber now.

This debate is particularly appropriate, not only because it is international women's day but because 2008 is a year of many anniversaries. It is 90 years since women achieved the right to vote and 80 years since they achieved the right to do so on the same basis as men. On the subject of history, I should like to share what I tell constituents is my favourite part of the tour of the House of Commons. It is the marble statue in the approach to Central Lobby. I do not know the background to its subject, but he was clearly deemed to have been worthy of a statue in the House of Commons when Emmeline Pankhurst was not. He

[Jo Swinson]

was, apparently, the second Viscount Falkland, who obviously had some importance. What attracts me to that part of the tour is not the subject of the statue, but the little crack along the sword that he holds; both his hands are clasped on the sword, which goes down to the statue's marble base.

That crack is there because on 27 April 1909, one Marjory Hume, also a suffragette, handcuffed herself to the statue and the only way to remove her was to break the sword. It is my favourite part of the tour because when I stand by the statue, I think about how nearly 100 years ago, a piece of history took place by it.

Judy Mallaber: I understand that the statue had to be broken because there was no blowtorch. After the incident, there was a worry about further demonstrations, so the order went out to buy a blowtorch so that the chains, rather than the valuable statues, could be broken.

Jo Swinson: I thank the hon. Lady for that further information about the event.

I would argue that the representation of women is important in itself—for equality and fairness in a 21st-century society. It is also important for the credibility of this Chamber in the eyes of our constituents. When they turn on the television to watch the goings-on here, as they may occasionally do, it does politics no service when they see such a lack of diversity in the House; that applies not only to gender, but to age, background, ethnicity and many other elements of diversity.

It is also important to note that better representation of women changes the issues that are discussed. I highly recommend an excellent book called "Women in Parliament" by Boni Sones and the hon. Member for Luton, South (Margaret Moran), which chronicles interviews with many women MPs. I read it a few months after my election and found it contained a few tips. I also found, pleasingly, that some of the experiences of women elected in 1997 of extreme and awful cases of sexism, even in the Chamber, did not relate to my experience eight years later in 2005. I am pleased that there has been good progress in the House. The book also found that there has been a noticeable change in the issues discussed as a result of having more women in the Chamber.

We have heard many issues raised today—trafficking, women in prisons, armed forces, child poverty, carers, forced marriage, black and minority ethnic women—all of which are important. But time is limited for the debate and it is impossible for me to cover everything. If more speakers can contribute, it will make for more interesting debate. I intend to confine my remarks to a few areas that particularly affect women; equal pay, violence against women, pensions, the international dimension and women's representation.

Margaret Moran: I thank the hon. Lady for that unanticipated plug and for her support for the follow-on project that Boni Sones and I have been involved in—women's parliamentary radio—through which we can provide unmediated information about women in Parliament and about what we are doing, rather than the stereotypes about women in this place that are often promulgated in the media.

Jo Swinson: The hon. Lady is absolutely right; the project is an excellent one that deserves support and its website is www.wpradio.co.uk. I would certainly encourage hon. Members to become involved with that excellent project.

The Minister mentioned the pay gap and accepted that it was still a problem. It is simply shocking that, more than 30 years after the equal pay and the sex discrimination legislation, we still have a significant pay gap between men and women—17 per cent. of the mean average for full-time workers and as high as 35 per cent. among part-time workers. That latter figure is particularly worrying because so many more women as a percentage work part-time than men.

The current mechanism to deal with equal pay claims is not working. In the year to 1 April 2007, some 130,000 claims were made under the legislation. Before it was wound up, the Equal Opportunities Commission pointed out the great problems that it had and the time taken for cases to be heard, an understandable delay given their volume. Effectively, the legislation is not managing to tackle the issue.

Pay audits are a good, proactive way of dealing with the pay gap and are now common practice in the public sector. I would like that arrangement to be extended to the private sector. We have the gender equality duty but we should require private companies to undertake pay audits and, as a quid pro quo, say to them that if problems are uncovered during the audit, claims cannot be made against them as long as they put right those problems.

Sandra Gidley (Romsey) (LD): Does my hon. Friend accept that it is in the best interests of companies to provide the information? All the evidence from those companies that provide such information is that they get better women applying for jobs as a result. It is a win-win situation for women and for the companies.

Jo Swinson: My hon. Friend makes an excellent point and the right hon. Member for Maidenhead (Mrs. May) pointed out that businesses are increasingly recognising the different skills sets that women bring to an organisation and the complementarity of having mixed teams of men and women.

Ms Katy Clark: I agree with the hon. Lady on mandatory pay audits. She mentioned the number of equal pay claims that are currently being brought, many of them by the public sector. Does she agree that one of the problems was that equal pay legislation was effectively ignored and that it is only within the past 10 years that the issue has been addressed?

Jo Swinson: I read a shocking report about the team that is set up to deal with claims from the NHS. Even within the public services, the issue is not being addressed and the thought that Government services are part of the problem, rather than part of the solution, is very concerning.

On equal pay, we have to look at the issue of child care and I would propose that we allow maternity leave to be shared between fathers and mothers as they see

fit. Currently, it could be said that fathers get quite a raw deal, in getting only a short period of paternal leave, and that helps to reinforce discrimination against women. An employer interviewing a woman of child-bearing age might perhaps wonder whether this person, whom they might employ, will end up taking maternity leave, but would not necessarily think the same about a man. By sharing the parental leave, more choice would be given to parents about managing child care, and it would help to tackle some of the indirect discrimination that is difficult to prove and to deal with through legislation.

Miss Kirkbride: There is broad agreement in the House about equalising pay, but I want to mention one of the things that shocked the Select Committee when we looked at the findings of the Women and Work Commission. The commission studied women graduates and compared them with male graduates five years out of university. One would have thought that there was a reasonable expectation that the pay gap would not even exist, let alone be very big, but it was still 15 per cent. I worry how intractable the problem of the pay gap is.

Jo Swinson: Indeed. The issue is very concerning. In my experience of working in the private sector, one got a pay rise only if one asked for and negotiated it.

Miss Kirkbride: And the boys do.

Jo Swinson: As the hon. Lady says, "The boys do." From an early age, boys, through social conditioning, are encouraged to speak out and to shout out in class; boys are less likely to be disciplined for that. It is "Be a good girl," but "Boys will be boys." There is an in-built discrimination of which, to a certain extent, we are all guilty. Partly this could be addressed through education, which is why pay audits and the requirement on companies to be proactive in that respect is so important.

I welcome the Government's commitment to extend flexible working to parents of older children, but I would go further and say that we need to change the mindset and culture of work in this country. Businesses need to be able to make decisions based on business reasons, but why should not everybody have the right to request, not demand, flexible working? If everybody had that right, we might start to change the working culture. That can be in the interests of business; if one member of staff wants to start and leave early and another wants to start and leave later, a customer-facing business might be able to open for longer.

On violence against women—a scourge on our country and the world—I pay tribute to the great work of the End Violence Against Women coalition, which has done great things to highlight the issue. The shocking statistic that almost half of all women in the UK will, at some point in their lives, face domestic violence, sexual assault or stalking is frankly unacceptable. In the past few years, much progress has been made to counter such violence, and the Labour Government have introduced specialist domestic violence courts, sexual assault referral centres and so on to deal with certain aspects of it. But there is still a huge amount that needs to be done. Recently the End Violence Against Women coalition found that one third of local authorities have no specialist violence against women services. Rape crisis centres are closing in increasing numbers; surely we need to be going in the other direction.

The recent report "Map of Gaps" highlighted Scotland as a good example to be followed, as Scotland had ring-fenced the funding for support for women's services. As a Scottish MP, I was particularly pleased to read about that. That is why it is with great disappointment that I have to inform the House that the recently elected Scottish National party Government in Holyrood have reversed that pioneering and forward-thinking move and, in the recent local funding round, have ceased ring-fencing the money for women's aid services and for work to counter violence against women. The money will now be rolled up into the general local government settlement. When budgets come under pressure, I have a fear that some of those services for women will be cut.

Stewart Hosie: The hon. Lady, I am sure, will confirm, for the sake of completeness, that the local government settlement is much bigger and there is every intention that every one of those services will continue to be provided.

Jo Swinson: There is no guarantee. When the funding was ring-fenced, it had to be spent on those services. It will now be subject to decision making and there is great pressure on local authority funding in Scotland. Councils must make difficult decisions because they have effectively been blackmailed into providing a zero per cent. council tax rise. I have great concerns that some important services will be cut.

Ms Katy Clark: In my constituency there is a 3 per cent. cut in local government funding, and Women's Aid is one of the organisations whose funding is being cut. That is the experience in many parts of Scotland. The hon. Lady makes a valid point.

Jo Swinson: I welcome the additional information that the hon. Lady provides about her area. I know that she will be concerned about the cuts to those services.

What is missing, and what the End Violence against Women coalition is calling for, is a cross-departmental approach to the issue. We need to recognise that violence against women is not just about the often excellent Department responsible for women and equality matters. It is not just about the health service providing support when women have been victims of violence, or the justice system dealing with such cases. It is not just about safe transport for women or education to prevent such violence. All the relevant Departments need to work together.

On 25 January 2006 at column 1435 of *Hansard* I questioned the then Prime Minister about that. I asked him if he would commit to developing an integrated strategy. I was somewhat disappointed by his answer, which related solely to victims of domestic violence. The point that I was making was that violence against women is much wider than just domestic violence. The Government were given one out of 10 in the first year by the coalition in its report on those services, and two out of 10 the following year. I hope that there will be continued progress.

[Jo Swinson]

I hope that in her summing up the Minister will be able to report further on the issue. I raised it again on 17 July 2007 following a statement from the Minister for Women, who said:

"We are considering merging the inter-ministerial group on domestic violence and the inter-ministerial group on sexual offences in order to take an overall view across Government on violence against women."—[*Official Report*, 17 July 2007; Vol. 463, c. 183.]

That would be welcome. I should like to know, some months on, whether that has happened or the status of the proposal.

With reference to violence against women, I tabled early-day motion 765 on the campaign for justice for victims of rape, which 84 hon. Members have already signed. The conviction rate for rape, as we all know, is appallingly low—around 5 per cent., which is down from 33 per cent. in the 1970s. That is not the conviction rate for cases that get to court. More than four out of five cases do not get to court, so the problem is not necessarily at the jury stage. The difficulty tends to arise at an earlier stage, with cases being dropped because insufficient evidence has been collected.

I know that the Government have been consulting on the issue, which is to be welcomed. We need to know how we can improve criminal practices to ensure that more cases get to court and are successful, but it is also important that the support services receive stable funding. That can be an important factor in determining whether a woman will pursue a case, decide to drop it or not report it at all.

We need to address the myths about rape. There have been some shocking reports about the perception out there. In 2005, an ICM poll found that a third of British people thought that in some circumstances a woman could be held partly responsible if she was raped. That must be scotched. It is not a woman's fault if she is raped. It is not her fault if she has been drinking. It is not her fault depending on what she is wearing. If somebody was murdered or mugged, we would not say that it was their fault because of the way they had acted, and we should not say that in the case of rape.

The right hon. Member for Maidenhead mentioned a horrifying statistic about the number of young girls being pressurised into sex. A recent Amnesty study showed that 40 per cent. of young people know girls whose boyfriends have coerced or pressurised them into sex. In one sense, that is shocking, but it is not all that surprising when one considers the education that is currently provided and the different views about sex that are allowed to develop between boys and girls. We must tackle the matter from an education point of view so that it is clear what is and is not acceptable behaviour.

I questioned the Minister for Schools and Learners about that in December. The point that I was making was that it was not just sex education that was important—relationships education must be an integral part of that. When young people are learning about how to have safe sex, about the biology of sex, about what happens, they also need to understand the context of the relationships in which that can happen and the issues of consent, love and confidence that go with that. I do not see how the two aspects can be separated, so I was extremely disappointed when I asked the Minister if he would consider making such education a statutory requirement, and he replied:

"Sex education is statutory, but the relationship side is not."—[*Official Report*, 17 December 2007; Vol. 469, c. 584.]

He went on to say that he wanted better sex and relationships education, but would not make a commitment to make that a statutory requirement. If the Government are serious, they need to look carefully at that issue.

On women's pensions, the Government, to give them their due, have made some progress, particularly for women with caring responsibilities who do not have a complete national insurance record. However, the way that changes are being introduced means that there will be a cliff edge where the difference in entitlement between women who are eligible after 6 April 2010 and women who are not eligible the day before will be £27,000 over their lifetime.

The Government should have considered introducing the new scheme in a more staggered way to avoid such a cliff edge. They should also consider a citizen's pension. It will still be a requirement to have 30 years of national insurance contributions for a full pension. Even with that change from 39 years, some women will still not achieve a full pension because of their caring responsibilities. That needs to be taken into account.

My hon. Friend the Member for Northavon (Steve Webb) has drawn attention to the problem of women who have gaps in their contribution record, which they could pay to have filled. There was a six-year period when the Government did not inform women that that was possible. Women can do that retrospectively and in some cases be eligible for a lump sum of a couple of thousand pounds or more, plus an enhanced pension going forward. I have tried to raise awareness of the matter in my constituency and help women in individual cases, but the Government should take responsibility for being proactive and making sure that women get what is rightfully theirs.

On the international agenda—after all, we are celebrating international women's day—it is important to consider the issues that women face around the world. There are countries where female infanticide is common. As has been mentioned, 2 million girls every year go through the appalling practice of female genital mutilation. Rape is used as a weapon of terror. We saw that in Rwanda, yet the same is happening again in Darfur. Women are oppressed in societies and countries across the world, unable to access education and denied equal rights in judicial procedures. Poverty tends to hit women the hardest. This week there is an excellent exhibition in the House, in the Upper Waiting Area, about the impact of climate change on women. In the developing world women will be hardest hit by the effects of climate change.

Interestingly, as the right hon. Member for Maidenhead said, women can often be part of the solution, even though they suffer the worst elements of the problem. There is a high correlation between the education of women in a country and that country's level of development. We see micro-finance initiatives run by women throughout the world to make their

communities better, and this Government, through their international development work, should rightly ensure that the involvement of women in the solution to many of those problems is a priority.

That brings me to women's representation, which brings all of those issues together. There are 126 women Members of Parliament at the moment—fewer than one in five—which is clearly not enough. The figures are slightly better in some of the other authorities and Parliaments. A third of the Members in the Scottish Parliament are women, but I am sad to say that that is a decrease from 40 per cent. previously. The Welsh Assembly has an excellent record, with 47 per cent. of its Members being women—I congratulate the Assembly on achieving that. In the European Parliament, 31 per cent. of Members are women. Although representation in local authorities is better than it is in this House, with 29 per cent. of councillors being women—and I am delighted that the Liberal Democrats have the highest percentage of women councillors, at 32 per cent.— we have no reason to be complacent.

Sometimes in meetings, I have raised that problem, and men will turn round and go, "Oh, a third are women. That's quite good.", and I say, "Hang on a second—it might be quite good compared to the really awful representation in other areas, but there is no way that a third of representatives being women is good." We can probably say that a figure of 47 per cent. is quite good—it is not always going to be exactly 50:50—but we cannot be complacent about a proportion such as a third. The Labour Benches are made up of many more women, and I hope that there is no complacency there, because even on their Benches, there is still a long way to go.

We need to look at the variety of reasons why representation is so low. Is sexism the reason? It probably is partly sexism, but I do not think that it is the only one. The reason is less likely to be sexism now than it was 30 years ago. We certainly know that the electorate are no less likely to vote for a woman. In fact, I have seen research showing that not only does turnout go up when women stand, but that women are marginally more likely to be elected than men—so it is an advantage to have women candidates. If the electorate are no longer sexist, it would be slightly strange to suggest that political parties have a higher degree of sexism. Although sexism is probably still a factor in some cases, it is not the only one.

Is it a matter of lifestyle? Is it that women look at us debating until 11 o'clock—on at least two nights so far this week—and at the sometimes strange procedures and practices of this House, and say, perhaps entirely sensibly, "Hang on a second, that's not for me. I can make an impact in another career in business or in one of the professions, or through working in my local community." I suspect that that sentiment has a role to play. However, it would not explain the low percentage of councillors. Combining the lifestyle of a councillor with the other sensible things that one might want to do is easier than combining them with the lifestyle of a Member of Parliament, which involves two lives and two homes.

Cash is certainly part of the problem. The pay gap exacerbates the representation problem. Let us be honest about it—standing for Parliament and being involved in politics leads to additional costs. Like it or not, as the right hon. Member for Cynon Valley said, women get judged on their appearances more, so there are wardrobe costs. There are certainly child care costs. But there is also the cost of going to party conferences and accommodation, and the little things that happen all the time when one is a candidate, such as taking volunteers out for a drink after a hard day's work. A lot of incidental costs are involved, and because there is a pay gap, the financial implications are even worse for women.

Another real problem is confidence. One of my favourite things about the job is speaking to school groups. Rather than being deferential, they will always tell it exactly like it is, and they are inquisitive and enthusiastic. I have noticed with interest that when I meet a school group and ask for questions, nine times out of 10 the first question is from one of the boys, and very often the second question is, too. There have even been occasions when I have had to turn to the class and say, "Come on girls, you must be thinking interesting things, too. Why don't you put your hands up?" Then, fair enough, some of them do. I have noticed that; I do not know whether other women, or male Members, in the Chamber have done so.

I remember the feeling of sitting in a political meeting or a classroom and thinking of something, then thinking, "Shall I say that? No, I might look stupid." I have a sort of internal conversation, and decide that it is safer not to put my hand up, or not to contribute. Then, of course, some bloke says the same thing far less eloquently, and everyone lauds them for it. It is only through making myself speak, and through others helping me to have the confidence to do it, that I got to a position where I felt happy to stand for Parliament. I did not wake up one morning and think, "I want to be an MP"—other people suggested the idea to me.

I did a straw poll of my female colleagues on the Liberal Democrat Benches, and about half of them were asked to stand by someone else. I have not done a scientific poll with the male Members of Parliament, but I suggest that there might be a different result. I would urge all hon. Members who want to see more women in politics to ensure that they say to someone, "Why don't you put your name forward and do it?" rather than just expect women magically to think that they will do it. Even if they do not want to, they will be flattered to be asked.

Lynda Waltho: I am inspired by the hon. Lady's comments and I am sure that many young women will be inspired by the way in which she is making her point. Most of my colleagues will have attended meetings where they felt exactly the same. A Labour politician advised me that I should "feel the fear" and do it anyway. If the hon. Lady tells that to the women to whom she speaks, it will go a long way.

Jo Swinson: That is good advice and a tactic that I urge others to employ.

I acknowledge the progress that the Labour party has made on electing many more women to Parliament—it would be churlish not to do so. I disagree that all-women shortlists are the solution for every party, but I would support an extension of the

[Jo Swinson]

sunset clause in the Sex Discrimination (Election Candidates) Act 2002 till 2030 or until the issue is no longer a problem. Parties should have the opportunity to use that as a tool to tackle the problem, but it is not the only tool. If the problem is sexism in the selection process, I can think of few other things that would change the outcome. However, if that is not the main problem, all-women shortlists are not necessarily the right solution.

I speak from several years' experience of dealing with the matter in my party. We examined the figures, did the research and found that women were as likely to get selected in seats—winnable and otherwise—as men, but five times as many men came forward as candidates. When working with such numbers, ending up with a gender balance would be a statistical anomaly.

We have been working on the matter since the conference debated how to tackle the problem in 2001, and I chair the Liberal Democrats' campaign for gender balance, which is the approach that we have taken. We have encouraged more women to come forward. About three times as many men as women want to become candidates, but we have made some progress.

Julie Morgan: I have enjoyed listening to the hon. Lady's analysis. However, I disagree with her last point because our experience in the Labour party is that, when we had shortlists that were half men and half women, the men still won.

Jo Swinson: That may well have been the case in the Labour party. I have not conducted research on the Labour party, only on my party. We found that, when shortlists were half men and half women, men won half the time and women won half the time. I will not say that there was never an instance of sexism, or that a sexist comment was never made, in Liberal Democrat selection contests, although in my experience, for everyone who said, "What would you do if you had children?" or, "Are you sure you can do this?" someone else said, "It's great to have more women in Parliament and I'll vote for you because of that." Things can even out, but I cannot speak for other parties—obviously, I do not know their internal procedures and cultures as well as those of mine.

Each party should be entitled to find its own method of dealing with the problem. Our approach is to encourage more women to become candidates, and we have good support mechanisms to help them with that and to get selected. Given that we still have many more male than female candidates, we must ensure that those women punch above their weight and are more likely to get selected. We undertake intensive mentoring and training. Two weekends ago, we held our now annual event, "Calling all Future Women MPs!" Fifteen women attended and it was inspiring—I hope to see many of them on our Benches in future.

Many firsts have happened in the past few decades. An important first was the election of the first UK female Prime Minister in 1979. I was surprised and disappointed that Labour Members could not recognise that achievement. I share many of their concerns about what Baroness Thatcher did in office—I am also speaking as a Scot, and I do not believe that she was necessarily good for the country—but I can still acknowledge that important achievement, which deserves to be recognised, as do many achievements more recently by Labour women. They include the first woman Speaker, Baroness Boothroyd, the first woman Foreign Secretary, who is still a Member of Parliament, and the first female Home Secretary. As was mentioned earlier, we now have the first female Serjeant at Arms—I was delighted when that appointment was made, and it is a shame that she is not here today.

Miss Kirkbride: At the risk of appearing rude about some of my hon. Friends, Lady Thatcher was voted leader of the Conservative party almost exclusively by men, and that is an even greater achievement than the hon. Lady implied.

Jo Swinson: Absolutely. The hon. Lady is quite right.

I intend to draw my remarks to a close shortly, because there are many hon. Members present who want to make contributions and I am keen to hear them. We have made a lot of progress, but there is still so much more to do. One problem is that although we have debates and discussions about equality, I suspect that we can sometimes put women off. There is a feeling out there that this place is an old boys' club that is full of sexism and that the job is really difficult for women, but a lot of that is not true. Women Members in all parts of the House will say that being an MP is a wonderful job and very suited to the skill sets of women. It is not all about standing up and making speeches. So much of the job is about listening, dealing with constituents' problems and finding ways to work with those from different parties or other agencies in our constituencies to find solutions, and even in this place there is nothing like the sexism that there used to be. Indeed, this job is very enjoyable.

I sometimes think that we need to make that case more strongly. In December I had an exchange with the Minister for Women and Equality in which I made that suggestion, following it up with a letter to ask whether she thought that a cross-party initiative would be a good idea. She responded in January—I should apologise for not replying yet; my time has been monopolised somewhat by the European Union (Amendment) Bill over the past month—by saying:

"It would be good if either myself or"

the Minister for Equality

"could meet with you to discuss how the parties can work more effectively on this important issue."

I very much welcome that sentiment. However, rather than having the right hon. and learned Lady or the Minister meet just me, I would hope that we could involve Conservative Members and launch a cross-party initiative looking at how, collectively, we can sell the job of being a Member of Parliament and ensure that we get the message out there and in the media that this is a very enjoyable job to do.

Richard Younger-Ross: Does my hon. Friend agree that part of the problem is the image that the House projects of the standard MP? The image that the media give is of a white, middle-class man who looks a bit like a stuffed suit. If my hon. Friend's grouping can

persuade hon. Members to change the rules of the House, to make men look slightly less stuffed and starched, there might be a different image of an MP.

Jo Swinson: I would never say that my hon. Friend looked like a stuffed suit.

A lot can be done. It would be wonderful if the message that went out from this debate was that being an MP is something that women throughout the country with talents to offer should consider and if we used the debate as a starting point to work together on the issue. We should celebrate very much all the achievements and work of women in the past, but look forward to much better representation of women in the future.

2.42 pm

Laura Moffatt (Crawley) (Lab): I am delighted to follow the hon. Member for East Dunbartonshire (Jo Swinson) and I congratulate her on her work to achieve gender balance in her party.

I was interested in the hon. Lady's comments in what were some quite bad-tempered exchanges about Margaret Thatcher. The theme of my short contribution is what those women who have managed to reach representative positions do for other women. The point, which was roundly and soundly made by my sisters on the Labour Benches, is that one would expect a lot of legislation from a woman in a position of such power as Prime Minister that looked at what women in our society need, but that was missing. That is the point that we were making.

Lynda Waltho: I thank Baroness Thatcher greatly, as I am sure many of my colleagues will, because her policies and the damage that they did in my local community made me become politically active and join the party.

Laura Moffatt: I thank my hon. Friend deeply for that. Many of us on the Labour Benches became politicised and active in fighting for our communities, because we knew that they were under attack.

The theme of my speech is the responsibility that we have. I feel thoroughly honoured to be on the Labour Benches, and I will ensure that I stick to just 10 minutes, because there are so many sisters on our Benches who are desperate to make contributions that are crucial to the debate about what we do for women.

The passionate speech that my right hon. and learned Friend the Minister for Women and Equality made today really got us off to a good start. Talking about women's politics in that passionate way and getting a lot of response is where we want women's politics to be. We still want to have that fire in our bellies that makes us want to go out and fight.

My hon. Friends the Members for Luton, South (Margaret Moran) and for Keighley (Mrs. Cryer) have been doing fantastic work for women, and it is that kind of work that we should be celebrating today. This debate gives us an opportunity to come together, to take stock and to celebrate the work that has been done. Without doubt, this Government have contributed enormously to women's lives in the UK. We almost always hear the caveat, "Yes, but there's more to be done", but it would be ludicrous if we did not celebrate the very real achievements on domestic violence, on carers and on pensions. It would be utterly ridiculous if we did not acknowledge that work.

I would like my right hon. and learned Friend to assure us that this debate will happen each year. In my heart, I feel that, as long as she is Leader of the House, that will be the case. This is a crucial opportunity for us to come together. It feels like a special day, when we can come together to discuss the women's issues that we do not get the opportunity to discuss in other forums. I certainly hope that we can continue to celebrate international women's day with these debates in the years to come.

Prominent figures have been mentioned, including our first woman Prime Minister, but many of us are now looking across the Atlantic at the fantastic prospect of a woman President of the United States. That is important, and women should have many radical role models, but I want to concentrate on the work of the representatives in our communities who encourage women to make their lives more fulfilling. For me, one of the most moving things is to see women in my community being empowered through programmes such as Sure Start. There are women who have not been out of their houses and who have not had much guidance and help from their families, but I have seen them blossom into people who are able to become representatives within the Sure Start movement and set up groups by themselves. I have seen them learn to cook and pass that skill on to younger mothers. We should be encouraging all that. It is easy to talk about the notable women, but we must be there to ensure that this kind of work is happening as well. It would be a dereliction of our duty as women in this House if we did not keep a close eye on ensuring that such women are able to thrive and survive, and to make the most of their lives.

Interesting things are happening in our communities on issues such as breastfeeding. At one time, it almost became too difficult for women to breastfeed. We were not encouraging them to do so, and we made it difficult in public places. Now, however, we have breastfeeding mentors to encourage new mums to take up breastfeeding. We have the equipment to do it—and I am very pleased that we do—yet we used to discourage it. Now we are giving women the power to encourage it and to increase the numbers of breastfeeding mums. The result will be that our children will be healthier, slimmer and more intelligent. Breastfeeding brings all those benefits to our children. These are the things that truly matter to our communities and that are making a difference to women's lives.

I also want to mention the work of organisations such as Southall Black Sisters, which I understand is facing funding cuts because of the work that it does. I first came across that organisation when I was involved with a case involving the death of a man who had consistently abused a constituent of mine, Karanjit Ahluwalia. She finally just broke, as she could bear it no longer. As a nurse on night duty, I received the man who was admitted to hospital. Distressing as that incident was, the work of the Southall Black Sisters was invaluable. I seriously hope that the responsible

[Laura Moffatt]

local authority will take a large second look at the funding for that organisation, which helps people in their communities.

There are many other ways of improving the ability of women to conduct their lives. We are hoping and fighting for a university campus in Crawley. I have a sizeable community of people from black and ethnic minority groups, and I can see what having a university campus in Crawley will do culturally for those who are not going to be encouraged to go away to university. The women from those communities would be able to study technology and all the sciences that we desperately need them to study while remaining at home. That will be a tremendous advantage not just for the economy as a whole, but for those particular women who will be able to achieve their aims. That is yet another Government initiative that I believe will bring huge and fruitful results.

Let me finish by mentioning the latest life-changing Government decision—to introduce chlamydia screening, which will very quietly reduce the number of women suffering infertility in adulthood as a result of infection in their earlier life. It is a tremendous thing to do. It says a great deal that we Labour Members can stand up and say thank you for what, I think, will be an enormous gift to many women in the future. I hope to see more of that sort of work and as I look around me and see women Members, particularly on the Labour Benches, I know that much more of it will continue into the future.

The great thing about all this is how much we really enjoy campaigning on these issues. It is fantastic to be able to go into communities and make a difference by joining together with women, wherever they come from, and understanding that, no matter who we are, we have common interests with them. It is great for women to help other women.

Later this year, I hope to be able to do some work in the emerging democracies with Voluntary Service Overseas, helping women with advocacy and getting them more involved in the democratic system. That, I believe, is our responsibility. I strongly believe that we have been given the privilege of being in this place, but we must then share that benefit with other women so that we continue to get a flow of good women in places where they are able to influence the next generation.

2.53 pm

Mrs. Eleanor Laing (Epping Forest) (Con): I am glad to be able to begin by agreeing entirely with the final remarks of the hon. Member for Crawley (Laura Moffatt). We are very privileged women—indeed, very privileged people—in the western world in terms of the freedoms and the standard of living that we and our families enjoy. We are also privileged people to be elected to this House, so I am very pleased to have this opportunity to mark international women's day. It is the international aspects of today's celebration that matter almost more than anything else. It is our duty and responsibility to give moral support and solidarity to women—and, indeed, men—throughout the world who are fighting to make all countries fairer and more equal places for people to live in.

I happily acknowledge the enormous efforts made by women and men on all sides of the House—unlike the hon. Member for Crawley, who originally said that she was very pleased about what the "sisters" on the Labour Benches are doing. I acknowledge what they are doing, but I also acknowledge what everyone throughout the House and throughout our democratic system is doing to make our country—and therefore other places where we can exert influence—a more equal and fair society. It is good that we are having this debate today.

I always insist that there is no such thing as a women's issue. For generations, indeed centuries, men managed to sideline topics with which they did not particularly want to deal, saying "Oh, that's a women's issue; we will appoint so-and-so to deal with it." That applied particularly to such matters as health, child care and families. Those are not women's issues—they are everyone's issues, but men and women often approach things from slightly different directions. I think it is time we had the courage to stand up and dare to say that women do things differently from men.

I am sure that every woman in the Chamber will at some time have had the experience of being the only woman at a meeting or in an organisation. As the hon. Member for East Dunbartonshire (Jo Swinson) explained very graphically, a woman may make a point differently from the way in which it has been made by all the men, and then all the men will sigh in a man-like way because the woman used slightly different language or a slightly different tone of voice. I hope we are reaching a stage where there is less of that, possibly because of the increased representation of women.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I wonder whether, in those circumstances, the hon. Lady finds that the gentlemen eventually get around to seeing the point.

Mrs. Laing: I do. On some occasions the realisation is more immediate than it is on others.

I agree with much of what has been said today. For nearly 11 years I have been saying things—as have many of my colleagues, especially my right hon. Friend the Member for Maidenhead (Mrs. May)—and only now are we beginning to be listened to. Better late than never, though, and it is because we have the courage of our convictions that we keep going and will achieve what we set out to do.

I want to put one thing on record. On occasions such as this Lady Thatcher is always mentioned, with great affection and respect by Conservative Members and in different terms by Labour Members—although I must say that the right hon. Member for Cynon Valley (Ann Clwyd) was generous in pointing out that the Thatcher Government did achieve some things for women. I will always argue that the fact that Lady Thatcher and her Government turned around the country's fortunes in the 1980s inevitably benefited the 52 per cent. of the population who are women just as much as it benefited the rest of the country.

I have already mentioned the expansion of educational opportunities. If there is one thing that makes a difference to a girl approaching womanhood, it is having the opportunity of a good education. That is what makes it possible for a woman to compete with

men who have had a good education. If we do not get education right, we can never achieve the equality that we all want. The hon. Member for Slough (Fiona Mactaggart) is shaking her head. She cannot possibly disagree with my view that education is the most important tool that can be given to anyone, male or female, to help them contribute to the society that we all want to build.

The main thing that Margaret Thatcher did, of course, was to be there. She was Prime Minister, and therefore no one can say that a woman cannot be elected to Parliament and cannot be a successful and effective Member of Parliament.

Last week, I was fortunate enough to be the Inter-Parliamentary Union delegate to the United Nations Commission on the Status of Women in New York. I was sent there with the right hon. Member for North-West Durham (Hilary Armstrong), and we attended the meeting for IPU representatives. It was an important meeting, and it is a very important commission. It has been taking place for some 52 years. I felt honoured to take part, representing the UK Parliament along with the right hon. Lady. It was extremely important to be there.

We in the United Kingdom are in a privileged and important position; I am not being complacent in saying that, as I accept that there is a lot of work yet to do for women in our country, Europe and the wider western world. However, when one attends such a UN meeting and looks around what is an enormous chamber—possibly somewhat bigger than this Chamber—filled with people, mostly women, from countries all over the world, one realises what a fortunate position we are in, because many of the battles have been won here. Some Members have already referred to the work of the suffragettes and the fact that we are celebrating 80 years of women's suffrage. Many countries throughout the world that were represented are far behind our position, as is universally known. I had an opportunity to discuss that with their representatives last week. In attending meetings such as the commission, we can make the important contribution of offering moral support and solidarity to those who still have so much to fight for in their countries.

There were two main themes to the conference: increasing the representation of women and gender budgeting. We have discussed the first of those themes at length and I shall not reiterate the points that have already been made, but something struck me as ironic. Inside the UN building there was much talk of the importance of increasing the representation of women, and many people said— sadly, somewhat naively—"If only we had more women in our Parliament, we could change this and change that, and make such a difference." Meanwhile, outside in the rest of America there are people raising money—$34 million in February alone—to pay for advertisements to try to prevent Hillary Clinton from becoming President of the United States of America. If we were to follow the representation argument to its logical conclusion, merely having Hillary Clinton, a woman, as President of the USA—and, therefore, arguably the most important person in the world—would solve many of the ills of the world. I am afraid that I would argue that having Hillary Clinton as President of the USA would cause more problems than it would solve, not only for America but for its position in the rest of the world. I will not go into that in any greater detail, but it is somewhat ironic that those two major debates were going on at the same time.

What bothers me far more, however, is the representation of women in this House of Commons. I absolutely agree with much of what the hon. Member for East Dunbartonshire said about its being our duty to go out and be evangelical about encouraging other women to enter the House of Commons. Many of us in the Conservative party are doing that; we are encouraging women to stand for election, and to become involved in politics not only at local level, where we have many good women, and not just in other organisations, but here in Parliament itself.

I hope, however, that the Minister for Women and Equality, who is also Leader of the House, will take account of the following point. If we are to encourage more women with children, and men with family responsibilities and who come from different sorts of backgrounds, to enter this House and be devoted as full-time Members, taking care of their constituency duties, their duties to this House, and their duties to their families, we must give them the financial wherewithal and the practical support to be able to balance all of those duties.

John Bercow: I am listening with interest and respect to my hon. Friend's speech. In the light of what she has said, does she share my frustration and disappointment that, notwithstanding the commentary on the subject over at least the past decade, this House still has not got a properly functioning crèche for the benefit of Members and, importantly, of staff?

Mrs. Laing: Yes. As ever, my hon. Friend makes an extremely good point. Crèche facilities are part of it, but this is about the whole attitude towards Members of Parliament, and not only women Members. Let us be practical and honest about family responsibilities. The burden of caring for family, whether it be children, elderly relatives or someone who is sick, falls far more often on women than men. I do not like to personalise things, but I feel duty bound to use myself as an example in this case, because I am the example I know best. Two thirds of my net salary as a Member of Parliament is spent on child care costs. People say, "Can't you get grandparents to help? Where is your husband? Haven't you got a sister?" Such questions are nonsense. I am divorced from my husband. It is no wonder that he did not want to spend every weekend doing constituency duties, as I was happy to do. There was no reason why he should have wanted to go to coffee mornings every Saturday—I do not blame him.

John Bercow: My wife does not want to go to them.

Mrs. Laing: My hon. Friend says that his wife does not want to go to them, and I do not blame her either. I am devoted to my constituency, but there is no reason why my ex-husband should have wanted to be devoted to it. Although he is an extremely good father who spends a lot of time with our son, I, like most other mothers, have the prime duty of looking after my son. No grandparents are around, because sadly my mother

[Mrs. Laing]

and father both died, and my brother lives abroad, but in any case why should one seek voluntary family help to carry out one's duties properly?

People never consider what happens every time this House sits past 6 pm. I am very much in favour of this House sitting all the hours there are, because it is only by using time that Members of Parliament can hold the Government to account. I am happy to be here until midnight, but not many Members of this House and not many members of the Executive have to consider how much it costs per hour to pay someone to look after one's child while one is undertaking parliamentary duties.

Dare I say it, but members of the press and media have no idea what they are talking about when they criticise Members of Parliament for being overpaid or for using their allowances one way or another. They have no idea what it costs to keep two houses, look after a family and be diligent in all one's duties in these different areas of life.

We must consider what would happen if we gave in and said that we would not fund Members of Parliament properly for carrying out their work and duties owing to a press campaign that arose because a small minority—a very small percentage—of Members of Parliament did not behave responsibly as far as finances were concerned. Many of us have worked hard over the years to bring more women, more people from ethnic minorities, and more people who are not professional people or lawyers—I am a lawyer; that is the downside—into Parliament. We have worked to bring a much more varied group of people into Parliament to make it truly representative of the people of Britain. That cannot be done unless things are properly resourced. I sincerely hope that the Minister for Women and Equality will take my remarks seriously when she considers the part of this debate for which she has not been present.

The conclusion of the IPU meeting was a very good one. It was that increasing the representation of women is important in bringing about the better conditions for women that we are all seeking, but the economic power of women is far more important. We all know that an increase in women's economic power is what will actually make a difference in the long run. That is why flexibility in employment is so important, so that women can earn a living, stand up for themselves and use their voice, and so that they do not have to be dependent.

The second part of the IPU meeting was about gender budgeting, which is a very good idea and I hope that the Government will consider it. Gender budgeting means that legislation is assessed in terms of its gender impact, just as we have always considered the economic aspect and now look much more carefully at the environmental impact. I suggest that to the Government as a good idea.

I do not wish to take any more of the House's time as many hon. Members wish to speak. I apologise in advance if I cannot be here for the end of the debate. I have mothering duties to undertake, and one small six-year-old simply does not understand why I have to be here for such long hours this week. I would rather be answerable to him than to the Government or my Whips.

3.12 pm

Ms Katy Clark (North Ayrshire and Arran) (Lab): I welcome the fact that this debate is taking place in this Chamber today. On previous occasions, it has not always been possible to have the international women's day debate in the Chamber, and it is a sign of the progress that has been made and the impact that the Leader of the House has had that we are having it here today. We should all welcome that.

I shall be brief, because several hon. Ladies wish to contribute. I do not consider it discriminatory to say that, because international women's day is about women. It is about the struggles of women and it is a celebration of women's role. We have the debate in recognition of the fact that women have faced historic and unprecedented discrimination.

International women's day emerged from two movements. The first was the suffrage movement, which campaigned for women to have a vote and a say in how society was run. The second was made up of campaigns against the exploitation of women in the workplace. The history of international women's day shows that the two were strongly linked. The first record we can find is of New York women workers in the textile and clothing industry who demonstrated about their low wages and poor working conditions on 8 March 1857. Fifty years later, in 1907, a demonstration was held in New York to commemorate the 1857 demonstration and to call for votes for women and an end to child labour and workshops. It was the movements around May day, in support of votes for women and against exploitation of women in the work force that led to 8 March being regarded as the day on which to celebrate what women were achieving, to recognise their struggles, and to act as a focus on what women wanted to change. Many men played a significant role in many of the victories that women achieved, but on international women's day it is fitting that we celebrate the women who put so much into fighting not only for themselves but for their sisters.

I welcome the fact that the debate is being held in the Chamber. We have discussed women's representation in the Chamber, and many Labour Members spoke of the significant advances in women's representation in the Labour party over recent years. We remember the hugely important events of 1997, when so many women were elected here. The Labour party is justly proud of the fact that in the Scottish Parliament it has always had 50 per cent. representation of women, and it is right that all parties discuss how we ensure the better representation of women. The Labour party in Scotland adopted positive discrimination, women-only shortlists and the twinning of constituencies, whereby some seats were women's seats. It recognised it had to do something—the other methods that had been tried and for which women had campaigned over so many years had not succeeded.

I was selected on an open shortlist, but the Labour party organises itself to ensure that women enjoy parity on shortlists, and the transferable vote system encourages women who are coming through the process. It is important that we talk about that and about getting more women into this building, but it is even more important that we talk about what women must do to ensure that they have a full say over every aspect of their lives and are represented in every walk

of life. That is not about women being different or the same, but about women being human beings and having a full say over the way in which they live.

We in Britain are very lucky. We have heard much today about the problems that women still face in Britain, and I agree with what has been said about pay inequality, discrimination in the workplace and the lack of child care not only for Members of Parliament but for women throughout the country, which affects so many women's lives and their opportunities. Women play a massive role in Britain and are often at the forefront of community organisations, fighting for their communities.

On international women's day we must celebrate what women have achieved and acknowledge that there is still a long way to go. We must also say that what we in Britain have achieved is what we expect in every country. We are all aware of the discrimination that women still experience and of the fact that they still do not play the full role in society that they should, but when we look around the world we see that we are lucky in the choices that we have. In Saudi Arabia, for example, women have so few rights and hardly any voice. They are not allowed to walk unaccompanied on the street, to drive a car or to join many professions, so it is easy to see that we in this country have come a long way.

International women's day is about not only celebration but struggle and protest, which is how it came about and why in 1975 the United Nations decided to make it a day to be recognised throughout the world. Today, we should be saying that women should have a far stronger role in the world and a far stronger voice. If we achieve that, the benefit will be felt by not only women but humanity, and the world will be more civilised.

I hope that next year a debate on these issues will again be held in this Chamber, enabling all Members to raise their voices about why we must ensure that women secure more victories.

3.20 pm

Mrs. Maria Miller (Basingstoke) (Con): This debate has reaffirmed the fact that gender equality is still relevant and important throughout the country. It is a pleasure to follow the hon. Member for North Ayrshire and Arran (Ms Clark), and I wish to pick up her point about the central role that women play in many community organisations. I am sure that that is the case in her constituency, as it is in mine, so I am perplexed that it does not translate to more women wanting to stand for Parliament. I shall touch on that point later.

There have been many good contributions to the debate. The hon. Member for East Dunbartonshire (Jo Swinson) particularly inspired me and reminded me that we share the fact that other individuals put our names forward for candidacy for Parliament. I have my hon. Friend the Member for South Norfolk (Mr. Bacon) to thank for the fact that I am here today, sitting on the green Benches.

The Minister mentioned that she was elected in 1982, when there were 10 Labour women in Parliament and 13 Conservative. I was doing my A-levels at the time, and I remember that election vividly. One of those 13 Conservative women inspired me to be here today—my noble Friend Baroness Thatcher. We might disagree about what she contributed to this country, but I believe that she contributed hugely to the success that we continue to enjoy in some ways. She certainly served as a role model to me in respect of what women can achieve, and we should not forget that.

This debate is still highly relevant, perhaps because one in three women in our country still feel that there is a long way to go on gender equality. I would never suggest that there is a sense of complacency about it on either side of the House, but we should not forget that a huge number of women still feel that there is much more to do. Parliament has a vital role to play in making women feel that there is working equality. Parliament's authority and legitimacy is based on representing the nation as it is today, not as it was in the past, so having more women in the House is an important challenge that we should all take on.

As my hon. Friend the Member for Epping Forest (Mrs. Laing) said, women and men have different priorities. A stronger, more resilient voice for women in the House of Commons means that women throughout the country can feel that matters of importance to them are being addressed. We do not suffer alone from the under-representation of women in political life. Again, my hon. Friend mentioned that point. I have examined some work by the World Economic Forum, which speaks of a "political power gap" in the ratio of men and women in Parliaments and in Ministerial positions. We have made great progress in this country, and more women are in Parliament, but we still suffer from what the WEF calls an 86 per cent. political power gap, because of the lack of women that we still have in the House. I am not sure whether I find it reassuring that even countries such as Sweden, Norway and Finland, which we hold up all too often as the epitome of what we should be aiming for, still suffer a 50 per cent. power gap according to the WEF. Many women who are elected do not go on to have powerful and influential positions.

I am concerned that we have bypassed some of the fundamental reasons why there are not more women sitting in Parliament. Before I turn to those reasons, we should try to understand why such a large proportion of women feel that we have not gone far enough towards gender equality. Hon. Members have already cited many of the pressing problems that predominantly affect women in this country today. Women in part-time work—the type of work that most often fits in with family life and caring responsibilities—face a gender pay gap that continues at almost 40 per cent. It is little wonder that in the past year alone 28,000 sex discrimination cases have gone to an employment tribunal. That figure, which has doubled in the past 12 months, is unacceptable. We have to look for ways to ensure that women throughout the country have access to good-quality part-time work. Many businesses have already seen the strong business case for that, but there has been a failure to deliver in too many areas.

Others have spoken about flexible working. We have made some progress on that, and it is heartening to hear Ministers say that there is interest in extending the right to flexible working to those with older children, although I share the concern voiced by my right hon.

[Mrs. Maria Miller]

Friend the Member for Maidenhead (Mrs. May) that mixed messages seem to be emerging from the Government on that point.

Looking at health matters, particularly the treatment of cancer, we find that only three in 10 women aged between 50 and 70 receive breast cancer screening every three years, despite Government policy on that, and the position has worsened since 2001. Staffing levels in maternity services and wards are causing women considerable concern, but are not being dealt with in a way that many women feel is appropriate. We have also touched on the subjects of women in prison, domestic violence, and problems such as the number of reported rapes increasing while cuts are being made to funding for rape crisis centres. Those are many of the reasons why many women feel that the matter of equality has been incompletely addressed by our legislative body.

Nobody who has spoken today advocates sticking with the status quo and not finding new ways to increase female representation in this place. My right hon. Friend the Member for Maidenhead outlined some of the excellent measures that our party has established, and all the other parties have tackled the issue in ways that are appropriate for them, but I am concerned that we may be dealing with the symptoms rather than the cause.

There was a great influx of women to Parliament in 1997 as a result of the Labour party's change in its selection criteria, but I was worried to see some figures the Library produced for me on men and women's average length of service as MPs. In the decade and a half to 2005, the average length of service for women declined from 13.7 years to 11.5 years. That is at odds with the situation for men, whose average length of service remains about 17 years. We should be concerned about the fact that although more women are coming into Parliament, they are not staying as long as men. To pick up on the comments made by the right hon. Member for Cynon Valley (Ann Clwyd), we need to make sure that age and experience are valued. Parliament benefits from the continuing contributions of those who have been here for several years. When considering how this place operates, we should see whether that problem can be tackled.

Ms Katy Clark: Does the hon. Lady agree that the reason for that phenomenon may be that, generally, in the Labour party, women have been selected in marginal seats? If the Conservative party intends to focus only on marginal seats, the women elected may also not last. What we need are long-term solutions that ensure that we get women into a wide range of seats, including very safe seats.

Mrs. Miller: The hon. Lady makes a good point—that is a factor—but I assure her that in my party women are not being selected only for marginal seats. On the contrary, we have a number of excellent women candidates in seats now held by Conservative MPs who I am sure will join us here in the Commons after the next election. However, I understand how that is a problem. Unfortunately, it will probably be a problem for her party after the next election.

Lynda Waltho: I asked the right hon. Member for Maidenhead (Mrs. May) how many women in the Conservative party have been placed in safe Conservative seats, and she was not able to answer. Can the hon. Member for Basingstoke (Mrs. Miller) do so?

Mrs. Miller: I thank the hon. Lady for her intervention. We do not place candidates in seats; they are selected for seats. It is difficult for anybody to say what a safe seat is. Nowadays, I do not think that any of us should refer to them in that way. There are well over 50 women who we think will be elected to Parliament at the next election, but really it is down to the electorate to decide, on the day of the election, how many end up here.

Mrs. May: I am grateful to my hon. Friend for giving way, as it gives me the opportunity to confirm, as she did, that a number of our women candidates are standing for seats currently held by Conservatives, or new seats that are defined as Conservative seats. Those women include Priti Patel in Witham. I am sure that we are all very pleased that Helen Grant, who has not fought a seat before, and who was at one stage involved with the Labour party, is to succeed my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe). That is exactly the sort of seat that the hon. Member for Stourbridge (Lynda Waltho) is talking about.

Mrs. Miller: I thank my right hon. Friend for her intervention, and for giving details; that is most helpful.

I should like to turn the attention of the House to the critical issue of whether there are enough women who use politics and being a Member of Parliament as a way of contributing to their community and to public life. Many women have significant roles in organisations that play a part in supporting our many different communities, but what perception do those women have of the House of Commons? Why are they not choosing it as a way of putting themselves forward? The House needs to give a little more consideration to that issue. Many other organisations have had to deal with the issue of how they get more women to put themselves forward for jobs.

I recently took a look at the medical profession, which was long the domain of men. One could say that there are parallels between the challenges dealt with by women entering medicine and those dealt with by women coming to the House of Commons. In 1963, just 29 per cent. of students applying for medical school were women, but today the figure is two thirds. Indeed, some predict that women will become the dominant force in the medical profession by 2012. That is because the profession has changed the selection process to decrease discrimination against women, and has looked at increasing the number of women applicants. It has also looked into making changes to medicine as a career for women. The change is particularly acute in the general practitioner sector. In 2005, 40 per cent. of GPs were women, compared with 29 per cent. in 1995. The House will be interested to know that the percentage of practitioners working part time has more than doubled in the past 10 years, and

has reached 27 per cent. That may well be part of the reason why the role of women in GPs' surgeries has increased so much.

Ms Katy Clark *rose—*

Mrs. Miller: I will give way to the hon. Lady, but then I really need to make progress.

Ms Clark: Is the hon. Lady aware that until the 1950s and 1960s, many universities had quotas for the maximum number of women whom they would accept as entrants to the medical profession, and does she agree that we have come a tremendous way?

Mrs. Miller: I would probably be straying too far from the subject of today's debate if I went into the details of that point, but the hon. Lady raises an important issue. We should understand the important role that women can play in professions such as medicine, and try to tackle the barriers that have stopped women from entering such professions. We could use what we learn from that to encourage more women to enter the House of Commons.

I do not mean to underestimate what the Modernisation Committee has already done in trying to identify ways of attracting a broader cross-section of people to the House. Importantly, some of its suggestions have focused on the need to improve the running of this place rather than on the convenience of Members of Parliament. However, as my right hon. Friend the Member for Maidenhead said, having more women in this place will make it more effective and, importantly, more representative of the country as a whole.

However, perhaps we should not consider only changes to working hours and holidays when thinking about how to modernise the House. Such changes have made up more or less the bulk of the reforms, but we could do far more important things to send out strong messages to women that they should consider politics as a career. What more can be done to attract women to the House? The issue is not only about changing the working hours or the trappings of Parliament; we need to understand how we can change the culture—or perceived culture—of this place, so that it is more attractive to women.

The Minister's approach was not a good example of how debates such as these usually run. I have been in Parliament for three years, and in my experience these debates have been a positive experience and had a positive tenor. I was disappointed by the right hon. and learned Lady's contribution. I hope that, on reflection, she decides that a different approach would be appropriate.

Let us be honest: this place has not caught up with how people expect Parliament to conduct itself today. There is an enormous opportunity for the House to consider that point, particularly in the light of current considerations about pay, pensions and how we present payments for our offices and staff. Perhaps we could consider how we should revise those aspects of how we conduct ourselves, to bring ourselves into a modern-day way of doing business.

The House could also consider how debates are generally conducted and how they are perceived by people outside, including women who might be considering politics as a career path. Many of my women friends think that I am nuts to have taken this job. One asked me why I would want to put myself through it all when I had such a good job already. I put myself through it because I believe that this is the most rewarding job that anybody can have in this country.

Linda Gilroy: Will the hon. Lady consider something closely related to her last point? Three years ago, I did a survey that showed that one reason why women do not come forward—certainly from my part of the world—is that they do not feel that they can make a difference. How we conduct ourselves here is an important way of showing how we can make a big difference.

Mrs. Miller: The hon. Lady's excellent point picks up on my next one. I hope that the House does not treat this observation in a party political way, but this week the House has been debating the referendum on the European treaty—a political commitment made by all parties which has not been followed through. Hon. Members will disagree on the issue, but outside this place the perception is that we make pledges and promises but do not carry them through. We should all think about the reactions to that among our constituents and people who are considering becoming MPs. To pick up on the very point that the hon. Lady has just made, I should say that making a difference is about making a promise and carrying it through. I was very disappointed with the Government's response on that issue.

Linda Gilroy: Will the hon. Lady give way?

Mrs. Miller: I am sorry, but I have been generous to the hon. Lady.

Linda Gilroy *rose—*

Mrs. Miller: I am sorry, but I need to make progress.

I believe that many women are deterred from putting themselves forward because they are unsure about whether they would feel comfortable being part of this organisation. However, we have an enormous opportunity to change women's minds on the issues and make important and radical changes to how we do business—such as our not voting on our own pay, changing our final salary pension scheme and bringing a business approach to how we run our offices and support staff, who are so vital to our constituents and how we serve their needs. We should make sure that we talk about costs, not expenses—the cost of employing staff is important; we should not term it an expense. But it is most important that we are transparent in everything we do. This changing culture could be a big opportunity to show women that this is a career choice that they should be taking seriously.

Finally, we should all lift our eyes and take note of the world around us. The world does not expect us to continue to conduct ourselves as we do at the moment. We must challenge the way in which we allow the media to portray how we do business here. All of us in the

[Mrs. Maria Miller]

House here today know that we work consensually in our Committees to get the change that is needed. All too often we allow the media to portray us as operating solely in the way we do at Prime Minister's Question Time. That is not the way we do business and we need to change that today.

3.40 pm

Fiona Mactaggart (Slough) (Lab): In a way, I am disappointed that we are celebrating 90 years of women having the vote. We need to remember that, 90 years ago, women did not get the vote on an equal basis with men. A 21-year-old man could vote but the women who could vote had to be 30, property owners and so on. We must recognise that some of these celebrations of equality are about us tolerating things that are half a cup, but not the whole.

If we look at what has happened in the 90 years since then, there have been 290 women elected to this Parliament, 186 of whom were from my party. Despite many years of Conservative government, in only eight years were there more women Conservative MPs than women Labour MPs. I do not say that to be smug; I believe it is partly because of the values of the Labour party that more women have been selected. It is also partly because we grasped the nettle of women-only shortlists, which, let me say, is a nettle in our party, too; do not think it is not.

I would like to praise other parties; having rejected that nettle, they have had a squeeze and, as women know very well, when we cannot get in the front door, we get resourceful and find a way through the back door. It is my judgment that the training programmes for women put on by the Conservatives and Liberal Democrats outshine what my party has been able to do. It is a pity that we have not done more and it is great that they have done that. We should now steal their ideas and do more.

When I was elected, I was one of that crowd of 101 women elected to these Benches. It was a strange experience. In January 2000, I wrote a paper that said that my analysis of the problem was that because women in Parliament were the exception to the norm, every woman in Parliament carried the burden of representing women as a class of MP. Every time a woman MP made a mistake, everyone said, "They would, wouldn't they? That is what women MPs are like." One carried the burden of representing the class of women as MPs. I think that that has changed. The hon. Member for East Dunbartonshire (Jo Swinson) reminded us that the sexism that she faced was not as extreme as that faced by many of my colleagues when they were elected in 1997.

We were very excited to be elected. We had that photograph, which caused us to be dubbed "Blair's babes." I have often wondered what the problem was with that. Partly, it was that we looked like pilot fish around the Prime Minister, but it was also that we never told people what electing all these women would achieve. The consequence was that every woman everywhere pinned on us, as though on a dartboard, their hopes of what a new Government could do for women. Although we have doubled child care and made massive strides on issues such as domestic violence, we have inevitably disappointed because we did not name what difference we would make.

One of the things that I have learned from that analysis is that we should be specific about what the change in women's representation will achieve. We should acknowledge, though, that having more women in Parliament has made a difference. We have achieved changes that would not otherwise have been achieved. I think of my hon. Friend the Member for Colne Valley (Kali Mountford), who has had to leave. It was 4 am, I think, in the debate on the Education Bill when she moved an amendment on beating children. I think of the former Member for Stourbridge and her child protection work. I think of my hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson) who has tabled a Bill on special educational needs. All three examples focus on children, but it is not inevitable that women concentrate on children. Legislation on issues that tend to be overlooked is pushed through by women.

Linda Gilroy: I wonder if my hon. Friend agrees with me. When I am asked what difference we have made, I often say that the difference was made before we ever got into this place, when we put together our manifesto. It is not just the women in Parliament, but the women throughout our party who made a difference to the programme that we have followed for the past 11 years.

Fiona Mactaggart: My hon. Friend is right. I plan to end my speech by reminding Ministers that it is important to reach out—that that connection between women in the community and women in Parliament, between women in the roots of parties and women in the Chamber, is one of the sources of our strengths.

I remember speaking, not long after we had been elected, to the Clerks of the Defence Committee. I asked whether having women on the Committee—there had been none previously—had made a difference. "Oh yes," they said. "We never used to speak about the wives and children of soldiers. We only talked about how big the bombs were. Now we focus on something that is critical, and it is now a no-brainer. We talk about it often—the fact that looking after the families of soldiers is critical to the effectiveness of our defence forces."

There are many examples. My favourite one is the woman who generated the only ever stealth tax cut, when my hon. Friend the Member for Calder Valley (Chris McCafferty) banged on about VAT on sanitary protection for so long that my right hon. Friend who is now the Prime Minister abolished VAT on sanitary protection in the Budget and managed not to mention it when he did it.

Women have filled the top jobs. Baroness Thatcher has been frequently mentioned by Conservative Members. We hate her politics, but I admire her for having been the first ever woman Prime Minister. Since then we have had, in my right hon. Friend the Member for Derby, South (Margaret Beckett), the first ever woman Foreign Secretary. My right hon. Friend the Member for Redditch (Jacqui Smith) is the first woman Home Secretary, and I am betting on the Chief Secretary to the Treasury, my right hon. Friend the

Member for Pontefract and Castleford (Yvette Cooper), to fill the last of the great offices of state and become the first woman Chancellor.

We have shown that in Parliament women have made a difference, but we have missed some tricks. The Nolan Committee, which changed the way in which public appointments are made, has created a context for public appointments where, in many cases, women are disadvantaged. Let us put it brutally. The kinds of experience that women bring to the table—the experience of the school gate or of queuing at the doctor's surgery—are not valued by Monitor, the body that approves trusteeships on hospital trusts, as a result of which trustees include many very impressive business men, most of whom had private health insurance before they got on to hospital boards, but very few people who have been through the grind of waiting for health care and experiencing it in a community.

That poses real risks. The equality Bill creates an opportunity to do something about public appointments, not merely to ensure gender equality, but to think about the qualification for public appointment. Is it having run a big business, or is it having experienced public services first hand?

I want to discuss briefly an issue raised by other hon. Members on which women's experience is different from that of men, which is violence. Men are more likely to be victims of violent crime than women, but the way in which women experience violence is quite different. The classic example is domestic violence, where 77 per cent. of the victims are women. On average, those victims have been assaulted 35 times before they report it to the police. Women as victims of domestic violence and of rape, and as victims of violence in other areas, face an accusation that men who are victims never face: "She asked for it." I am afraid that although things have changed, that attitude is still much too common. I am glad that John Yates pointed out, in an interview published earlier this week in *The Guardian*, that the culture in the police—the failure to take early evidence and so on—is one of the contributory factors to our lack of success in securing effective levels of rape convictions.

I strongly urge Ministers to ensure that we get an effective national reporting line for rape. I wonder whether the national telephone number that we use for NHS Direct might be a possible way of dealing with this issue. One of the problems with a local helpline is that most of us would not carry the number around in our pocket, and any woman can be raped. We need a national number that everyone knows about, through which such reporting can be done quickly, and through which women can be supported on the question of whether or not they want to go to the police. Many women are frightened of going to the police in the first place.

As hon. Members know, I have spoken about prostitution previously, and in my usual way, I am running out of time today. I managed to raise the issue in one contribution where I was able to speak for only two minutes, and in another where I managed only 20 seconds. In my view, prostitution is another example of violence against women. Most prostituted women have been abused, and most of them are tricked into prostitution by men who groom them, get them addicted and use their power over them. A terrifying number of them have been trafficked into prostitution, and it is a very difficult thing to talk about.

When I was a Minister and suggested that in cases where two women worked together in a flat, we should stop prosecuting either of them for brothel-keeping—a crime that carries a sentence of 14 years because it often involves so much wicked exploitation of trafficked women—I was called "Madam Minister" by the tabloid newspapers. *The Sun* even sent five so-called "tarts" round to my flat in Slough, saying, "How would you like to live next door to one of these?" Now that I am arguing that we should prosecute men for demanding that women sleep with them for payment, I am called a prude.

That is better, I suppose, than 20 years ago, when I was a campaigner in the student union against violence against women, and the student newspaper of Oxford university published a photograph of me with the caption, "Would you rape this woman?" Those attitudes have changed to some extent, but there is still a thought that rape is actually—

Mrs. Laing *rose—*

Fiona Mactaggart: The hon. Lady seems to be trying to intervene.

Mrs. Laing: I thank the hon. Lady for giving way. Does she agree that it was a disgrace that she was given 20 seconds to put before the House the important issue of how we deal with prostitution and trafficking? I hope that she accepts that many of us in my party greatly commend the work she has been doing. I hope that the Leader of the House will take note of that fact and make time for the House to discuss this important subject, which the Government appear to be afraid to bring to this Chamber.

Fiona Mactaggart: The hon. Lady is not being fair. My Government have done more on this issue than any Conservative Government ever have. I do not think that they are afraid. They have been courageous about the issue, and one thing that we have succeeded in doing—the Leader of the House has been at the forefront of this process—is changing the terms of debate. The hon. Member for Teignbridge (Richard Younger-Ross), who is no longer in his place, put forward the canard that we can somehow regulate the trade in women's bodies to make it safe. The evidence from countries where that happens is profound and shows that it increases criminality, exploitation and the number of women who die. Prostituted women are 40 times as likely as any other woman to die a violent death.

Jo Swinson: Regardless of whether it is right to prosecute men for buying sex, the hon Lady's proposal as a Minister not to prosecute women who try to work in a safer environment in premises rather than on the street was a good one. Prosecuting women and forcing them on to the streets, where they are less safe and do not have recourse to people who can support and help them if they get into difficulty, is certainly the wrong way round.

Fiona Mactaggart: Indeed, it is. The police can deal with whether to prosecute. As a result of the prostitution strategy, the police are now targeting men more effectively. It is no longer only the Cleveland police who target kerb crawlers; other police forces do the same, and there is a reduction in, although not an elimination of prosecutions for brothel-keeping when more than one woman who sells herself is in a flat. People realise that that offence is designed to deal with the traffickers and exploiters.

There is a risk for Labour in government of some things ending up in the "too difficult" box. I do not accuse the Women's Ministers of that—they have been brave and bold. My right hon. and learned Friend the Minister for Women and Equality has been an effective cheerleader in, for example, dealing with newspaper advertisements for women. However, it is shocking that the clauses in the Criminal Justice Bill on getting rid of fines for prostitution have quietly been dropped while clauses that were drafted long after them have been pursued in the other place. I understand that the Bill has to get through to tackle a possible problem in the prisons; nevertheless, we should not allow those matters to slip away.

I know from advancing these arguments that it is possible to change public perceptions. I worry that, in government, one can fall into the trap of believing that the only way to change things is through new laws. I believe that our Government can change things by changing the way that people view things. It is inconceivable that a student newspaper would do now what the Oxford newspaper did to me. However, it is still conceivable that a jury would believe that a victim of rape asked for it. We will not change that by legislation. We will help to end it by better prosecution, by the work that we are doing with specialist prosecutors, and by dealing with cases better, but the big challenge for any Government is ensuring that we continue to tackle difficult issues that people do not want to discuss. For example, my hon. Friend the Member for Keighley (Mrs. Cryer) talks about forced marriages to people who pretend that they do not exist. We must have the courage to keep banging the drum because if we do not, attitudes will remain the same as they were 90 years ago.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Clearly, many hon. Members are trying to catch my eye and we are now running out of time. If hon. Members try to restrict their remarks to 10 minutes or even a little less, we will do our best to get as many speakers in as possible.

3.58 pm

John Bercow (Buckingham) (Con): It is a privilege to follow the hon. Member for Slough (Fiona Mactaggart), who made a trenchant, candid and persuasive speech. For me, it was no more persuasive than when she reminded the House of the effect of more women in this place on both the communities that they represent and the country as a whole. I was casting my mind back to some of the people to whose past contributions and effectiveness she referred and I did not disagree with any of the examples that she adumbrated.

In an earlier, wide-ranging and similarly powerful speech, the hon. Member for East Dunbartonshire (Jo Swinson) made the fair point that parties must have the space in which to determine their approach to increasing the number of female Members of Parliament. With that I do not disagree.

Nevertheless, I suppose that my starting point is that I am an empiricist. I tend to follow Edmund Burke in thinking that one should not wallow in the realms of metaphysical abstraction, but look at the evidence. What does it tell us? What happened? What was the outcome? The reason why, a little over five years ago, I came to the conclusion that my party ought to adopt all-women shortlists was simply that when we look at the evidence from across the world, we see that no other instrument has been remotely comparably effective in ratcheting up the level of female representation. We do not have to look into the crystal ball when we can read the book.

The hon. Member for East Dunbartonshire was absolutely right to stress that there are all sorts of other elements in the equation. There must be a family-friendly environment and people who are willing to entertain the prospect of a woman, and we have to rule out sexist language, sexist lines of questioning, sexist and intimidatory behaviour, and so on. But I simply think that all-women shortlists can make a decisive difference. The governing party has demonstrated that to its benefit and doubtless to the benefit of the country, too.

The other step that we could take—it is frankly lamentable that after all these years of discussion we have failed to do this—is to institute a proper, fully functioning and adequate crèche facility in the House. I know that I made that point in an intervention on my hon. Friend the Member for Epping Forest (Mrs. Laing), but I am surprised that that has not happened, because the Modernisation Committee has done a good job in many respects and it seems extraordinary that that idea should keep slipping through the net.

Lynda Waltho: I would like to add my support for that demand. One of the reasons my right hon. and learned Friend the Leader of the House saw so many babies in the Whips Office the other night is that so many of my colleagues brought their babies in when they came for the vote, but are not allowed to take them through the Lobby, even though all the babies were being breast fed—although not at the time, obviously. That is an example of the inflexibility of this place and one of the reasons why the hon. Gentleman's suggestion would receive my full support.

John Bercow: I understand the hon. Lady's irritation at that. I have encountered a similar situation in chairing a Public Bill Committee. I felt very sorry for the hon. Member concerned, who kept having to go in and out of the room. As a humble and rather junior member of the Chairmen's Panel, I simply was not empowered to do anything about the situation, but I thought that that level of rigidity and resistance must be wrong.

Jo Swinson: I believe that the hon. Gentleman has co-sponsored an early-day motion about a crèche, which is an issue that I, too, have raised in the House. However, although those hon. Members who have turned up for today's debate on international women's day are supportive almost by default, does he not lament the fact that the issue, whenever it is raised, is often met with load groans from certain hon. Members who are perhaps living in a previous century?

John Bercow: I think that the hon. Lady is referring to those antediluvian souls who can still periodically be found in the House. She is right and makes a fair point, but the number of such people is in marked decline and the situation is improving all the time.

Mr. Simon Burns (West Chelmsford) (Con) *rose—*

John Bercow: I have a feeling that my hon. Friend, the distinguished representative of Her Majesty's Opposition Whips Office, wants to underline that point via an intervention. I am happy for him to do so.

Mr. Burns: What the hon. Member for East Dunbartonshire (Jo Swinson) said really struck a chord, because back in 1987, which was a generation ago, in my naiveté, I, my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) and the late Mo Mowlam tabled an early-day motion calling for a crèche here, because more and more hon. Members had children of school and pre-school age. The reaction from our colleagues was indeed antediluvian and archaic.

John Bercow: I am not surprised, but I want to take this opportunity to pay tribute to my hon. Friend. He knows that I have had my differences with him. I start from a position of almost instinctive prejudice against him, because he is a member of the Whips Office and I am not very enthusiastic about Whips. However, my hon. Friend is something of a progressive and he is not even very secret about it. I have watched some of the things he has done in recent times and heard some of the statements that he has made. He is very sound and he ought to be quite explicit, in front of hon. Members who have referred to her today, about the fact that there is no more cogent and enthusiastic champion of Hillary Clinton than him. On that point we are in agreement. It is nice to have a bit of amity in the debate, and I urge hon. Members to note it while it lasts, because I do not agree with Whips very often.

I am conscious that we have been exhorted by Mr. Deputy Speaker to keep our contributions brief, and lots of other people want to speak, so I shall try, very briefly, to highlight some other points that I think are of interest. First, quite a lot has been said about pay today, and rightly so. I politely put it to right hon. and hon. Members that there are several issues of particular importance involved. One is the national minimum wage. A lot has been said about its benefits, and that is absolutely right. As the hon. Member for Amber Valley (Judy Mallaber) knows, I long ago conceded that the Opposition were wrong to oppose it. If it had been introduced at a very high rate, it would have done damage, but it was not, so it did not. It is now very much part of the mosaic of this country that has redounded to the advantage not only of its recipients but of the economy as a whole.

Let us not be complacent, however. Yes, 660,000 women will benefit from the uprating of the national minimum wage, and that is to the credit of the Government, but as we speak, 175,000 women in this country are being paid below the minimum wage. I accept that the Government cannot do it all, as the hon. Member for Slough pointed out, and that it is not all about this House, about Ministers or about new legislation. We have a responsibility, however, to take account of, and try to serve, those who are operating in the twilight zone—perhaps in the informal economy—and are being consistently exploited. Such people are deeply vulnerable. I am not sure whether we should address that through transparency, publicity or public education campaigns—or a judicious combination of all three—but we must not forget those who are simply not getting their just entitlements.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): I apologise to my hon. Friend for taking issue with his comment that the minimum wage has not had an impact. Women earning the minimum wage also have to apply for working family tax credit because, unfortunately, the minimum wage does not suffice for people bringing up a family. The minimum wage has therefore had an impact, in that it has hidden the true cost of bringing up a family and the true cost of living for women. If we did not have the minimum wage, perhaps the wages paid to single women would be considerably higher.

John Bercow: I confess that I find that a rather curious line of argument. If my hon. Friend believes that the national minimum wage ought to be significantly higher, we can have that debate, but to blame the minimum wage for contorting the labour market or disguising the costs of bringing up a family seems to be a rather individualistic line of argument.

Mr. Brooks Newmark (Braintree) (Con): The sector in which women work most is part-time work, and the real tragedy is that, over the past 10 years, we have seen almost no movement in the differential between what women and men get paid. I believe that that differential is still about 40 per cent.

John Bercow: The differential is enormous, and it is especially great among part-time employees. Ironically, the gender pay gap among part-time workers is even more pronounced in the public sector than in the private sector. Of course, there are all sorts of factors to explain the desperate disparities in pay that continue to exist. There are differences in capacity and skills, for example, resulting from historic under-recognition of the importance of training, career progression, qualifications and educational provision for women. Furthermore, a lot of women are, for understandable reasons, going into part-time work, where the gap is greater. Another factor is that women are often unable to travel as far as men—perhaps because of their other responsibilities—and therefore have a more limited set of jobs from which to choose. We know that 60 per cent. of women work in a very restricted set of occupations, so the opportunities for them are not as great. There is also the problem of occupational segregation—and of segregation within the workplace, to boot. All those things have to be tackled.

[John Bercow]

My proposition is that, as far as the Government, Parliament and the Equality and Human Rights Commission are concerned, a distinctive mindset is needed. I suggest to right hon. and hon. Members that where we are dealing with the private sector, our attitude should be that we are the friend of the well-meaning but uninitiated employer, but the foe of the wilfully non-compliant and incorrigibly discriminatory employer. If we operate on that basis, we will understand the sort of approach that we need to take to improve the situation.

I would like, if I may, to make two other brief points. Rape crisis centres have been mentioned and I feel very strongly that we could be in danger of kicking out the baby with the bathwater. This is an incredibly important service, operational across the entire country, and it is estimated that something in the order of half of the 32 centres could be lost altogether if the funding cuts that have been decided upon are not reconsidered. Organisations need sustainable funding.

Let me be unfashionable, Mr. Deputy Speaker, by saying that for my own part, I think that all the political parties have been poisoned to an excessive degree by the religion of localism. It is all very well to talk about local innovation, local variation and local social entrepreneurship, but where we are talking about relatively vulnerable categories of people, among whom I include women and children with special educational needs—a subject in which Members will know I am particularly interested—we often need to have protective mechanisms in place, including ring-fenced funding to ensure that the people at whom the resources need to be directed are able to access them.

My last point might be of interest to the hon. Member for Luton, South (Margaret Moran), if she were still in her place, as I know she has been a passionate champion of women who have suffered from, or are at risk of, domestic violence. The Government have done excellent work on that front, but I have just one caveat. I know that there is talk of changing the rule of no recourse to public funds, and I welcome what I understand the Under-Secretary of State for the Home Department, the hon. Member for Gedling (Mr. Coaker), is reported to have said earlier this week to the Home Affairs Committee on that matter.

That said, I am bothered about women of uncertain immigration status who do not qualify for public funds, because those people are extraordinarily vulnerable. They are scared witless and dare not walk out on their sadistic, bestial and, in some cases, homicidal partners or husbands unless they know that there is a safe refuge to which they can go. If the Government could turn their mind to that matter—while recognising concern about the pull factor in immigration terms of simply opening the floodgates—and devise a practical, workable and equitable solution to the problem, I think that Amnesty International, End Violence Against Women, the Fawcett Society and a plethora of other organisations committed to the interests of women, and particularly vulnerable women, would applaud the Government, and they would be right to do so.

4.13 pm

John Austin (Erith and Thamesmead) (Lab): I would like to comment on a couple of points raised by the hon. Member for East Dunbartonshire (Jo Swinson). First, she referred to her favourite spots in touring the House, mentioning Earl Falkland's statue and the broken sword. When I take constituents around the House, my favourite part is the broom cupboard in the crypt chapel, where Emily Wilding Davison spent census night in 1911. A comment was made earlier about Emmeline Pankhurst's statue not being in the precincts of the House but outside; Emily Wilding Davison actually spent her time here, but it has never been officially acknowledged by the House. The plaque in the broom cupboard was placed there by my old friend Tony Benn, who made it himself. It is time that the House authorities acknowledged the direct action that women took to establish their right to be in this place.

Secondly, the hon. Member for East Dunbartonshire referred to relationships and sex education and I think that she was absolutely right. I served on the Health Committee of the previous Parliament, which produced the report on sexual health. I think that we have got it the wrong way round when we talk about "sex and relationship education", as we should be talking about "relationship and sex education"—and the relationship education should start at the earliest possible opportunity.

My right hon. Friend the Member for Cynon Valley (Ann Clwyd) said that nothing much on the equality front was going on in this place or in government during the 1980s. At that time, my hon. Friends the Members for Luton, South (Margaret Moran) and for Amber Valley (Judy Mallaber) and I were actively engaged in local government. There has been some criticism of local government, and I accept what the hon. Member for Buckingham (John Bercow) said about the need for uniformity, but during the 1980s it was pioneering local authorities that pressed forward the agenda of women's rights and racial equality. We were pilloried when we set up women's equality units in our local authorities, but I am pleased to say that our work—not only in supporting and empowering women in the community, but in examining our own procedures and practices to ensure that we were not discriminating and that access was possible within authorities—has now been taken on board as mainstream, and is no longer seen as something rather loony and politically correct.

Moreover, local authorities were in the vanguard of identifying and campaigning on domestic violence. Edinburgh, for instance, launched the first campaign for zero tolerance of domestic violence, closely followed by the Association of London Authorities, long before the Home Office had taken up the issue. Although there is some rightful criticism of local authorities' failings, I think we should pay tribute to their work in this sphere.

I will not repeat the figures given by my hon. Friend the Member for Slough (Fiona Mactaggart) and others relating to the prevalence of domestic violence, or go into the question of whether one woman in four is affected or whether the rate is higher. I will, however, repeat what my hon. Friend said about the number of occasions on which women are victims of violence before reporting it. Some, of course, do not report it at all. Domestic violence involves a higher rate of repeat victimisation than any other crime.

It is not just in the United Kingdom that domestic violence is a problem. As some Members will know, I

am a member of the Council of Europe's Committee on Equal Opportunities for Women and Men. We have launched a Europe-wide awareness campaign, which the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Sheffield, Heeley (Meg Munn)—who was here earlier—helped to launch in Madrid.

It is estimated that in Europe overall, one in six women over the age of 16 has been in a relationship involving domestic violence. In Belgium, between April and December 2006 nearly 40,000 attacks were recorded by the courts—140 cases a day. According to Amnesty International, in Belgium 70 women die every year. In Portugal, 39 women died as a result of domestic violence in 2006. In Spain, which has some of the most advanced legislation on violence against women in the world, 71 women were killed last year. In France, one woman is beaten to death every four days. According to the United Nations, in Russia one woman is killed by her partner every 35 minutes—that is 14,000 women a year. We need to tackle the issue on a Europe-wide basis, and I am glad that the Government have supported the Europe-wide campaign.

The majority of victims of domestic violence are women, and the majority of perpetrators are men. Statistically, is must be a fact not only that a substantial number of women in the House have been victims of domestic violence, but that a large proportion of men in the House have been perpetrators of it. The issue is important for men as well as women, because it must involve the perpetrators. I welcome the support given in this country to the white ribbon campaign, which started in north America. A conference organised by the campaign will take place next week. It will deal with the importance of engaging young men directly to challenge the stereotypes involved in violence, sexism, images and roles. Valuable work of that kind is necessary if we are to tackle domestic violence properly.

The hon. Member for Epping Forest (Mrs. Laing) mentioned gender budgeting. Until recently I was chair of the Inter-Parliamentary Union's gender partnership working group. The hon. Lady mentioned the conference held in New York last week, which was also attended by my right hon. Friend the Member for North-West Durham (Hilary Armstrong). The Budget is next week, and it would be very helpful if in introducing it the Chancellor were to tell us what will be the likely gender impacts of the measures. The Government have, of course, introduced new laws. As the Budget rolls forward, Departments come forward with their policies and there is an obligation on them to produce equality impact assessments, as there also now is on local authorities. It is important that we start looking at budgets—not only at the ways they perpetuate gender inequalities, but at how they might be used to address them. I commend to Members the Inter-Parliamentary Union handbook "Parliament, the Budget and Gender".

In this regard, one thing did happen in this House during the '80s: the Conservative Government signed the convention on the elimination of all forms of discrimination against women—CEDAW. There is an obligation on the Government to produce a report every four years to the United Nations. There is much to be commended in the 2007 report, and therefore much on which to congratulate the Government. A lot has been done during that four-year period, including the measures to tackle domestic violence, so the Government have a very good record indeed. I have a question for the Minister, however: what is the parliamentary input into that report that goes to the United Nations? I am happy to be corrected if I am wrong, but I cannot recall there having been a debate in the House about that report on our activities in compliance with CEDAW.

As Members have said, we should have more frequent debates on some of the issues raised today, including prostitution. I do not necessarily agree with everything my hon. Friend the Member for Slough said about that subject, but she made some powerful points and we must have an open and honest debate about how to tackle prostitutionand the exploitation of women. We should also, however, have a debate on the Government's reporton CEDAW.

I agree with the Government that for many people the best way out of poverty is to get into employment, but I get worried sometimes about women with family responsibilities being pressured into taking employment. There should be facilities, support and child care for those who wish to do so, but I do not think we should devalue those women who choose to stay at home and bring up their children and devote their time to their household; nor should we devalue what they do. We should not see that as non-productive.

The United Nations International Research and Training Institute for the Advancement of Women undertook some research into the productivity of such work. It is not negative; it is productive work. Some years ago I was one of the signatories to a campaign called Wages for Housework. We should get away from the idea that it is all very well for women to take a job looking after somebody else's children and getting paid for that, but it is not good for them to stay at home and look after their own children.

My final point is on representation. The hon. Member for Epping Forest mentioned the proportion of women in various Parliaments. The IPU produces an annual report on the progress—or otherwise—that countries have made on the number of women in Parliament. Worldwide, the rate is about 17.7 per cent. but at Government ministerial level it is about 16 per cent. There are 144 nations in the league table, and the UK is about 60th, so there is clearly room for improvement. In New York last week, my right hon. Friend the Member for North-West Durham talked about the UK experience, and in particular the positive action the Labour party has taken.

I accept the point made by the right hon. Member for Maidenhead (Mrs. May) that there may be many different ways of getting women into Parliament, but I agree with the hon. Member for Buckingham (John Bercow) that the best and most proven way in a first-past-the-post system is the all-women shortlist, which the Labour party has adopted. I hope that the Minister for Equality will give an assurance that that selection process will be allowed to continue.

I hope that we will have a debate about how we will influence the monitoring procedures that are to be set up if we do not ratify the trafficking convention soon. When I was chair of the gender partnership group, the IPU authorised a survey of Members of Parliament. A

[John Austin]

number of survey forms were completed by Members of this House, including both men and women. A report is to be published, which will discuss how men and women parliamentarians work together to advance gender equality. It will examine some of the barriers to women's participation in the political process—it will be a long report. I ask the Minister to have a word with the powers that be so that we can have a debate on it when it is published in April.

4.26 pm

Alistair Burt (North-East Bedfordshire) (Con): It is a pleasure to follow another thoughtful contribution. I enjoyed a number of the earlier ones, particularly those of the hon. Member for East Dunbartonshire (Jo Swinson) and my hon. Friend the Member for Epping Forest (Mrs. Laing). I echo a comment made by my hon. Friend the Member for Basingstoke (Mrs. Miller) to the Minister for Women and Equality. Tomorrow, when the Minister compares her contribution with the rather measured and generous spirited speeches in the rest of the debate, she might feel that she slightly let herself down at the beginning of it.

I wish to highlight three areas where, in my experience, the role of women has been, and is, particularly significant. One is unpopular, one is very popular and a third touches on the international dimension. Hon. Members may be aware that the Yarl's Wood detention and removal centre is based in my constituency. Since the fire of 2002, that centre has been used almost exclusively for women detainees and their children. It is designed on the basis that they should be there for a brief period before being returned in most cases to their country of origin.

Failed women asylum seekers are not necessarily at the top of everyone's care agenda, and I was pleased that my hon. Friend the Member for Buckingham (John Bercow) mentioned the issue. How a country treats those who, for one reason or another, are on the margins of society is very much a measure of its humanity. The failed asylum seekers in the Yarl's Wood centre are a mixture. Some have been convicted of crimes, notably those who have been used as drug mules for gangs, whereas others have committed no crime save for wanting to come to this country to have a better life. As the House knows well—it is the common policy of all parts of the House—that in itself is not enough reason for someone to be allowed to remain in the United Kingdom. Virtually all the women in Yarl's Wood have been through some form of judicial or other procedure that has determined that they have no right to remain here.

Behind those legalities are issues of human tragedy. It is difficult to be certain in every case as to whether the story being told is true, but there are enough similarities in stories told to non-governmental organisations and representatives across the world to feel that some of them resonate perfectly accurately. They are stories of war, rape, oppression and escape, which are mixed in with the other stories of wanting to flee poor economic circumstances and sometimes the threat of violence from families or others.

Once the judicial processes have been exhausted, the departure from the UK is not always a quick one. For a number of reasons, a detainee may be at Yarl's Wood for much longer than originally anticipated. They may be there for months rather than weeks—sometimes for more than 12 months. The uncertainty of the departure date considerably increases the mental anguish that these women suffer. Accordingly, my first thought in this debate is for all at Yarl's Wood, both those detained and those who care for them, for they, too, are my constituents.

It may help the House if I make some quick points about the situation. First, I visited Yarl's Wood recently, after the change from Group 4 to Serco. My impression is that the regime is rather easier than it used to be: formerly closed doors have been opened; the ratio of officers to detainees has decreased; and detainees have much more access to each other and to all parts of the building. The atmosphere is sad, because of the circumstances, but it is not always oppressive. It is only fair that that is recognised by those who are concerned for detainees.

Secondly, when forced removals have to be carried out, they are always filmed. That is done to protect both the officers involved and the women themselves. Occasionally stories circulate on the internet about a forced removal, which suggest unlawful or unnecessary action on the part of those carrying out that admittedly unpleasant procedure. I have asked the independent monitoring board at Yarl's Wood, which is mostly made up of constituents who are unconnected with the authorities, always to be involved if there is a dispute about a forced removal, so that it can see precisely what has happened and to act as an extra safeguard. I am grateful that the Home Office has agreed to that procedure.

Thirdly, it is important that the Healthcare Commission has some responsibility for the medical facilities inside Yarl's Wood. We have requested that for some time, but it is still being considered. It is important because the health care provided has not always been appropriate and an extra safeguard would be helpful. Fourthly, I am still not sure that children should be at Yarl's Wood at all. I am keen that the Government and Conservative Front Benchers continue to monitor that.

Finally, I wish to pay tribute to the befrienders, a group mostly consisting of women, who out of pure charity and kindness have made it their business to visit those who are detained and offer them what support they can while they are at Yarl's Wood. Some detainees have no one to visit them. Some have no idea about how long they will be held and some are very fearful about returning. The befrienders listen, only very rarely making an intervention in a case, because no one can be truly involved with a revolving population of some 300 or so. They provide a necessary lifeline of sanity to those in a very difficult place. All of us who make decisions about the law and through our own actions place others, after due process, behind bars and locked doors owe a huge debt of gratitude to those who visit and care for those who are thereby detained.

On a lighter note, I wish to extend my thanks to all those women in my constituency who volunteer for some role or other and make the wheels of a largely rural constituency go round. I have had the good fortune over the past 12 months to be a member of the Commission

on the Future Of Volunteering, led by Baroness Julia Neuberger, and I appreciated the opportunity to look at the work of volunteering in modern society. We can be proud of the fact that over the past 12 months some 73 per cent. of all adults have volunteered at least once and that 48 per cent. are regularly involved in volunteering at least once a month, which is a good proportion. Women outnumber men in that respect, and women are also more generous in giving to charity.

Most of us appreciate the work done by volunteers in our constituency. I could pick out many examples, but I shall pick out solely the work of the group Carers in Bedfordshire. It has been established only for a few short years and is energetically run by Yvonne Clark. She has brought together an invaluable advice and information service for those caring for young and old throughout the county. The group goes out looking for those who might be isolated in the rural environment and lack access to facilities, and it is doing a terrific job.

Baroness Neuberger's commission made several recommendations, which were presented to the hon. Member for High Peak (Tom Levitt) in January, and I commend the document to all hon. Members. The recommendations include ensuring that volunteering is genuinely open to all and that the Government set up a working party as soon as possible to seek to remove unnecessary or disproportionate obstacles to volunteering—including, for example, repeat criminal Records Bureau checks, entitlement to benefit and the ever present frustrations caused by risk management and health and safety. I hope that the recommendations are considered and accepted as soon as possible.

Last week, as my hon. Friend the Member for Epping Forest and the hon. Member for Erith and Thamesmead (John Austin) mentioned, the 52nd session of the Commission on the Status of Women took place at the United Nations. I commend all the UK groups that took part. The event is dedicated to gender equality and the advancement of women and takes place under the auspices of the United Nations Economic and Social Councils. Among the groups from the UK was the Conservative Women's Organisation, and I pay tribute to its chairman, Fiona Hodgson, to Pauline Lucas and to my wife, Eve, who went to New York at their own expense to represent Conservative women and take part in the various sessions.

As we have been talking about women in politics, I wish to digress slightly and say something about those women who are in politics although they may not have been elected, and about Members' spouses, both male and female. In recent weeks, they and the work they do have come under some pressure from external sources. I am immensely proud of my wife, what she does unpaid for the Conservative party and what she does in a paid capacity for my constituents. I could not function without her and she represents many parliamentary spouses who work incredibly hard and without whom none of us would work as effectively as we do.

Mr. Newmark: As well as putting on the record the hard work done by his wife, will my hon. Friend join me in mentioning the splendid work done in the past year by Lady Fiona Hodgson as chairman of the Conservative Women's Organisation?

Alistair Burt: I will indeed. I shall return to Fiona Hodgson's work a little later when I talk about Rwanda.

Mrs. Laing: At the risk of being repetitive, may I say how delighted I am that my hon. Friend took the opportunity to mention the attendance of those three excellent ladies at the UN commission? They put an enormous amount of work into their trip, not only representing the Conservative cause but campaigning on important matters such as domestic violence and trafficking. They deserve to be highly commended for that.

Alistair Burt: I am grateful to my hon. Friend, who was at the commission and made a distinctive contribution, as she always does. Her comments are certainly appreciated.

As the House has already heard, subjects such as gender financing for women through microfinance and sexual violence in conflicts were very much a theme of last week. One of the points of such a large-scale conference is what can be learned and brought back. Men's violence against women, violence and oppression in the name of honour and violence in same-sex relationships all need public recognition and to be combated virtually all the time. Women in all countries are fighting violence within relationships daily. In a recent UK survey of 18 to 24-year-olds, one in five boys stated that they saw violence as a normal part of a relationship and one in nine girls said that they would expect violence as part of a relationship; those are depressingly sad statistics.

The event in New York highlighted how far forward Sweden, Denmark and Norway are with this agenda and how user-friendly their documentation is in comparison with ours. The action plans and documents gave sound practical advice and direction, illustrating what could be done in all countries and making a distinctive contribution to the debate that has been brought back to the UK.

Visits overseas to developing nations have many purposes and benefits. Often, they leave visitors profoundly shocked by the different experiences for those who happen to be born and brought up in different parts of what should be one world. In many parts of the developing world, women are bearing the brunt of inequalities. Last summer, Lady Fiona Hodgson went with my right hon. Friend the Member for Witney (Mr. Cameron) and some 40 colleagues to Rwanda for two weeks to take part in a series of projects that were put together with the co-operation of the Rwandan Government and led by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell). The visit was inappropriately criticised at the time, and those who made such criticisms should be ashamed of themselves.

During those two weeks, Fiona Hodgson of the Conservative Women's Organisation spent a lot of time with women from all levels of society in Rwanda. In 1994, Rwanda was the scene of a dreadful genocide, and because that genocide targeted men in particular, there are many widows, orphans and children who are heads of households. Many women lost their children, but they decided that because a new family structure was needed and because every child was special, they would adopt. Some women have adopted 18 or 20 children.

[Alistair Burt]

Many people lost their homes. Previously women would never have been involved in such things as house building, but now they are. Many more women had to become breadwinners. Rwanda has the highest proportion of women in its Parliament, at some 48 per cent. In the 14 years since the genocide, the women of Rwanda have achieved their first phase of political empowerment and equality and are now working on their second vision of economic empowerment of women coupled with health provision and social welfare.

Finally, I join the voices in this country and others who pick out the availability of water as the single most important need that the world collectively has the resources to address and that might make the single most important difference to the lives of women throughout the world. Visitors to many parts of Africa come away haunted by the spectre of so many women and children carrying huge cans of water with grace, skill and strength as they try to take the water that they need for just a few hours. More than 1.1 billion people have no access to safe water. Each year, more than 1.5 million children under five die from diarrhoea caused by dirty water. It is estimated that up to 118 million people, mostly children, will die over the next 15 years from water-related diseases, all of which are preventable.

Throughout the world, millions of people have to walk miles to find water, and they often find at the end of the journey that the water is dirty and unhygienic. Accordingly, I support the various organisations in this country that are doing what they can to raise awareness of the problem and seek change by supporting the efforts of NGOs and voluntary and charitable organisations to achieve such change.

I particularly commend the "Turn on the Tap Challenge 2008", organised by the Christian group Samaritan's Purse. On 10 May, or thereabouts, it will be organising walks all over the country for children, schools, faith groups and others, who will symbolically walk a few miles to raise money and remember those who need to walk and carry heavy loads every day. Much of that burden falls on the women of the world, and if they were relieved of it, the time that they spend doing what takes us only a second would be freed up, and they would be freed from their frustrations. They could learn, train or be in more profitable work.

Occasionally, constituents come to our advice centres and say angrily that we are living in third world conditions in relation to our roads, health service or transport. They have no idea what they are talking about. On international women's day, we should dedicate ourselves to freeing women from the circumstances that they have to endure all too often, about which our population fortunately knows very little.

4.40 pm

Julie Morgan (Cardiff, North) (Lab): I am pleased to see you in the Chair, Madam Deputy Speaker, for part of this debate on international women's day.

I am pleased to follow the hon. Member for North-East Bedfordshire (Alistair Burt). I was particularly interested by his thoughtful comments on Yarl's Wood. I have been concerned about constituents who have gone there, and I share his concern about children being there. He made some important points on that.

It is good to speak on international women's day again, when we can remember women's achievements and what happens to women throughout the world. It is important to think internationally, and I was struck by the hon. Gentleman's comments about Rwanda. The hon. Member for East Dunbartonshire (Jo Swinson) mentioned the exhibition in the Upper Waiting Hall. A board in the exhibition states that a study has found that in Africa,

"on average, women carried more than 80 tonnes of fuel, water and farm water over the course of a year. That's about the same as eight steamrollers. The average for men was 10 tonnes."

The exhibition clearly illustrates the problems that climate change is causing women and the fact that it is affecting them more than men. Today is a day to think globally.

Here in the UK, we mark this day in many ways. It was great yesterday to be in the cross-party group that put flowers at the statue, and it was also good to be with the group of Labour women MPs who sang in the House of Commons Chapel, outside the cupboard where Emily Davison hid. My hon. Friend the Member for Erith and Thamesmead (John Austin) mentioned that earlier.

Last Saturday in my constituency, the women's forum put on the 1909 play "How the Vote Was Won" by Cicely Hamilton and Christopher St. John, which was directed by our women's officer, Pam Cartlidge. It was an exciting and vibrant occasion. The author Cicely Hamilton was a remarkable woman who co-founded the women writers' suffrage league. During world war one, she worked in nursing care and then joined the Army as an auxiliary. After the war she campaigned on various issues, including birth control. She wrote the words to "The March of the Women", the rallying anthem of the Women's Social and Political Union.

"How the Vote Was Won" was put on last Saturday to celebrate both international women's day and the 90th anniversary of women aged over 30 getting the vote, in 1918. That applied only to women who had property, so it was only one step forward. Women got the vote in 1918, but they did not necessarily get voted in, as has been said frequently in the debate. Emmeline Pankhurst said of the suffragettes:

"We are here, not because we are law-breakers; we are here in our efforts to become law-makers."

We might have expected there to be many more law-makers today, and I think that she would probably have been disappointed by the pace of change. We could have got much further, as the debate has shown. Things have improved, but the statistics have been widely cited today and we know that we still have a long way to go.

We have discussed ways to achieve greater women's representation. In my view, we will achieve it only by taking the direct positive action that we in the Labour party have taken, with all-women shortlists and twinning in Scottish Parliament and Welsh Assembly constituencies. For many years, we tried all the other ways that one could think of involving training, encouragement and gender-balanced shortlists, but we

got nowhere; only when we had all-women shortlists did we make a big step forward. Although the suffragettes would be disappointed, we have achieved a lot.

As law makers we can make a real difference, and we have done so in many areas. We have heard a lot about those today and I shall not go over all the problems such as domestic abuse and inadequate child care provision. We now have paternity pay, increased maternity pay, flexible working rights and the national minimum wage and many other measures. One of the ways in which women have made a huge difference by being part of the governing party is by changing policy on families and children. Since Labour came into office, we have taken huge steps towards creating a more family-friendly, more equal society. Views have been transformed. When I came into Parliament in 1997, it was still not the done thing to talk about such matters—I remember hearing sniggers in the House when we talked about improving child care, breastfeeding and so on. We have made a lot of progress since then. All the parties are now striving to achieve the things that we want.

It is now much more than the norm for women to work: in Wales in 2007, 67.4 per cent. of working-age women were in employment. Between 1997 and 2007, the women's work force has increased by 12 per cent. Women now expect to be in employment, but of course they still have to look after the children and elderly relatives. The Government have tackled head-on the question of how to balance those competing priorities. The right to request flexible working has been very successful: 90 per cent. of parents of children under six who requested flexible working have been granted it. Two of my daughters have benefited from flexible working, so it has been of great benefit to my family. However, I believe that it should be extended to the parents of children of all ages. I know that the Government are considering that in their review, and I hope that we will soon hear that the right to request flexible working, which is not such a huge thing, will be extended to parents of children of all ages. Whatever age their child, parents have needs and have demands placed upon them during so-called normal working hours, and it is important to acknowledge that.

Another important point that I hope the review will pick up is that it should be possible for parents to request flexible working on a temporary basis. Although 90 per cent. of requests are granted, that results in permanent changes to the contract of employment, whereas often parents need to change their working hours only temporarily—for example, for the year in which their child attends nursery for half a day only. That it is necessary to change the employment contract back afterwards is a matter of concern. Parents should be able to request a year's contract.

The gender pay gap has been discussed a lot today. People who work part-time, who we know are often women, earn far less than full-time male workers in particular. Women who request flexible working—it is mainly women who do so—or who work part-time get caught in that trap.

Another issue relating to care for children and families that I want to flag up is the informal care provided by grandparents and friends. It has been calculated that in Wales two thirds of informal care is provided by friends and grandparents. Families in some parts of Wales are totally dependent on relatives to manage and to cope. In some ways, family members are the people who are most trusted, in any case. The Government should address the issue and see whether there is any way in which the finance available for formal care can be used for informal care. Obviously, that will require some work, but we should consider the issue. Flexible working is good for families and companies, and there is much that the Government can do to improve lives for families. We can move forward by extending flexible working to the parents of children over the age of six, being more flexible about employment contracts, recognising grandparents' role, and continuing to address the pay gap.

I have very little time left to speak. I had intended to address the issue of vulnerable women in prison, which I feel strongly about, but my right hon. Friend the Member for Cynon Valley (Ann Clwyd) went through the statistics in great detail, so it is not necessary for me to do so. All the facts show that we are not serving women, the community or children well by imprisoning women in the numbers that we do. Many more of them could be doing community sentences. I strongly urge the Government to adopt the recommendations in Baroness Corston's report, and not to leave it too long. I am concerned about parts of the Government's prison policy, and I have doubts about the two titan prisons. We should concentrate on the matter of women in prison who should not be there. I hope that the Government will move ahead on the issue.

I should like to end, as I started, by talking about the suffragettes. The song, "The March of the Women" by Cicely Hamilton refers to suffragettes overcoming hardships through faith, daring, humour and solidarity. As the song puts it,

"Life, strife, these two are one, Nought can ye win but by faith and daring".

It ends with:

"March, march, many as one. Shoulder to shoulder and friend to friend."

Women working together in the House of Commons have been able to achieve a lot for women in this country.

4.52 pm

Stewart Hosie (Dundee, East) (SNP): This has been a very interesting debate, and I am delighted to be able to take part in it. I have always considered international women's day a time to audit—to consider the successes, to take stock, and to be vigilant to ensure that we do not slip back. Time is limited so I will not talk a lot about vigilance; I want to concentrate on the successes. However, having heard the comments made by Members in all parts of the Chamber about carers and caring, about work, pay and pensions, about prisons and violence, and about all the other issues that have been raised, we are right to be vigilant, and to make sure that there is no regression. We should continue to push forward and make progress with the equality that everybody wants, whatever their perspective. I can see nodding heads, and I am absolutely delighted about that, because the idea that we all want to move towards equality, from whatever direction, jars with the comments made at the beginning of the debate by the

[Stewart Hosie]

Minister for Women and Equality. I think that they were slightly ill-judged, and she may regret them when she reads them in *Hansard* tomorrow.

Some of the debate has rightly focused on the House and its composition, which is an important subject. The right hon. Member for Cynon Valley (Ann Clwyd), who is no longer in the Chamber, made the point that the Scottish National party has no women Members at present. That is absolutely right; we do not. It is a matter of some regret to me, not least because 25 per cent. or so of all SNP MPs ever elected have been women, some of whom have been particularly notable. I will speak about some of them later.

Of course, the House of Commons is not the only legislature to which women choose to be elected. It is useful and instructive to look at what is happening in the Scottish Parliament in all parties, particularly in ours. Talented young women such as Shirley-Anne Somerville and Aileen Campbell have been elected, through the list system, to the Scottish Parliament to do their politics. Experienced politicians such as Tricia Marwick and Angela Constance beat Labour incumbents in Central Fife and Livingston to do their politics there. Roseanna Cunningham and the late Margaret Ewing, who were both MPs, sought election in the Scottish Parliament. When we see women—and, interestingly, men as well—from all parties choosing to go back to the Scottish Parliament, perhaps the time has come to look again at what that Parliament is doing to make itself such an attractive proposition in comparison, perhaps, with this wonderful place. Although we finish early tonight, I shall not see my four-and-a-half-year-old daughter for the fourth consecutive evening. Perhaps we should look at some of the issues again.

Ms Katy Clark: The hon. Gentleman will be aware that at the moment there are 13 women Scottish National party MSPs, about 27 per cent. of the parliamentary party. That is fewer than the party had in 1997. The SNP does, however, have a tradition of high-profile women representatives. But is the party trying to get better representation in the Scottish Parliament as well as here?

Stewart Hosie: Like all parties, we are doing that. Earlier, a helpful comment was made about the various ways in which the different parties are trying to resolve the issue according to their traditions. I have not been the national secretary of my party for some time, but when I was, I wrote the guidelines for the avoidance of discrimination at the selection-meeting stage. There is a whole process to be carried out—not least the mentoring and training done by the Liberal Democrats and Conservatives and the route that the Labour party has taken. I pay tribute to the Labour party; being an institutional party with big power blocs, its mechanism was perhaps the only one available to it to solve the problem that it saw.

It is useful to consider the high-profile nationalist women elected to the House of Commons. When Winnie Ewing was elected in 1967, there were 26 women in the 1966 intake; when Margot MacDonald won the Govan by-election in 1973, there were still 26 women in the 1970 intake. When Margaret and Winnie Ewing won again in February 1974, they were two of only 23 women in that intake. When Roseanna Cunningham won in 1995, there were 60 women in the 1992 Parliament, and when Annabelle Ewing was elected in 2001, there were 118. There are now 126 women, just short of 20 per cent. of the total number of MPs.

The hon. Member for North Ayrshire and Arran (Ms Clark) mentioned the compositions in the Scottish Parliament, and they are instructive. In 1999, 2003 and 2007, there were 48, 50 and 43 women respectively—37 per cent., 39 per cent. and 33 per cent. Those figures are not perfect, but they are better than the ones for this place. There is much to be done and we need to get equality, but those Scottish numbers are significantly better in all years than Westminster has ever achieved.

Linda Gilroy: Does what the hon. Gentleman has mentioned not have something to do with the Labour Government's commitment in the devolution process to achieving such an outcome?

Stewart Hosie: The people of Scotland were right to choose the settlement that they got; if one party wants to claim credit, it can go ahead and do so. However, with the greatest respect, I should say that the Scottish people campaigned for devolution and voted in a referendum for the settlement that was finally delivered.

Jo Swinson: On the issue of the difference between voting in respect of the Scottish Parliament and here, does the hon. Gentleman accept that, although not a panacea, the proportional voting system can help improve women's representation through the list mechanism? It would, for example, be embarrassing to have a purely male list for a region.

Stewart Hosie: That is absolutely right. The system also offers possibilities for zipping on the list as a mechanism, for example, for improving the gender balance. I am sure that all parties will continue to consider such issues.

The hon. Member for North Ayrshire and Arran mentioned the number of women in the Scottish Parliament. More than a third of the Scottish Government is made up of women, and they are not just making up the numbers. Linda Fabiani is the Minister for Europe, External Affairs and Culture, Fiona Hyslop is the Cabinet Secretary for Education and Lifelong Learning and Maureen Watt is the Minister for Schools and Skills. The Cabinet Secretary for Health and Wellbeing, Nicola Sturgeon, is ably supported by Shona Robison, the first-class Minister for Public Health.

Jo Swinson: Declare your interest.

Stewart Hosie: I will do so. My wife, as the Minister for Public Health, can normally get home in the evening to see her daughter, even if it is late. I suspect that even women and men Members who live close to London find such a thing impossible, particularly on Monday and Tuesday evenings—or nights, or early following mornings. That matter should be reconsidered.

In addition, the leaders of the Opposition Labour and Conservative parties in the Scottish Parliament are both women. This is my one bit of partisan politics today; while Annabel Goldie is leading the Tory group with some style and panache, I fear that Wendy Alexander is not performing to quite the same level and, sadly, has been undermined by the man who lives in 10 Downing street.

The 2003 intake to the Scottish Parliament, approximately 38 per cent. of whom were women, was quoted by someone who has been mentioned earlier today. Hillary Clinton said:

"We should look to you for leadership and inspiration"

in paying tribute to the leading role of women MSPs in shaping the policy agenda within the Scottish Parliament and Scottish governance. That is vital; it cannot just be about numbers, but about what can be delivered with those numbers. I think Hillary Clinton was absolutely right.

That 38.75 per cent. figure was recognised as the third-highest level of women's representation in legislative assemblies in the world. I understand also that the Inter-Parliamentary Union regards any Parliament with female participation above 30 per cent. as noteworthy and exceptional. The numbers I have described are good, but they show that Westminster would receive "must do better" on a report card.

Since 1918, in every single election in Scotland to every seat, only 34 women have ever been elected and I am proud that five of them were from my very small party. Most impressive of them all was Winnie Ewing, who won the Hamilton by-election, without which there would not have been the pressure for devolution and now the Scottish Parliament. She was also elected to three legislatures: to this place twice, to Europe three times—she was appointed the first time, in 1974—and to the Scottish Parliament, where she became the Mother of the House.

I said I wanted to talk about successes and I shall do so in relation to two successful women. The first was Muriel Gibson, who died sadly in 2005 aged 92. She rose to become a lieutenant-colonel in the Army. That was highly unusual; she was the exception that broke the rule. The second is another lieutenant-colonel, Kate Howie, who won a Perthshire council by-election two weeks ago, with 60 per cent of the vote. I was wrong when I said that I had only one bit of partisan politics; Labour got 3 per cent., which I think is worth putting on the record. She also became a lieutenant-colonel, but her achievements—rising in the military, her civilian career and her success in the election and in the council chambers—are now normal. In the modest time scale from Muriel Gibson to Kate Howie, the change is extraordinary and we should celebrate the fact that women can now succeed in any walk of life they choose. We must not be complacent, but this sort of success is normal.

In 1967 Winnie Ewing said:

"Stop the world, Scotland wants to get on"—

a slogan some of us are still campaigning on. On 12 May 1999, as the Mother of the House in the Scottish Parliament, she said,

"the Scottish Parliament, which adjourned on 25 March 1707, is hereby reconvened."

I can think of no better measure of success than that it was someone such as Winnie Ewing who reconvened that Parliament, which has delivered so much in the way of opportunity for women to engage in politics at a national level and in delivering the kind of policies that women in particular—men as well—need. I hope we will all continue to push—here, in Scotland and elsewhere—not just to better the lot of women, but to better the lot of the whole of society.

5.4 pm

Judy Mallaber (Amber Valley) (Lab): It is a particular pleasure to speak in the debate under your chairwomanship, Madam Deputy Speaker. I have fond memories of speaking when we were celebrating the struggle of the women chain makers in your constituency on the issues of low pay, a minimum wage and women's pay.

Virginia Woolf said:

"For most of history, Anonymous was a woman".

That is rather a good quote. International women's day and the struggle for the franchise were intended to ensure that women were no longer anonymous or unrepresented, and that women's voice was heard and their concerns acted on. I am proud that in Derbyshire, of the 10 MPs, four are Labour women. I am pleased that in the new 11th constituency, the Conservatives have adopted a woman candidate. I am glad that they have come on board, as the woman whom they have selected has for many years complained about the barriers that she encountered in trying to be selected as a Conservative candidate. We are all familiar with those barriers. I am proud that one of our Labour women in Derbyshire was the first woman Foreign Secretary, as has been mentioned.

I shall focus on women in work and the gender pay gap. I refer the House to the just published report from the Business, Enterprise and Regulatory Reform Committee, entitled "Jobs for the Girls". It was drawn up by a Sub-Committee which I chaired with the hon. Member for Bromsgrove (Miss Kirkbride) and my hon. Friends the Members for Kingswood (Roger Berry) and for Crosby (Mrs. Curtis-Thomas). We know that there is still a stubborn pay gap.

It is particularly good to discuss that issue in a debate on international women's day. As we have heard, the celebration of international women's day originated in the United States as a result of the industrial struggle in a period of huge expansion and turbulence in the industrialised world. The first march took place in the States in 1909, after 15,000 women had marched through New York city, demanding shorter hours, better pay and voting rights. Today it is particularly relevant to talk about women at work and the struggles that we still face.

Today we are celebrating achievement and considering the direction in which we must still go. There has been great progress. When I first became involved in promoting the interests of women, one was regarded as a lunatic feminist if one thought that balancing home and work commitments was an issue or a priority. Indeed, in the House I have been called a Stepford wife because I spoke about us promoting our policy of equal rights for part-time workers, on which we still have a long way to go. I found it odd that I was

[Judy Mallaber]

attacked for promoting the Government's policy, as it had taken about 20 years to persuade my own party to adopt it. It would have been strange for me not to support it.

We have made progress. Now it is not regarded as mad to talk about the work-life balance; now that is almost sanctified as a policy. I was pleased that when we were drawing up our policies before the 1997 election, and our prospective Chancellor, now the Prime Minister, was being careful not to make too many uncosted financial commitments, one of the first two priorities that he identified was child care. He understood that it was not just a moral and ethical stance to promote child care, but that it was an economic issue. It is crucial that those are linked.

That is what our Committee report has done. The work originated under the Trade and Industry Committee, and we started it partly because of the economic problems associated with the pay gap. In the press release that I put out when launching the report, I said:

"The gender pay gap persists despite thirty years of equal pay legislation, largely due to occupational segregation."

That gap is very stubborn and difficult to deal with, although we have made some progress. As I went on to say, the gender pay gap

"is not only unfair to women but also limits the pool of recruits available to employers at a time when harnessing and extending the skills of all is increasingly vital for the health of the economy. To tackle this will require a culture change amongst employers, unions, in educational institutions and the whole of society."

We need a determined battle on every front if we are to make further progress.

One area that was referred to in our report, with which I was involved in a previous capacity when I worked for the then National Union of Public Employees, was the campaign for the minimum wage, which has been so important in starting to equalise pay for some women, and in starting to break down the pay gap, particularly at the bottom of the pay scale. In my union, that issue had been campaigned on for decades by an enlightened general secretary who made the case for county road men. It took a long time for us to recognise that it would be an important issue for women. It was a long struggle to get the labour movement to accept that we should intervene, and to get that acceptance across the spectrum. As has been said, the change was opposed vehemently in this House, and I am pleased that it is now recognised that the change was of great importance for women. I recognise, however, that there are still difficulties with regard to enforcement and so on.

I hope that people will look at our Select Committee report, and that there will be further debate on it in Parliament. The report covers a range of issues, and I have time to tackle only a few. We looked at the implementation of the recommendations of the Women in Work Commission, set up by the Government and chaired by Baroness Prosser. It has been said that we need to look at a range of areas, not just legislation, if we are to promote equality and make further advances.

I shall just canter through a few of the issues that we raised, some of which have been touched on. We considered the fact that one of the key factors in the gap between men and women's pay is occupational segregation: men and women going into different areas of work. It was said earlier that educating women and girls was critical. Of course that is important, and it is important internationally, but girls have been doing well in education compared with men, and there is still a pay gap. That is because of the terms under which women go into employment, the jobs that they go into and—a point made by the hon. Member for Bromsgrove—the way in which that gap persists among similarly qualified people even five years after graduation.

If we are to break down barriers, one of the early things to consider is education. We considered two issues: work experience placements and careers advice in schools. Those should not just be an add-on for a teacher; more resources and effort need to be put into those practices. The YWCA has come up with a number of interesting ideas, including the need to try different work placements at school. I welcome our huge programme to expand apprenticeships, and I also welcome the fact that, within that, it has been recognised that we should examine the work into which boys and girls, and men and women, go.

In one of my local schools, a girl wanted to go into construction because she wanted to follow in her father's footsteps—he was in the construction industry. She was put off by her family, who said, "No, you can't do that", even though they should have looked upon her following her father as a matter of pride. I also met a young woman in an engineering company providing signalling equipment for the railways, which was very proud of the fact that she had been taken on as a young apprentice. It adopted her—they thought that she was wonderful and hoped that she would carry on. There are good examples, and less positive ones. I hope that we can do more to promote the idea of women going into more traditional areas of work.

There are not so many opportunities for older women to reskill if they want to go back to work. We looked at work done by Ofsted, which has examined whether courses are provided in a flexible way.

When we asked Baroness Prosser about her key priorities she highlighted one that has been raised today: the dearth of good quality part-time work. A report last week showed how women managers, wanting to work part-time after having a baby, see their opportunities and chances for qualification plummet because they are made to take jobs at a lower level. There has been a quality part-time work initiative, and the TUC and CBI said to us that they hoped that full funding would be provided, as recommended by the commission, to promote that initiative. We have to get beyond pilots and extend those initiatives across a broader range of the economy.

We considered legal changes because there was a feeling that the discrimination law review had not found the answers. If we continue not to make strong progress, we will have to examine again compulsory pay orders or extending the gender equality duty to the private sector.

Apart from flexible working, public procurement is a good tool for considering ways in which to promote equality. The Olympic Delivery Authority is currently examining that. It is possible to use some of the power of public authorities over contracts and the provision

of services to promote women's equality. That harks back to arguments about what local authorities did many years ago in some places with contract compliance. Further work could be done on that.

I hope that we can examine the Select Committee report further and some of the issues that it raises. The matter is complex and requires considering all aspects of a range of subjects. We need a massive culture change if we are to make further progress. I hope that hon. Members in all political parties will commit themselves to such progress.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. Several hon. Members are still hoping to catch my eye—I know that they have been waiting patiently. May I please ask for shorter speeches so that, I hope, everyone can make a contribution?

5.15 pm

Mr. Brooks Newmark (Braintree) (Con): I will do my best, Madam Deputy Speaker.

I am delighted to contribute to today's debate to mark international women's day on Saturday. Hon. Members may know by now that I was born in the United States, but they might not know that the predecessor to international women's day was also born across the pond in February 1909. It had far more dubious parentage than mine—the Socialist party of America. Early socialist credentials stood the movement in good stead when the observance of international women's day in Russia on 8 March 1917 coincided with the downfall of the tsarist regime. However, the story of women's rights has much more to do with evolution than revolution.

Women won the vote not because Emily Davison shocked race-goers at the Derby but because those who survived her proved themselves indispensable during the great war. If Emmeline Pankhurst, Emily Davison and Millicent Fawcett were the figureheads in the fight for women's rights in the 20th century, J. S. Mill provided much of the early impetus for that fight during the 19th century.

Mill represented Westminster as a Member of Parliament, but his constituency was far broader, and the debt that is owed to him is correspondingly deeper. Gladstone described him as the "the saint of Rationalism", and he was certainly more rational than his electorate, who failed to return him to Parliament after he had been a Member for only three years.

It is striking that Mill's contribution to the debates of his day continues to be relevant to the debates of ours. Although we have made tremendous advances in some matters, there is clearly ground to be made up in others. When Mill spoke out on the admission of women to the electoral franchise, for example, he believed that it would address the practical grievance of the lack of property rights then given to women. He told the House simply that

"if we were besotted enough to think these things right, there would be more excuse for us; but we know better."

The fight for property rights for married women now seems like something out of the dark ages. However, that one moral right, which Mill explicitly identified as a justification for extending the franchise to women, had a long and painful gestation. Between 1857 and 1882, 18 married women's property Bills were introduced in Parliament and an Act finally appeared on the statute book only in 1882, by which time Mill had said goodbye to the world along with Westminster.

The substance of the inequality is perhaps less important than the lesson that there will always be those who say that change takes time and that it must be allowed to run its course. Our answer to them should be that sometimes the pace of change needs to be given as much encouragement as possible. I am therefore proud to be co-chair of the Conservative party's women2win campaign with my right hon. Friend the Member for Maidenhead (Mrs. May). I am also proud to claim Nancy Astor, the first woman to take her seat in the House of Commons, as both a Conservative and a fellow Anglo-American. The campaign women2win is making great strides to secure better representation among women, without the party needing to resort to the expedient of all-women shortlists, proving that positive action does not necessarily mean affirmative action.

Helping to encourage the right women to be selected for winnable seats is a challenge that my right hon. Friend the Member for Witney (Mr. Cameron) has set us. It is a challenge that we are undoubtedly meeting, with one third of the prospective candidates whom we have so far selected being women, as we heard earlier. All the women selected have shown not only what can be achieved on merit alone, but that the Conservative party is doing what it must to improve representation of women among its candidates. Notwithstanding all that, the figure of one third is only a start. I am confident that, in the spirit of 1997, things can only get better.

I want to return briefly to another of Mill's observations during the 1867 franchise debate, in the spirit of continuity rather than anachronism. He said:

"I should like to have a Return laid before this House of the number of women who are annually beaten to death, kicked to death, or trampled to death by their male protectors...We should then have an arithmetical estimate of the value set by a male legislature and male tribunals on the murder of a woman, often by torture continued through years, which, if there is any shame in us, would make us hang our heads."

The issue is no longer the values set by a male legislature or a male judiciary, because we have made great advances in those respects. Nevertheless, as we heard earlier, violence against women, the practice of forced marriage, human trafficking, female genital mutilation and that most unpleasant misnomer, "honour killing", are all alive and well in 21st century Britain. Thankfully, there is no need for us to argue that those things are wrong. We all know far better than that. However, the culture may have changed in Westminster, but it has not always changed out in the real world, and that is still the challenge to us in all parts of the House.

Added to the category of practices that are morally repugnant are those to which many people will turn a blind eye, notably inequality in pay and pensions. As the hon. Member for East Dunbartonshire (Jo Swinson) pointed out, the median pay gap between male and female full-time workers fell from 17.4 per cent. in 1997 to 12.6 per cent. in 2007, while the mean figure fell from 20.7 to 17.2 per cent. in the same period. In the words of the women and equality unit, the median gap between male and female part-time

[Mr. Brooks Newmark]

workers has "remained fairly static," at around 40 per cent. Although there has been some progress, clearly we can all do better. Some 28,000 sexual discrimination cases were taken to employment tribunals last year, which is double the figure of the previous year. Since I am an optimist, I interpret that as evidence of a greater awareness among women of their rights, rather than of a greater incidence of discrimination, but the figures should nevertheless give us pause.

I want to conclude with some final "grist to the Mill" from 1867, by noting his warning that

"men are afraid of manly women; but those who have considered the nature and power of social influences well know, that unless there are manly women, there will not much longer be manly men."—[*Official Report*, 20 May 1867; Vol. 187, c. 822-828.]

One woman has, of course, proved him utterly correct. I doubt that my noble Friend Baroness Thatcher would have enjoyed being called "manly" but she certainly revelled in her Soviet sobriquet as the Iron Lady and showed her formidable strength over many years. As a member of Mr. Speaker's advisory panel on works of art, I know how delighted hon. Members in all parts of the House are that the Iron Lady was recast in bronze by Antony Dufort and placed in the Members Lobby just over a year ago.

Lady Thatcher was a towering figure in British politics and it is more than fitting that her statue should be larger than life. As the United States focuses its electoral debate on the merits of two very different Democratic presidential candidates, let us all be proud in this country of the distance that we have already travelled and of our shared commitment to continuing that journey.

5.24 pm

Mrs. Ann Cryer (Keighley) (Lab): I have cut my speech down a great deal, and I shall start very near the end.

Since February 1999, there has been a campaign for changes to the customs and practices of some of our ethnic communities, in order to improve the lot of young women born here or brought in from the sub-continent as a spouse. My friend, Alice Mahon, then the MP for Halifax, and I had an Adjournment debate on the subject of forced marriages. We did so not because we woke up one morning and searched around for an Adjournment debate topic, but because we were becoming aware of, and alarmed by, the increasing number of young ladies of Asian descent coming to us for help. They usually wanted us to ask a high commission, often the one in Islamabad, to put a stop on the provision of an entry clearance visa for their so-called husband.

In the past nine years, things have moved on enormously. Forced marriage is no longer a taboo subject, and police forces such as that in West Yorkshire have developed excellent practices for helping victims. I should like to mention Philip Balmforth, who is employed jointly by the West Yorkshire police authority and Bradford social services. He must now be a world authority on rescuing victims and ensuring their safety. The consular section of the Islamabad high commission, with the help of the local Pakistani police, has developed some very good methods for rescuing victims and getting them to safety. The forced marriage unit here in London, funded jointly by the Foreign Office and the Home Office, is doing sterling work in giving advice. The Home Affairs Committee is looking into how further improvements can be made.

However, all our work is with victims and potential victims. The ideas that I started off with, of winning the hearts and minds of community and religious leaders—and, through them, those of the families and wider biradaris—have not reached anything like fruition. Communities are still in denial, and those practices continue apace. I therefore hope and trust that the Forced Marriage (Civil Protection) Act 2007, which comes into force in September, and the changes to immigration regulations that are now out for consultation, will eventually stop these mediaeval practices, or at least reduce their numbers.

On a vaguely related subject—again, I am treading on eggshells—I will continue to encourage primary care trusts to advise communities to move away from the practice of cousin marriages. Yes, many children born to such marriages are perfectly healthy, and some children born to parents who are not related suffer from birth defects. However, Bradford has the second highest number of infant deaths in England. A study by the paediatrics department at Bradford royal infirmary, led by Dr. Peter Corry, has so far identified 148 different autosomal recessive genetic conditions in child patients over recent years. Dr. Corry estimates that a typical British health district might see between 20 and 30 such conditions. There is a growing recognition of such problems by the younger generation, but that is not the case with older people and those brought in from the sub-continent for marriage. The Bradford and Airedale Teaching Primary Care Trust should be supporting a younger, enlightened generation by encouraging community elders, and parents arranging marriages, to move away from cousin marriages.

I wanted to mention the Church of England, and the fact that 50 per cent. of its vicars are women. I look forward to seeing women bishops, and I have spoken at one or two meetings about that. However, I shall have to give up now, as someone else wants to speak.

5.28 pm

Peter Bottomley (Worthing, West) (Con): I pay tribute to the hon. Member for Keighley (Mrs. Cryer), for her perceptiveness, persistence and courage and for the clever way in which she raises important issues. She is respected not only in the country but in the House.

There are more widows in India than there are females in this country. There are between 33 million and 35 million widows there, many of whom are very poor. I want to pay tribute to Raj Loomba who, in memory of his mother, Shrimati Pushpa Wati Loomba, created a foundation with the initial aim of helping the children of 100 widows in each of the 29 Indian states. The foundation was founded 10 years ago, and I pay tribute to its success in exceeding its targets. I should also like to say how much I enjoyed listening to a speech by its patron, Cherie Blair, who spoke at a lunch for the Three Faiths Forum at the House of Lords this

afternoon. Such achievements give us an indication of what can be done for people facing far greater challenges than those that we face in this country.

In this country, there is absolutely no doubt that the position of women is getting better, but it is still wrong. Part-time working women earn less than part-time working men. There is the paradox, of course, that while part-time working women in manual jobs earn less than men and part-time working women in white-collar jobs earn less than men, if we take part-time working women as a whole, they earn more per hour than men. That is because more of them are in white-collar jobs, which means they are more qualified, and also because working-class jobs were traditionally for men.

That will change, and I hope we will see changes in the sort of things I observed when I first became a Member of Parliament. When I was an MP representing a south-east London constituency, I visited a girls' school—a dame's school, meaning that the headmistress had become a dame, but she had actually left—and found that not a single school leaver from that school of 1,200 girls had an A-level in maths, physics or chemistry. We cannot claim that we are providing opportunity for all in comprehensive schools if children get no A-levels in maths, physics or chemistry. I am not saying that they are not capable of doing it, but those who are capable—there should be a spread of them in schools—should be able to do it. It is often a want of ambition, a want of expectation or a want of something—whatever it is, it needs changing.

When I went to a secondary school in Westminster and asked when a pupil last got an A grade in mathematics, the school did not know. I hope that that sort of thing is changing. I will do all I can to support the achievement of good results in the so-called hard subjects—in fact, I think maths, physics and other such subjects are easier, because there are right and wrong answers. We will make a change and raise expectations so that more people can go into the professions and educational lines of work—qualifications matter.

It is odd to think back to when I was a junior Minister in the Department of Employment. I discovered—or rather, I was told, as I did not discover it myself—that 80 per cent. of our first-line managers were female, and within two promotion grades 60 per cent. were male. Part of that was due to the fact that one had to apply for promotion rather than be given it; and part of it was a conspiracy between the management and the unions that one could not get a second promotion until a certain number of years had passed. Many women were mothers, but the fact that many male workers were fathers did not seem to matter, as they did not take time off work.

In some ways, we expect women to take on the responsibilities and opportunities of their fathers while maintaining the responsibilities of their mothers. We should stop saying that women who are not in paid employment are not working. I have not yet met a woman with family responsibilities who was not working—or probably not doing even more work than most of their men would willingly put up with for long. They certainly carry the burden of looking after many of the older generation who need help.

Incidentally, may I say in passing that to regard our present parliamentary hours, particularly when we start early, as "family friendly" is absolute nonsense? One cannot take a child to primary school if one needs to be at work at 9 o'clock in the morning and one cannot look after an elderly parent during the day if one has to be here. In fact, the older hours were far more compatible with family responsibilities than the present ones, but that is a side issue.

There is not enough time to go into a number of other issues that I would have liked to cover at some length. I believe that those who make appointments should always ask themselves who are the women who can be considered on merit as well as who are the men who come naturally to mind.

Let me provide another anecdote. When I was appointing a street works advisory committee to look into services under the roads—telephone, computer, electricity, gas and the like—11 names were put forward. I asked those who provided the advice to come and have a chat as I had noticed that all 11 were male. They said that that was due to chance. I asked what categories were being filled. They said they wanted to have someone who had been head of transportation for a major highway authority. When I said that a woman retiring from the Greater London council would also qualify, they said that they had forgotten about her. When I suggested a professor of electronics or engineering, they said, "Name one", so I named one from the university of Surrey. I said that I did not know all the universities around the country. It was suggested that we met again a week or so later. We came back with 11 names and appointed all 11: six were women and no one raised an eyebrow, because they were all clearly qualified to fill the categories for which advice was sought. Those sorts of things matter.

Let me end, if I may, by paying tribute to my wife, who was one of those women who had not really thought of coming to the House of Commons. She once thought that the only time she would come here would be if I got run over by a bus and she would be the grieving widow, gently smiling and dabbing her eyes. In fact, she was approached and told that she was on most people's lists. She would not have come here if the suggestion had not been made to her. I think that just as we suggest to people that they should consider becoming nurses, doctors or teachers, or becoming involved in some enterprise, we ought to encourage more talented people to stand for election. We know that women can perform their roles in the Cabinet, as Members of Parliament and as councillors, and I think we should try to ensure that we do not just wait for the volunteers.

I will end my speech there, because I know that the hon. Member for Manchester, Central (Tony Lloyd) wants to speak as well.

5.35 pm

Tony Lloyd (Manchester, Central) (Lab): I am grateful to the hon. Member for Worthing, West (Peter Bottomley) for his courtesy.

Let me explain, in the few minutes available to me, why I consider this day important. Various Members have pointed out that it is the 90th anniversary of the first votes for women. On that occasion my grandmother did not get the vote, because she had no property. She had three children and no husband, and

[Tony Lloyd]

she lost her job because men were returning from the first world war and she was told that she was doing men's work, so perhaps that 90th anniversary is not such a great symbol after all.

If we want a real symbol of the change in attitudes we should think of 1997, when the culture of the House of Commons changed radically and inevitably. Those of us who were here before 1997 will know how much it changed. I do not mean just the way in which we dealt with each other outside the Chamber. Anyone who glances at a 15-year-old Order Paper will observe a very different set of priorities and preoccupations, and that is a result of the arrival of so many female Members. Most of them are on the Labour Benches—my sisters—but I think that attitudes have changed in all parts of the House, and for the better.

When we take stock of what this Government have done, we see that there have been tremendous achievements. I do not have time to list them all. Instead, I shall mention an area in which we need to make more progress: equal pay. While I agree that we will need the pay audits that were mentioned earlier if we are to see the pay revolution that we want, we should also recognise that many women's roles as carers or mothers mean that their careers do not operate on the same basis as men's. That is at least part of the reason for the fact that the pay gap is still so wide.

Probably more than half the work force have worked flexibly in the past 12 months, but some of that flexibility may not be good for employees' families. Perhaps we need a different kind of flexibility. We should ask what flexibility really means in our society, and we should extend the concept of how we offer it to members of the work force. As Members in all parts of the House have pointed out, because of the type of career that women pursue they often undersell themselves in the labour market relative to their qualifications, and as a result drift into less secure occupations. Very different patterns of employment now exist. Women are often temporary and agency workers—there is a continuing debate about that—and the fact that they occupy such positions makes them more vulnerable. It leads to a continuing cycle of low pay, which will also affect women's pensions at the end of their working lives.

As this is international women's day, let me say something about the international situation. Two thirds of the 1.3 billion people living in desperate poverty on the planet are women, as are some three quarters of the nearly 900 million who are functionally illiterate. The hon. Member for North-East Bedfordshire (Alistair Burt) said that the need for water was one of the great needs of our planet, but education is another. The task of liberating a generation of women globally through the power of education is a challenge that is enormous but achievable. I am proud of the Government's record on international development, and the specific investment in education programmes. Such measures are fundamentally important if we are to change the way in which the world operates.

We have heard much about people-trafficking and, in particular, about women—literally millions of them—being forced into prostitution. I urge the Minister to ensure that Britain ratifies the European convention on trafficking, and that the International Labour Organisation is given real teeth. That has not been a fashionable organisation with all Governments, but it is vital in terms of people trafficking. More effort through international organisations, and particularly the ILO, could make a genuine difference to the blighted lives of millions of people on this planet.

5.40 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): May I begin by thanking all the speakers across the political divide for their contributions to this debate? I must say, however, that it is regrettable that the Leader of the House gave such a partisan speech in a debate of this sort. She did neither herself nor her cause any good. It was particularly regrettable that, although every Member has the right not to accept interventions, the reason she gave for not accepting an intervention from my hon. Friend the Member for The Wrekin (Mark Pritchard) was that he is a man. The Leader of the House should reflect on the fact that although he is a man, he was elected to this House by women and men, and he is their spokesman.

It is also regrettable that not one Labour Member could bring themselves to pay tribute to Lady Thatcher.

Fiona Mactaggart *rose—*

Mr. Vara: There was one exception: the hon. Lady. It is, however, regrettable that no other Labour Members could bring themselves to pay tribute to a woman who fought through a male-dominated society to become not only leader of her party but Prime Minister.

Mr. Newmark: Will my hon. Friend give way?

Mr. Vara: I will give way, but let me say at the outset that I am under a very strict time constraint; I am mindful that the Minister also wishes to speak, so my contribution must be very brief.

Mr. Newmark: I wish merely to make an observation: I am surprised that the Leader of the House has not had the courtesy to return for the winding-up speeches, following her diatribe at the beginning of the debate.

Mr. Vara: My hon. Friend makes a valid point, and I am afraid that that only adds to the Leader of the House's demeaning of her office—something she has done from the start of the debate right to the end.

This House has come a long way since Nancy Astor was first elected to it. Of course, we all accept that there is a long way to go yet, and I for my part accept that my party needs to do more on its Benches as well. There has been much comment from the Labour Benches about the lack of women Conservative Members of Parliament, but we hope very much that that will be rectified after the next election—and as far as the Government are concerned, I am sorry to say that that is likely to be at their expense.

John Austin: Will the hon. Gentleman give way?

Mr. Vara: No, I will not give way; I am under a time constraint.

Women in Britain continue to suffer inequalities, as we heard. The gender gap continues, and our work climate is still not able fully to accommodate women who have the pressures of looking after their family, such as their children and elderly relatives. Those points were most articulately made by the hon. Member for Cardiff, North (Julie Morgan), and the hon. Member for Amber Valley (Judy Mallaber) expanded on them. Unsurprisingly, pensioner poverty among women remains much higher than among men.

Reference was also made to domestic violence. It is a scandal that there is such a high level of domestic violence in our country. According to the British crime survey, in 2005-06 there were 363,000 incidents of domestic violence, but I agree with the hon. Member for Erith and Thamesmead (John Austin) that that is very much an underestimate, because the shame and embarrassment that many women feel about that often prevents them from coming forward to make complaints.

Many Members referred to human trafficking. I pay tribute to my hon. Friend the Member for Totnes (Mr. Steen) for his sterling work as chairman of the all-party group on trafficking of women and children—a group of which I am privileged to be joint vice-chairman. I am delighted to see that the Leader of the House is now in the Chamber, but it was regrettable that she could not bring herself to mention him by name, despite the fact that many Ministers regularly pay tribute to him personally.

On the international aspects, I agree that there is much to be done in many of the less developed countries, but some progress is being made. In India, for example, Sonia Gandhi is leader of the Congress party, Pratibha Patil is India's first ever woman President and Shubha Raul is mayor of Mumbai, which is a major city. On international health, it is regrettable that in countries such as Sierra Leone one in seven women dies in childbirth.

The contribution by the right hon. Member for Cynon Valley (Ann Clwyd) took us, in a way, into calmer waters following the heat of the opening speeches. It was good to hear her reference to Leonora Cohen, a suffragette; it brought substance to this debate. The hon. Member for East Dunbartonshire (Jo Swinson) rightly highlighted the fact that the rape crisis centres are closing, and it was also good that somebody from another party was able to pay tribute to Lady Thatcher.

I welcome the pledge by the hon. Member for Crawley (Laura Moffatt) to travel overseas to spread the message of equality for women. My hon. Friend the Member for Epping Forest (Mrs. Laing) spoke of the significance of education, and I was reminded of the words of Mahatma Gandhi:

> "If you educate a man, you educate an individual; if you educate a woman, you educate a family".

The hon. Member for North Ayrshire and Arran (Ms Clark) gave a short history of international women's day and also put matters into perspective. I am sure that no one will disagree with her comment that women throughout the world should have the benefits that women in Britain enjoy.

My hon. Friend the Member for Basingstoke (Mrs. Miller) made a number of points, rightly saying that we should seriously consider why women do not take up careers in Parliament in order to serve their community and their country. The hon. Member for Slough (Fiona Mactaggart) highlighted the impact that women MPs have had in the House, rightly pointing out the influence that they have had in Select Committees, such as the Select Committee on Defence.

My hon. Friend the Member for Buckingham (John Bercow) spoke with his usual eloquence, and there was universal support for him in mentioning the need for a crèche in the Commons. My hon. Friend the Member for North-East Bedfordshire (Alistair Burt) gave a typically thoughtful and compassionate speech. His experiences in Rwanda, particularly as regards women ensuring that there was clean water for themselves and their families, were particularly noted by all of us.

The hon. Member for Dundee, East (Stewart Hosie) gave a good explanation of what is happening in the Scottish Parliament. As he said, that point has even been made by Hillary Clinton in the US election campaign. My hon. Friend the Member for Braintree (Mr. Newmark) gave a learned speech. Long may he continue to do sterling work as joint chairman of women2win.

I pay tribute to the hon. Member for Keighley (Mrs. Cryer), who brought her welcome expertise to this debate. Despite considerable opposition at times, she has stayed firm on issues that are now recognised by others as deserving of serious consideration. My hon. Friend the Member for Worthing, West (Peter Bottomley) put matters in perspective when he told us that there are more widows in India than there are women in this country.

The hon. Member for Manchester, Central (Tony Lloyd) concluded by referring to the continuing theme of the need for a change in culture in the House, and he also rightly pointed out the issue of human trafficking. In my constituency, the Cambridgeshire police have done sterling work in trying to deal with human trafficking and the desperate situation where a woman can be bought in a pub for £1,000 in Peterborough.

Despite the heat of the speech given by the Leader of the House at the start of the proceedings, the debate has been a good one. I hope that in a small way we have played a role in helping to further the cause of women throughout the world.

5.49 pm

The Minister for Equality (Barbara Follett): I am grateful for all the contributions that have been made today. The hon. Member for Epping Forest (Mrs. Laing) said that there is no such thing as a women's issue, and the huge range of topics covered today illustrates the truth of that statement. We have had 30 speakers and I am glad to say that many of them were men. Women cannot do this alone, and I want to work with men in the House and outside to correct the democratic deficit that we face.

The huge range of subjects and number of speakers also mean that in the 10 minutes that I have to reply to the debate I shall not be able to cover all the contributions made and questions asked. I apologise for that, but listening is just as important a part of a

[Barbara Follett]

ministerial role as speaking, and I have done quite a bit of the former today. I shall try to address some of the main points that were raised today.

Only 19.5 per cent. of the Members of this House are women, and that is a shamefully low statistic. Many people have mentioned the 48.8 per cent. of women MPs in Rwanda and the 32.8 per cent. in South Africa. Even Afghanistan has 27 per cent., so we have a long way to go. The same applies at local government level, with only 29 per cent. of local councillors being female, a shamefully tiny fraction of whom are from black and ethnic minority communities. There are no Asian woman MPs. In public life, in the judiciary and the upper echelons of our civil service and financial sector, women remain woefully under-represented. But things are being done to correct that, and I am glad to say that we have made significant advances over the last decade—even getting the hon. Member for Braintree (Mr. Newmark) to join women2win, about which I am very pleased—*[Interruption.]* I am not being sarcastic: I cannot express how much I welcome the change of heart on both sides of the House. We have recognised the part that women have to play in politics and we are acting on it.

I am grateful to my right hon. Friend the Member for Cynon Valley (Ann Clwyd) for reminding us of the inspiring work done by women inside and outside the House, and for her measured assessment of what I regard as one of our greatest achievements. The hon. Member for Buckingham (John Bercow) and I had the pleasure of serving on the Committee considering the minimum wage legislation, and I well remember the 36-hour filibusters in which he took part. As my right hon. and learned Friend the Minister for Women and Equality stressed, that legislation has virtually eradicated the gender pay gap at lower income levels—and I know that the hon. Gentleman has reviewed his position on the minimum wage.

I also welcome the assurance that my right hon. and learned Friend gave that we will extend the provisions that allow positive action in parliamentary selections. I do not like them—no one likes them or wants positive action—but without them, I fear that we would not achieve for several hundred years the representation in this House that women deserve.

The right hon. Member for Maidenhead (Mrs. May) raised several important points, not least of which was the need for affordable child care. As a mother of five and grandmother of four, I am glad to say that since 1997 the number of child care places in this country has doubled, and the Government are providing a staggering £3 million a day through the working tax credit to help parents meet the cost.

The right hon. Lady also raised the issue of trafficking. Like her, the Government regard trafficking as a modern form of slavery, which is why we have signed the European convention and are taking the necessary steps to ratify it by the end of this year. It is also why we are doing so much to support the victims of this truly horrible trade. As the right hon. Lady knows, the Government are reviewing their prostitution strategy and looking closely at measures to reduce the demand for that service. I pay tribute to the work done by my hon. Friend the Member for Slough (Fiona Mactaggart) on that, and I hope that she continues with it.

I want to clarify the point made by my right hon. and learned Friend the Minister for Women and Equality about the Domestic Violence, Crime and Victims Act 2004. This week, the Government announced that in the summer we will introduce domestic violence homicide reviews. We are considering the timetable for the introduction of restraining orders, as set out in section 9 of the Act, which is one of our priorities.

Like the hon. Member for East Dunbartonshire (Jo Swinson), I am saddened by the fact that almost 40 years after the Equal Pay Act 1970 was passed there is still a gender pay gap in this country. I am glad to say that it is slightly less than she said: it is not 17.9 per cent. but 12.6 per cent.

Jo Swinson: It depends on how it is measured.

Barbara Follett: Yes, but there has been a drop and I am glad about it. However, the gap remains unacceptably high for full-time and part-time workers. We hope to address some of the causes in the equality Bill that will be announced in the Queen's Speech in November. We need transparency and enforcement.

I do not think that any of the measures would have been introduced had it not been for the vastly increased representation of women in this House. I will be happy to work with both Opposition Front Benchers to attract more women into a parliamentary career. My feeling is that the long-hours culture in this place is a disincentive, but I know that that is a highly contentious subject that we could argue about well into the night.

Ms Harman: Let's not do that.

Barbara Follett: Let us not.

My hon. Friend the Member for Crawley (Laura Moffatt) highlighted the benefits of the university campus that is being built in her constituency, which will bring black, Asian and minority ethnic women into the university arena. As 40 per cent. of women of Bangladeshi origin living in this country have no educational qualifications at all, we have do what we can to ensure that such women access the available opportunities.

As the hon. Member for Epping Forest emphasised, we must also ensure that the 44 million girls in the developing world who will go to bed tonight without having gone to school and with no prospect of going to school get the chance to go. It is pointless investing millions in developing countries if people do not have the skills to make progress.

Health was mentioned several times, and like my hon. Friend the Member for Crawley, I am glad that chlamydia screening has been rolled out in 88 per cent. of all primary care trusts in England. I am also extremely glad that girls of 11 are receiving injections to protect them against the scourge of cervical cancer. One of my daughters is a junior doctor in a London hospital and—believe me—I am all too aware of the failings in the system. I was pleased by the Health Secretary's

announcement of £330 million extra funding to ensure that mothers get the best possible care and a fuller range of choices.

Jo Swinson: Will the hon. Lady give way?

Barbara Follett: I am sorry; I have to finish. I have two minutes and I must mention violence against women and, in particular, rape crisis centres.

I am pleased that we have 20 new sexual assault referral centres and that we will have 19 more by the end of this year. I am also aware of the vital role played by rape crisis centres and my right hon. and learned Friend and I are working across Government to ensure that they are integrated in and work with the new sexual assault referral centres. Mention was also made of women in prison and the ground-breaking Corston report. I am glad to say that the Government have accepted 40 of its 43 recommendations.

I cannot give carers the time that they deserve in my speech, except to say that the subject is one of the priorities of the Ministers for women, and neither can I do so for forced marriages, cousin marriages and the international situation.

On international women's day, I want hon. Members to remember what the colours I am wearing stand for: purple for dignity in Parliament—I would like the hon. Member for The Wrekin (Mark Pritchard) to remember that when he makes pointless points of order—white for purity in public office and green for hope. The hope is that we can stop posturing and work better in here on the issues. We are all here because we care, not because we want to make silly points.

Question put and agreed to.

Resolved,

That this House has considered the matter of International Women's Day.

PETITION

Post Office Closures (Maidenhead)

6 pm

Mrs. Theresa May (Maidenhead) (Con): I should like to present a petition of 1,384 signatures concerning the closure of the post office in Cookham road, Maidenhead.

The petition states:

The Petition of those concerned about Post Office closures in the Maidenhead constituency,

Declares that the closure of the Post Office in Cookham Road would be an unacceptable loss to the local community and pose serious difficulties for all the local people who rely on it.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business Enterprise and Regulatory Reform, to instruct the Post Office Ltd to keep open Cookham Road Post Office and to listen to the views of the local people in respect of their objection to the closure of this vital part of the local community.

And the Petitioners remain, etc.

[P000142]

RAF Welford (Security)

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Diana R. Johnson.]*

6.1 pm

Mr. Richard Benyon (Newbury) (Con): It is a great pleasure to be able to raise this matter. I welcome the Minister to his place, as he has been extremely courteous to me in my short time in the House. I think that I must be one of the higher-maintenance Members for him and his Department, for a host of reasons. I place on the record my gratitude to him and his civil servants for the courtesy and tenacity with which they have taken up a number of matters. I have another for him tonight, which is related to a military installation in my constituency called RAF Welford.

RAF Welford is a former wartime air base. During the second world war it was visited by both Churchill and General Eisenhower and considered to be of major strategic importance to this country and our allies. It remains so today, because it is now one of the largest ammunition storage facilities in Europe. It is currently under the command of the 420th Munitions Squadron, in support of the 501st Combat Support Wing at Fairford. That is a United States air force forward operating air base, last used in operational circumstances as recently as 2003 in the Gulf war.

The site at Welford covers more than 800 acres in isolated Berkshire downland, but it is accessible. It is only 38 miles from its parent base at Fairford, and has access to the M4. Having its own access to a major arterial motorway is one of its unique features. It is used to store large, air-delivered bombs, many of which are extremely old. On my visit there today, I heard of plans to reduce the amount of ordnance stored there by roughly half, principally because of the reduction in the use of so-called dumb bombs in favour of so-called smart bombs. Today's armed forces need less ordnance to achieve the same result, and much of the ordnance there dates back to the Vietnam war. RAF Welford is an extraordinary place to visit. From the ground one can see the extraordinary earth bunds, which are also visible on Google Earth. Much of the ordnance is still sitting out in the open air, although much of it is now being covered.

About last October, rumours started to be heard in the air around west Berkshire of the removal of Ministry of Defence armed guards from the base at RAF Welford and their replacement with a much smaller number of unarmed civilian guards, possibly members of the MOD's civilian guard service. I saw it as part of my job to calm some of the concern. At that stage no one knew whether RAF Welford had a future or whether it would continue to store high explosive munitions. If no munitions were to be stored there and it was to become a place where the occasional trenching tool or mess tin was stored, there would be no need for the type of guard service that is there now. Clearly, however, it is still being used as a munitions store.

I wrote to the Secretary of State to raise the local concerns, and I received a letter from the Under-Secretary of State for Defence on 20 January. He set out a number of points, but the most important is:

"The USVF"—

[Mr. Richard Benyon]

the United States Visiting Force—

"is also continually reviewing its security arrangements and the MOD is currently engaged in discussions with them regarding security at RAF Welford, however, no decision has been made."

Later in the letter, the Minister states:

"I would, however, like to assure you that the security arrangements at all bases, including RAF Welford, remains an important priority to both the MOD and the USVF and that any changes that might take place will only occur if they are both suitable and appropriate to the circumstances and do not compromise the overall level of security."

That was a welcome assurance as far as it went, but it did not allay the concerns of the people who work at RAF Welford or who live close to it.

On my visit to the base, I met the commanding officer of Welford, his superior from Mildenhall and the liaising RAF personnel from Fairford and Mildenhall. It is clear that, although Welford now stores less tonnage of ordnance, it remains very important to the USAF. A considerable investment is being made in buildings and infrastructure on the base.

The purpose of this debate is to draw from the Minister what the review of the security arrangements is about and the implications for local people and those who work at RAF Welford. I hope that he will also address concerns arising in other parts of the country where such reviews are starting to be discussed, and those of the wider community in the present climate. The level of threat to this building is "severe", which is not as high as "critical", but it shows that we live in a dangerous world.

Obviously, I shall not discuss in any detail the precise form of current security provision at the base. I am sure that the Minister would not thank me for doing so and will not do so himself. Suffice it to say that the current provision is comprehensive: it is a full security package provided by armed MOD police officers with access to dogs. Local people tell me that they are an extremely assiduous group of officers and that anyone who approaches the perimeter for some legitimate reason is approached immediately. However, the information we have is that those officers, who are highly professional and highly trained, are to be replaced by a much smaller number of unarmed guards, and that is the basis for a degree of concern. I therefore have several questions to which I would like the Minister to respond.

In 2006, RAF Welford was designated a strategic site under the Serious Organised Crime and Police Act 2005. That puts it alongside the Atomic Weapons Establishment at Aldermaston—also in my constituency—Burghfield, Devonport, Faslane, Lakenheath and two or three other important sites. Only two of the sites listed under the 2005 Act are not protected by armed MOD police: the headquarters at Northwood, which is protected by the Royal Marines, and, I believe, Feltwell, which is a base close to Lakenheath, and the MOD police from Lakenheath cover that area. The proposal is that the armed guards go, but what has changed since 2006? Prior to the deployment of armed Ministry of Defence police, there were a number of incursions on to the base by so-called peace protesters. Under the Serious Organised Crime and Police Act 2005, such incursions can result in imprisonment, however benign the intent of those responsible. Since the MOD police have been on the site, I believe that there have been no such incursions.

Moving on to my second point, I have been told that it is difficult to envisage any circumstances in which MOD police on the site would be required, under the rules of engagement, to use the weapons that they carry, and that they have to be trained to use. One might therefore ask what the point is of having armed police on the site. My understanding is that under section 3 of the Criminal Law Act 1967, any of the MOD personnel may use force, up to and including lethal force, if it is a reasonable action taken in order to save life. It is obviously not necessary to have armed guards to protect property, because they could not use their weapons for that purpose, but if someone intended to remove munitions from the site for use elsewhere, or wanted to detonate a bomb on the site, they could be required to use their weapons.

It was made clear to me when I was on the site today that the size of the munitions stored there—the smallest is about 500 lb, and there are bombs of up to 2,000 lb—means that we are not talking about the sort of thing that someone could remove from the site under their coat or over their shoulder. Some form of heavy-lifting equipment would be required. Nevertheless, an assessment was made and a risk was identified. That risk is deemed to be no longer applicable.

My third point is that it is important to know whether the current review of the threat is being cross-checked with the assessment of our Security Service and the police. What may not be a threat to the United States air force may well be envisaged to be a threat by our security services. It is important that local people be given an assurance that the proposal is not a cost-cutting exercise by one or both of the organisations concerned. Obviously thought has been given to what would replace the MOD police officers. It has been hinted that in addition to any provision made, MOD police at Fairford could provide back-up, but there is talk of their numbers being reduced as a result of a parallel review. At times of high traffic, Fairford is a good hour away from RAF Welford, even though it is only 38 miles away as the crow flies.

It has been hinted that Thames Valley police can provide back-up to anyone on the site, and that arrangements will be made with them, but that aspect of the issue causes me great concern. Thames Valley police force has undergone a reorganisation in recent years, which has resulted in a basic command unit that includes west Berkshire, Wokingham and Reading. West Berkshire is a low-crime area—long may it remain so—but Reading has a much higher crime rate. It is only through the tenacity of our local superintendent and his predecessors, the actions of a number of partners, and the support of the chief constable that we manage to keep police numbers up in west Berkshire to a fair degree. However, I have to say that police are pretty thin on the ground, particularly in the rural downlands. Members of the rural community frequently complain that there are not enough police officers out in those rural areas. It is frankly fanciful to believe that there are roaming patrols in the Hungerford and Newbury area that could be at RAF Welford in seconds flat in response to an incursion on to the site. It is also fanciful to believe that there is a Thames Valley

police armed response unit that could respond with any degree of speed in such circumstances.

We are also led to believe that technology can now assist in the security of such sites. I am sure that there is a degree of truth in that—sensors, CCTV and new lighting can all deter people from entering such sites. However, those are of use only if there is somebody to monitor them and others to respond when they are activated. What is the Minister's response on that? Will he give an assurance that the issue will not be yet another burden on our hard-pressed local police force? What alternative deployments or prospects will be offered to the highly respected Ministry of Defence police officers working on the site? Will there be proper consultation with the Ministry of Defence Police Federation, which has great concerns about this matter?

As I said, I have calmed—or done my best to calm—some local concerns. I am prepared to do more placating of the rumour mill if the Government give me a little more assurance than the Minister did in his letter. I accept that there may be entirely understandable reasons why a reduction might be necessary; I am the first to accept that terrorist or criminal threats need to be constantly assessed in relation to the protection of what is stored in the base and its physical infrastructure.

However, we need to be assured that such circumstances as result from the review will be arrived at by proper joint working between us, as host nation, and the United States air force. I understand that the memorandum of understanding that forms the basis for the contractual arrangements for the guarding of US bases is being updated; it was first published in 1980. It would be helpful to know whether the proposal forms part of that updating.

I am extremely proud that a United States air force base is in my constituency. Greenham Common, in my constituency, is synonymous with so many things but, contrary to what people might have thought from what they saw on "News at Ten" every night at the time of the cruise missile deployment, the relationship between the United States visiting forces when they were there and the town of Newbury, which is so close, was extremely strong.

As the local MP, it is a matter of pride to me that the forces are here. I want to make sure that the base is properly protected, and I hope that it continues in the area. I should like to place it on the record that I enjoyed meeting the United States personnel on my visit. I hope that they and us, the local people, continue to have a long relationship. I look forward to the Minister's response.

6.18 pm

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): I thank the hon. Member for Newbury (Mr. Benyon) for his kind comments at the beginning of his speech. He has always been courteous in his dealings with me and assiduous in pursuing his constituents' interests. We have met about various issues on a number of occasions, and I am sure that we will meet on others. I congratulate the hon. Gentleman on securing this debate on the review of security at RAF Welford. I know that he has already raised the matter personally with the Secretary of State for Defence, and I am happy to confirm the assurance that he has already been given in the House today.

RAF Welford is made available to the United States visiting force under the NATO status of forces agreement of 1951 and other arrangements, which are appropriate to the relationship between the UK and the US for the purpose of our common defence. The United States visiting force is present in the UK at the invitation of the UK Government, and demonstrates the special relationship between our two Governments.

Although considerably reduced since the end of the cold war, the USVF forms an important part of the continuing US commitment to NATO and the security of this country. That importance is much more than just symbolic; direct support is provided to NATO forces and coalition forces—including, of course, UK forces.

The UK welcomes that commitment and the contribution that the US forces provide to NATO, which remains the cornerstone of Europe's security policy and the only organisation guaranteeing its members' collective defence. Under the 1951 agreement, the Secretary of State for Defence retains legal possession and control over all sites made available to the USVF, including RAF Welford. The sites continue to be known as RAF stations for the simple reason that they are RAF stations playing host to units from the US armed forces stationed in this country.

The USVF units remain responsible for administering their own routine, day-to-day activities. They use the RAF stations on licence technically as a matter of comity between sovereign powers and rather than as a matter of landlord and tenant, but article 2 of the NATO status of forces agreement is clear in its statement that:

> "It is the duty of a [visiting] force and its civilian component and the members thereof as well as their dependants to respect the law of the receiving State."

We play host to a significant population of US service personnel, their civilian support personnel and their families. There are currently approximately 12,000 members of the USVF stationed at the 10 USVF bases in the United Kingdom, making a valuable contribution to our collective defence. In addition, there are a similar number of dependants, making a total USVF plus dependants of some 24,000. We should not forget that we have a responsibility to provide those personnel with a safe and secure environment and to support the important work they do, so that it is not disrupted or undermined.

As the hon. Gentleman has highlighted by initiating this debate, any armed forces establishment is likely to contain dangerous materials. This is certainly true of RAF Welford. In those circumstances, safety is paramount, and any unauthorised incursions into military establishments may present a risk. The various warning signs around the base are there for the safety of the public as well as for the security of the base. Of course signs are not enough and it may be of value if I outline to the House the arrangements in place for the security of USVF bases.

[Derek Twigg]

The degree of protection at Ministry of Defence establishments and sites used by the USVF will vary from site to site according to the location, the nature of the establishment and the risk to the site. Security measures are informed by threat assessments, which are derived from available intelligence. That involves risk management decisions, taking into account the effectiveness and proportionality of countermeasures.

It is the UK's responsibility as the host nation to provide and fund the appropriate level of external security to RAF bases made available to the USVF in the same way as support would be provided to any MOD establishment with a similar role. In addition, the host nation will take into account legal and policy restrictions placed on the USVF and acknowledged sensitivities and concerns associated with conducting global operations while based in an overseas environment.

There are several options that may be considered for the protection of defence establishments. The first is unarmed guarding, the core of which is provided by the MOD guard service and comprises access control measures that can include personnel and vehicle searches and patrolling, where an unarmed guard provides a limited visual deterrent but may be limited in his or her ability to respond to an incident.

The second option is defensive armed security. An armed guard at the entrance to a military establishment provides an important visual deterrent. An armed guard is also better placed to respond in the event of a terrorist incident if a suspect is armed, and is able to react quickly to an incident. Armed guarding at UK armed forces locations is provided by UK service personnel from the unit stationed at those locations or by the Military Provost Guard Service, a specialist unit designed for that purpose. Beyond that, however, the MOD has the option of deploying the MOD police to any location owned or run by the MOD. They bring with them the full range of constabulary powers.

In addition, police officers possess the skills to interact with personnel and the general public with a view to gathering intelligence, maintaining the peace, detecting and preventing crime and prosecuting offenders. With the agreement of the local police force they can work both inside and outside establishments. There are currently close to 4,000 personnel serving in the MOD guard service, around 2,000 personnel in the Military Provost Guard Service and some 3,500 MOD police officers. They work at more than 200 locations across the country. May I take this opportunity to make clear my appreciation, and I am sure that of all hon. Members, for the work they do in maintaining the safety and security of the armed forces and the public?

When it comes to the USVF sites, there are some variations in this pattern. The status of forces agreement places a responsibility on the visiting forces to maintain internal security at any location provided for them. That duty is also fair and reasonable. We would not invite forces to this country who did not recognise or understand such a duty. Those responsibilities and duties are fully recognised by the USVF. It maintains a security force that has jurisdiction over US service personnel and which can provide both armed and unarmed guards for these locations. The security force does not, however, have constabulary powers. For that they must draw on either the local police force or the MOD police. Discussions are taking place with the USVF on future arrangements as part of a wider review of security at its bases, including RAF Welford. It is too early to predict the outcome, as the hon. Gentleman will understand, having made a number of important points about that.

I assure the hon. Gentleman that the MOD continues to strive to adapt and improve the security measures already in place so that they meet the evolving threat, with priority given to the protection of life and those assets critical to the delivery of our defence capability. Our security policy and standards must be proportionate to the threat, effective, consistent and cost-effective. In attempting to gain efficient and cost-effective security, it is important to ensure that appropriate physical security measures are in place and to identify the right balance and number of personnel required to perform the task.

In closing, I should like to assure the hon. Gentleman that the security arrangements at all bases, including RAF Welford, remain an important priority to both the MOD and the USVF. I further assure him that any changes that take place will occur only if they are suitable and appropriate and do not compromise the overall level of security.

Question put and agreed to.

Adjourned accordingly at twenty-six minutes past Six o'clock.

House of Commons

Friday 7 March 2008

The House met at half-past Nine o'clock

PRAYERS

The First Deputy Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

Point of Order

9.33 am

Mr. John Randall (Uxbridge) (Con): On a point of order, Madam Deputy Speaker. As I was coming to the House this morning, I was listening to the "Today" programme, as is my wont, and I heard that the Secretary of State for Children, Schools and Families was announcing outside the House a very important new policy on A-levels and supplementary matters. He even thought that Mr. John Humphrys would need at least an hour to have them explained to him. When I came to the House, I looked in vain at the written statements on the Order Paper and found no such written statement on the matter.

Only yesterday, during business questions, as reported at column 1915 of the *Official Report*, the Leader of the House said that, if there was a change of policy, it would require a statement in the House. This is a change of policy. I wonder whether you have had any representations from either the Secretary of State or, indeed, the Leader of the House to explain why this gross discourtesy has taken place.

Madam Deputy Speaker (Sylvia Heal): I have not been advised that any Minister wishes to make such a statement to the House, but I have no doubt that Mr. Speaker will look into the matter raised by the hon. Gentleman.

Andrew Miller (Ellesmere Port and Neston) (Lab): I beg to move, That the House do sit in private.

Question put forthwith, pursuant to Standing Order No. 163 (motions to sit in private):—

The House proceeded to a Division.

Madam Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 0, Noes 38.

Division No. 121] **[9.34 am**

AYES

Tellers for the Ayes:
Andrew Miller and
Jim Dowd

NOES

Benton, Mr. Joe
Blunt, Mr. Crispin
Brown, rh Mr. Nicholas
Burt, Lorely
Campbell, Mr. Alan
Chope, Mr. Christopher
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Field, Mr. Mark
Fitzpatrick, Jim
Gardiner, Barry
Garnier, Mr. Edward
George, rh Mr. Bruce
Goodman, Helen
Heppell, Mr. John
Herbert, Nick
Hollobone, Mr. Philip
Hughes, rh Beverley
Khan, Mr. Sadiq
Kidney, Mr. David
Kirkbride, Miss Julie
Lewis, Mr. Ivan
Mackay, rh Mr. Andrew
McCabe, Steve
McFadden, Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
Moffat, Anne
Munn, Meg
O'Brien, Mr. Mike
Osborne, Mr. George
Rammell, Bill
Randall, Mr. John
Skinner, Mr. Dennis
Yeo, Mr. Tim

Tellers for the Noes:
Tony Lloyd and
Mr. Tom Clarke

Question accordingly negatived.

Orders of the Day

Private Equity (Transfer of Undertakings and Protection of Employment) Bill

Order for Second Reading read.

9.50 am

Mr. John Heppell (Nottingham, East) (Lab): I beg to move, That the Bill be now read a Second time.

A couple of months ago, when I first embarked on this process, I was fairly clear that I knew very little about private equity takeovers or the Transfer of Undertakings (Protection of Employment) Regulations 1981; now, however, having spent a few months going through it all, I am certain that I know very little about them. I found most of the language, and most of the drafting of the Bill, very confusing. I need notes on the explanatory notes. It is a lot more complex than I believed it would be. I therefore approached it not as any kind of expert, but in a common-sense way by looking at the problem and, without going into the legalistic jargon, trying to understand how ordinary people would see it.

This all started because I thought that I had identified an anomaly in the law, and I still think so. When a company is taken over, TUPE applies, which means not only that the workers have protection but that the business has protection. People forget this, but TUPE is not just about the protection of workers' rights; it is also intended to ensure that there is proper competition, so it protects business as well as workers. Under a normal takeover, business and employees are allowed that protection, but when it is done through a transfer of equity—a transfer of shares that gives a controlling interest—for some reason they are not allowed the same protection. It seemed to me that there was an easy way around that—all I needed was a very simple Bill that would allow the TUPE rules to apply to people in those circumstances.

James Duddridge (Rochford and Southend, East) (Con): The hon. Gentleman's modesty is admirable, but he is bringing to this House a Bill that asks us to change legislation. Private equity is quite a complicated beast, and it means different things to different people. Can he say from the outset which definition of private equity he is using? I do not see one in his Bill; nor do I see a common understanding of what private equity is in the marketplace.

Mr. Heppell: I do not want to get bogged down in the legal niceties of these things. Let me freely admit from the beginning that, because of the time that I had to get the Bill drafted and published, I have made mistakes. I want to explain the issue in detail first, but I will come to the hon. Gentleman's point later on.

Initially I went to people and said, "Why can't we do this?", and the answer I got was fairly straightforward: "When you have a share transfer you don't have a change of ownership, and so it's not necessary. We don't do TUPE in those circumstances." One of the people who has been helping me to put the Bill together—I will not mention his name, because it might embarrass him, but for the sake of debate we will call him Jack Dromey—said to me: "But why not?", and that has stayed with me ever since. Whenever people say, "We don't do that", my response is, "Why not?" If it is a good idea to apply the same rules to these people, why do we not do it?

When I have spoken to people about this, it has been very much a case of shifting sands, as the arguments as to "Why not?" have changed. Two reasons for not making the change were put forward: first, that it was not necessary because people were already protected under other legislation; and secondly, that it would be burdensome for business. I thought, "Those are both good reasons, but hold on a minute—you can't have both of them, because one cancels out the other." If the workers have these protections and all the rights that they enjoy under TUPE anyway, and there is no problem with that, how is it burdensome to ask that that be written in law and carried out? The two arguments did not balance, and I still do not accept them.

The principle that I have started to understand is that when there is a private equity takeover or a transfer of shares that gives a controlling interest, that means, by its very nature, that the workers in those undertakings will be faced with significant change in which they will not have the same protection as they would under another kind of transfer. Their terms and conditions are not subject to the same protection, and their rights to consultation are not the same. We have to move towards dealing with that.

Tony Lloyd (Manchester, Central) (Lab): My hon. Friend is making an interesting point. One of the great disadvantages of TUPE, where it applies, is the fact that there is enormous uncertainty for the work force during the period of the takeover, or the change of equity owner in the circumstances that he describes. What does he make of the report in this morning's *Financial Times* that the CBI says that one of the reasons for not making this change is that it would increase uncertainty for companies? Would it not in fact give them greater certainty?

Mr. Heppell: That is true; I agree with my hon. Friend. People forget that a lot of the drive to make it clear where TUPE should apply has come not from trade unions or employees but from business—that has been evident from the time of the acquired rights directive right up until the latest negotiations in 2006. Business itself was saying, "Let us be clear as to where TUPE should apply", because it knows that it cannot have competitive fairness if someone can undercut it by short-changing their staff on terms and conditions, salaries and so on. Doing something about this would create a situation where there is less uncertainty. I tried to make that point over and again. TUPE should not be seen as a burden; it is a benefit both to employer and employee.

Mr. Nigel Evans (Ribble Valley) (Con): My point follows on from the question asked by the hon. Member for Manchester, Central (Tony Lloyd) about the CBI. In the other place, we have one of the Ministers of all the talents, Lord Digby Jones, who used to be the top cheese in the CBI. When the hon.

Member for Nottingham, East (Mr. Heppell) was devising his Bill, did he consult Lord Jones to find out his views about it?

Mr. Heppell: No, I did not, but I consulted other people. I have not simply sat down with trade union colleagues and devised a Bill. We have had discussions. This is a good moment to pay tribute to my hon. Friend the Minister for Employment Relations and Postal Affairs, his Department and his officials, who have been willing to listen to me and advise me about the Bill. I pay tribute to them for the chance to have that dialogue. There is a problem and, at last, people are identifying that there is a problem.

I know that there are technical difficulties in the Bill. I was trying to say before that my original intention was to give the workers in question no more rights than any others. It was not a case of giving them something special; I just wanted them to have the same as everyone else. The trade unions and others have said to me, "Why don't you use this opportunity to strengthen TUPE and give people more rights?" My response has been, "That is not what the Bill is about." I am trying to give existing rights, which are enjoyed by some workers, to other workers. If some workers enjoy rights that certain others do not, there is an anomaly. There is something wrong there, and there has to be a way of putting it right.

Mr. David Kidney (Stafford) (Lab): I am following my hon. Friend's speech with interest. On the point he just made, do we not stand on the brink of a new wave of sovereign wealth funds introducing new owners to businesses and new employers into this country? Would it not be wrong if, faced with the decision of how to invest in this country, they said, "If we buy the company, we must consult and give information to the employees, who are protected from unfair dismissal, but if we buy the shares, they won't have those protections"? Is that not his point?

Mr. Heppell: That is exactly the point. Anyone using common sense can see that that is the case. I have talked to lots of lawyers, and gone round in circuitous arguments, but to me the matter is straightforward. All companies should have the same protections, as should all workers. It is a question of fairness and of balance, and that is what I want to achieve. As I was about to explain to the hon. Member for Ribble Valley (Mr. Evans), I have not just discussed matters with the Department, but I thank the Minister for the time and effort that he has put into talking to me about the Bill.

I also thank the British Private Equity and Venture Capital Association, the BVCA. I have met people there; the meetings were confidential, so I will not divulge what was said, but some of the things that they told me were very helpful. In fact, they identified straight away one area where I had gone beyond TUPE, and was bringing in something new. I had not realised initially that there was something concerning an injunction in my Bill. I would want to take that out; I do not want any extra rights for the people in question. I want existing rights to apply to all workers—not something new, but something that already exists.

Philip Davies (Shipley) (Con): The hon. Gentleman mentioned that he met the BVCA, and said that his discussions were confidential. Will he confirm that, even given the changes he wants to make, it is still opposed to his Bill?

Mr. Heppell: The message I got from the BVCA was that it would leave the working on the matter to the CBI. My suspicion is that it will follow the CBI's position, which at present is to oppose my Bill. I hope to change the Bill in Committee so that it can attract a bigger consensus. I am not ruling anything out. All I want to do is find the right mechanism, or vehicle, to take further an issue that should be dealt with.

Mr. Christopher Chope (Christchurch) (Con): Surely the first point is to discuss to whom the Bill applies. The long title of the Bill refers to "private equity companies". Normally, we know what we are talking about when legislating, because it is defined in the Bill, but the phrase "private equity companies" is not defined in this Bill. We have not even passed the first hurdle: knowing to which group of companies the legislation would apply.

Mr. Heppell: I agree with the hon. Gentleman completely. The problem is that I had to put a long title to the Bill when I started. Initially, I thought that the Bill would deal just with private equity companies, but I realised that the issue went beyond those companies. I tried to take out the title and put in something new, but as the hon. Gentleman knows, I cannot do that until I get into Committee. I wanted to change the title to the "Transfer of Equity (Protection of Employment) Bill", but because I had set out the title already, I could not change it. There are other things that I want to change, but I cannot change any of them until I get into Committee.

I am a realist; I recognise that I need to change the Bill significantly enough in Committee to satisfy the Minister, the Department and a section of the business community. I do not think that I am going to convince everybody. Some people are against any form of regulation—I am not going to convince them. However, there are people in the industry who are involved with such takeovers who will back legislation along these lines. I say again, this Bill is not an attack on private equity. I want to make that really clear. I have had help from people in the industry, who have told me what is wrong with my Bill.

Mr. Evans: During the Division earlier, the Minister said to me, "Are you here every Friday?" I could have asked the same question of him, because he is in his usual place. Of all the discussions that the hon. Member for Nottingham, East has had with people—he said that he has spoken to civil servants in the Department—I assume that they include speaking to the Minister. Can he say whether the Government are supporting the Bill?

Mr. Heppell: I think that I had better leave that to the Minister. I am sure that I am being so persuasive that his mind is changing at this very moment. I am convinced that he will come on board.

Paul Farrelly (Newcastle-under-Lyme) (Lab): I congratulate my hon. Friend on introducing this Bill. Generous as he has been to private equity, in stressing that his Bill is not an attack on it, does he agree that a lot of myths have grown about private equity—its glamour, and the allegation that it is a source of employment in the City? In some circles, there is even the idea of a Faustian pact that allows such companies to keep their tax advantages. The vast majority of economic studies show, however, that most mergers and takeovers fail because a lot are prompted by motives of management aggrandisement and by private equity partner greed. Does he therefore agree that mergers and takeovers that take such a short-term view, and that undermine investment and the loyalty and skills of work forces, are not helpful to British industry?

Mr. Heppell: That is what I was trying to say. I do not want to make judgments. I have examples of private equity takeovers that were bad—bad for the work force, and badly handled. People in the work force have been left in the dark with no idea what is happening until their redundancy notice dropped through the letterbox. That sort of thing should not happen. However, I could give lots of good examples, where, to be honest, if a private equity company had not taken over a business, it would have gone bust, and workers would have ended up on the dole. There is a wide range of takeovers; some are good and some are bad.

Indeed, private equity companies recognise that. Only last year, they brought in their own code of practice, setting out the things that should properly be done, such as consulting the new work force and protecting people's terms and conditions. They have that voluntary code, but I want it to be made law. Voluntary codes are great for all of those who are prepared to stick by the rules, but they do not work for those who are not prepared to do that. I want to put some power behind the voluntary code that the industry has devised.

I do not want to put an end to private equity or private equity takeovers. That is the not the purpose of the Bill. All I want is for people to recognise that private equity takeovers exist. They are a real thing, but people act as if they do not exist—that, somehow, private equity takeovers are imaginary and the rules do not apply to them.

Mr. Chope: The hon. Gentleman cannot even tell the House what a private equity takeover is. That is the problem, is it not?

Mr. Heppell: I think that there is a definition in the explanatory notes to the Bill, so I will ensure that the hon. Gentleman has a copy. However, the definition is not of "private equity"—as I said, I wanted to change the title altogether—so I recognise what he says. It is difficult for him and others to make a judgment except about what is in the Bill. I am trying to talk about what my intentions were, rather than the impression that I might be giving the hon. Gentleman from the Bill.

I have lost my train of thought again.

Philip Davies: To help the hon. Gentleman get his train of thought back, his Bill says that it would apply to "substantial" share ownership. However, a 1 per cent. holding in BP, for example, might be considered substantial because of the sums involved, whereas a 1 per cent. holding in a small firm might be tiny, so could he say what "substantial shareholdings" means?

Mr. Heppell: It means a controlling shareholding, where someone takes control of a company. It is not too difficult to spot when that is happening, and people know about it. Again, there is a definition in my explanatory notes, but it is in lawyers' words. I cannot pretend that I even understand it. It is the old thing—I am talking about things that I know, but which I do not have the legalistic jargon to go through. However, people know when something is happening. Let us be clear: we know what is happening when there is a takeover.

Certainly the workers know—or rather, the workers do not know, and that is the real problem. Why should workers not have a right to know what is going on when there is a takeover? The first of the three distinct things in the Bill is a requirement to consult and inform employee representatives. What is wrong with that? The Department will tell me, "Well, they have a right to consultation anyway—that's covered by other legislation." That is not quite accurate, however. The workers have a right to consultation when a certain percentage of them ask for it, but really, that happens after the event. TUPE gives people an automatic right for that happen. If that right is automatic under TUPE, why should it not be automatic under the takeovers that I am talking about, too?

The next thing that the Bill would do is give protection to workers' contracts of employment and their employment rights, where they are employed in an undertaking or business immediately before control is transferred. That would include trade union recognition.

Lorely Burt (Solihull) (LD): I am a little confused, because as I understand it, all the rights to which the hon. Gentleman is referring are automatically conveyed on the employees of a company that is subject to a share takeover by virtue of existing legislation. I am struggling to understand the need for additional legislation when all those rights still apply.

Mr. Heppell: It is because the situation for workers is different when there is a transfer. When a company is taken over, we are talking about not just the contract being broken, but the transfer itself. Workers would still have rights, but they would not have the same rights as under TUPE. There are differences.

People are wrong: when somebody takes over a company, for example, TUPE does not mean that workers cannot be dismissed or made redundant. They can be made redundant. There is nothing stopping that, but that has to be shown not to be an arbitrary decision as a result of a takeover. It has to be shown—I forget exactly—that there are economic, technical or operational reasons. The same would apply under the Bill. Again, I am not talking about something draconian; I am talking about things that happen now, under TUPE. I want the same things to apply.

Mr. Jonathan Djanogly (Huntingdon) (Con): Surely the same statutory provisions would apply in respect of any redundancy programme put in place after a share acquisition.

Mr. Heppell: I have lost the point on that.

Mr. Djanogly: The point is that the existing law provides no less protection for workers made redundant after a share sale.

Mr. Heppell: No, it does not. The reality is that Joe or Josephine on the shop floor knows that they are being taken over. Let us be right about this: when private equity companies take over a company, it is because they have a plan to change things. They might be coming in with new investment, but they will want to change how the company is run. A takeover has significant consequences for the work force. When that transfer does not take place, people do not face those consequences.

Mr. Djanogly: I am sorry, but how can the hon. Gentleman assume that there will be considerable consequences for the employees following a takeover? There might be, but there might not be.

Mr. Heppell: How can I be sure that there will be any changes under any takeover? Of course, I cannot be sure. All I can say is that I have eyes in my head and ears stuck on the side of my head, and all my experience of takeovers shows me that in every instance there are significant consequences for those who are employed in those companies. We do not have to be geniuses to recognise that.

Tony Lloyd: Except in relation to the beauty of my hon. Friend's ears, the point is quite trivial. If there is to be no change, the new operator informing the employees of that will impose no cost on the company, so what is the problem?

Mr. Heppell: That is the argument that I started with. We cannot have it both ways. If someone says, "They're already protected and these things are all going to happen automatically anyway, so there'll be no difference for the employee", there is no great problem with the legislation, so how can it be burdensome and problematic? We cannot have it both ways.

Mr. Chope: Would the legislation have applied in the case of the takeover of Northern Rock? In supplementing that question, may I tell the hon. Gentleman that I have just been into the Vote Office to inquire as to the whereabouts of the explanatory notes to which he referred in answer to my last intervention, but explanatory notes there were none.

Mr. Heppell: I apologise to the hon. Gentleman; I have not made them available. I will try to get a copy to him before the debate has finished. I have not put the explanatory notes in the Vote Office. Again, that is because these things happen with a great deal of haste and because it is not always that easy to get things published in time, but I will get a copy to him before the end of this debate.

Mr. Chope: And Northern Rock?

Mr. Heppell: To be honest, I am no great expert on Northern Rock and I am not really sure.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): It was a hypothetical question.

Mr. Heppell: I do not mind hypothetical questions. What I would say is that I am sure that if the legislation applied, Her Majesty's Government would comply in full and ensure that people were informed about the rights of the work force. I do not think that that would be a problem.

Mr. Kidney: First, the existing regulations would apply to Northern Rock, because there is a transfer of ownership from the private owner to the Government through nationalisation. On the more general question about the point of the proposals and whether the existing regulations would apply, about which two hon. Members have asked my hon. Friend in interventions, I refer him and them to Library research paper No. 23, which says:

"It is fairly clear that when one company sells a business to another as a going concern, TUPE does apply."

However, it continues:

"TUPE does not apply to transfers of shares".

That is the point of my hon. Friend's Bill.

Mr. Heppell: I agree completely. I think that those Members were arguing that legislation other than TUPE would apply and give people protection. I agree that there is other such legislation; it does not, however, give the same protection as TUPE does. That is the point. Why should one set of workers' protection be inferior to that of another set of workers in a very similar situation—not exactly the same, but very similar?

Lorely Burt: I thank the hon. Gentleman for giving way; he is being patient. He is saying that the TUPE regulations are not to be altered in any way, shape or form. From briefings that I have received from the CBI, I understand that it believes that the regulations are indeed changed and that all such business—whether a share takeover or the transfer of a business to another owner—would be disadvantaged. That is one of the CBI's core problems. For example, a potential injunction is allowed to be taken out pending a share sale, and the CBI fears that that could delay and disadvantage any acquisition or merger about to take place. Will the hon. Gentleman confirm or deny that?

Mr. Heppell: The hon. Lady has made a valid point, and it was something that I said earlier. I am not trying to blame the people who helped me to draft the Bill, but the difficulty is that it is hard to keep track of how these things are going down. My original intention and stated position was to try to ensure that people had TUPE and nothing more.

As I said earlier, that other issue was identified in discussions that I have had. Hon. Members have my undertaking, given on the Floor of the House, that a provision leading to rights beyond those given by TUPE would certainly be removed in Committee. My

[Mr. Heppell]

intention will be to try to apply TUPE and nothing else—I want no extra rights for people and no burdens. It is no use to me or anyone else if unnecessary burdens are put on business. I recognise that there has to be a balance; I just think that it is tipped slightly the wrong way in respect of these particular takeovers.

Mr. Evans: I accept that the hon. Gentleman does not want to do anything that will hit business in this country and that his Bill is well intentioned. Of course, the most dangerous legislation is well intended but passed without consideration of unintended consequences. What does the hon. Gentleman believe the unintended consequences of his Bill could be? We want equal rights for workers, but we operate in a global world. Do our European Union neighbours, the United States of America, Australia and Canada have legislation similar to what he is trying to pass through the House today?

Mr. Heppell: I am not aware of the legislation in every country, but I know that some countries' legislation is somewhat stronger than mine. I would not want to go down that route. I want a light finger and a light touch in this legislation; that is why I want only TUPE to be applied. The arguments would be terrible. What about ordinary takeovers? When businesses carry out a takeover, do they say, "Oh my God—we could not manage this because of TUPE"? No, they do not, because when the rules are applied properly, people do only the things that they should be doing. The Walker guidelines for private equity companies show the things that companies should be doing. I am saying that that needs some backing in law.

Mr. Dennis Skinner (Bolsover) (Lab): When we discussed the TUPE ideas many years ago, when there was a Tory Government and there were all sorts of privatisations and so on, there is no doubt that the net result was that most workers felt that they at least had a say in what happened when a takeover took place. However, there is no doubt that now there is a gap in the market. Since the private equity people have come in, there has been danger.

Perhaps the most startling example of what I mean was one of the early ones. Private equity people moved into the Automobile Association and changed its whole dynamic. That resulted not only in a third of workers losing their jobs, but in the organisation becoming more of a franchise than it had been hitherto. That is a startling example. There is no doubt at all that a gap is growing in the market. That is why my hon. Friend is right to introduce this Bill—on a Friday; usually such Bills are discussed and Governments do not take action. But one thing is certain: the Government have to step in at some point.

Mr. Heppell: I agree with my hon. Friend. I am a realist about these things; I recognise that if my Bill gets to Committee, it will be difficult for it to come out if I have not managed to satisfy the Government and others that it is a suitable vehicle. If I were a betting man, and I am not, I would put odds on my Bill probably not surviving. However, I predict that in the next two or three years the Government will have done something along the lines set out by the Bill because not only employees but employers will demand it.

Mr. Evans: I am not a fan of the European Union by any stretch of the imagination—quite the opposite—but we were talking about industry last week and I recognise that the European Union may wish to try to bring something forward under which every EU country will do what we have been discussing to the same degree and strength, so that none has an unfair advantage. I prefer the flexibility, however. Has the hon. Gentleman been given any indication that the European Union is interested in legislating on this issue?

Mr. Heppell: I suspect that the European Union is often interested in legislating. A fortnight ago, we were discussing another Bill and a similar point came up. Sometimes, we need to make sure that we attach importance to the sovereignty of this country and that we make rules if there is a need for them. I would not want a rule that disadvantaged us in the international markets, but I do not think that the Bill would.

The private equity and venture capital industry itself will come to recognise this point. Last year, it made pronouncements about the need for much greater transparency in takeovers, especially for the work force. I cannot believe that the industry made such statements without recognising that people would want to see the action—to see that there was consultation with the work force during takeovers and that people were not kept in the dark about what was happening until decisions were made and it was too late for them to be involved.

Good employers always recognise that it is a good idea to consult the work force, because they might have a good idea about what to do instead. I know that people think that consultation is negotiation, but it is not—it means that employers tell people what they are going to do and give them the chance to talk back. However, the employers still make the decisions. That is what the Bill is about; it tries not to fetter the industry but to make sure that there is transparency and that the work force are informed and involved.

Tony Lloyd: My hon. Friend's most recent exchange has raised an important point. As he says, his ambition is to do no more than give employees the right to be consulted. That is not a huge right; in fact, Conservative Governments have granted such rights in the recognition that they are right and just.

Earlier, my hon. Friend the Member for Stafford (Mr. Kidney) raised the role of sovereign wealth funds. The ambitions and motivations of such funds may be very different from those of traditional equity purchases. There might be more consensus across the House than Conservative Members believe at the moment. A minimum right to consultation for employees might be an important beginning of some form of protection against the denuding of British industry by rampaging sovereign wealth funds from abroad.

Mr. Heppell: I agree completely with my hon. Friend. *[Interruption.]* I have just realised that I have found a copy of the explanatory notes for my Bill; if somebody

did not mind making a copy, I would happily pass it on to the hon. Member for Christchurch (Mr. Chope).

I started out by spelling out simply what I thought the problem was. Certain workers are not protected by TUPE regulations, but they should be. To those who ask why, I say, "Why not?" The hon. Member for Ribble Valley (Mr. Evans) mentioned unforeseen consequences. I remember having conversations with lots of people very early on. I asked them what drastic consequences there would be if the Bill went through. Almost no one I spoke to suggested any.

Let us be clear: I am a serial loyalist. I would not want to put the Government in a position in which there would be drastic consequences. I would not want to put private equity firms in such a position. I envisage no drastic consequences from the proposal. The current Bill might contain some drastic things, which I want to remove—as I have said, I will take them out. I do not expect any unforeseen drastic consequences. I can see only good coming from the proposal.

I end as I began. I am grateful to the Minister and the Department for entering into dialogue with me about the Bill. I am grateful to the BVCA and the venture capital people for entering into dialogue. At last, it is starting to be commonly accepted that there is an issue. Private equity takeovers are here to stay, and we cannot allow workers in such transfers to be in a different position from workers in non-private equity takeovers. We must have some mechanism to rectify that. It will not be the end of the matter when the Bill goes into Committee. I want to pare down the Bill to the point at which we might get consensus in the industry and among employees.

I hope that hon. Members will approve the Second Reading of the Bill and allow me to take it into Committee and take the issue forward.

10.32 am

Philip Davies (Shipley) (Con): I congratulate the hon. Member for Nottingham, East (Mr. Heppell) on bringing forward his Bill and on his success in the ballot. I have never had the opportunity to introduce a private Member's Bill. When I have such an opportunity, I hope that I can take it up with the same humility and panache that he displayed. He was disarmingly frank in saying that he is not a world-leading authority on private equity. That admission did him a lot of credit, and I will certainly not claim to be such an authority either. Over the past few days, I have rapidly tried to learn more about the subject.

The hon. Gentleman made it clear at the start that he has no intention to introduce any unnecessary burdens on business or to do any harm to the economy, and I accept, as my hon. Friend the Member for Ribble Valley (Mr. Evans) did, that he brings forward his Bill with the best of intentions. My quibble with him relates to the outcome or potential outcome of the Bill, not to his motivations. He said that he wanted to protect the rights of workers, which is a perfectly honourable and laudable aim. But my view is that the most important right of a worker is to have work, and my chief concern about the Bill is that fewer people would be in work as a result of it than are in work currently.

Sir Alfred Sherman, a great hero of mine who unfortunately died in 2006, referred in one of his books to politicians making proposals that were "painless panaceas". I fear that the Bill is an attempt to introduce yet another painless panacea—the view that irrespective of the additional burdens that we keep putting on business, we can have as many jobs as we currently have and perhaps even more. Such painless panaceas do not exist.

Mr. Evans: I agree with my hon. Friend that painless panaceas do not exist; if only they did. We have put several questions to the hon. Member for Nottingham, East to try to find out exactly the direction of the Bill. As I told him, I totally support giving protection, and equality of protection, to workers in this country. On several occasions, however, he was not certain whether such legislation existed in other countries or whether the EU was trying to introduce it. Perhaps private Members' Bills should have a pre-legislative stage so that hon. Members who are interested can seek out the answers to such questions before Second Reading. Other than perhaps my hon. Friend the Member for Huntingdon (Mr. Djanogly), none of us is an expert, and such a pre-legislative stage would enable us to get those answers in advance.

Philip Davies: My hon. Friend raises a valid point, and I am sure that what he describes would make us all better off. If every other country in the world were taking the same route, the proposal might have more merit, because British businesses would not be put at a potential disadvantage. I have always been a fan of multilateral rather than unilateral action. Labour Members might argue that if we took the lead and introduced such a proposal, every other country might follow. I have never been particularly taken with that argument. It was, of course, the argument used by CND in the 1980s—that if we got rid of all our nuclear weapons, everyone else would follow suit. I was never persuaded by that argument then, and I am not particularly persuaded that if we were to have an avalanche of workers' rights, every other country in the world would automatically follow suit. I suspect that most other countries would say, "What a set of fools you have been. We will now exploit the competitive advantage you have just handed us." I therefore agree with the thrust of my hon. Friend's point.

Mr. Chope: Does my hon. Friend accept that one problem today is the Government's failure to respond to the Treasury Committee's report last July, paragraph 81 of which called on the Government to clarify the application of TUPE in the sort of situations discussed by the hon. Member for Nottingham, East in introducing his Bill? As a result, we are in the dark when discussing the matter today.

Philip Davies: My hon. Friend makes a good point. My understanding is exactly the same as his. No doubt the Minister will be able to shed some light on that issue. My hon. Friend also makes the valid point—my hon. Friend the Member for Ribble Valley touched on it as well—that we are slightly in the dark on this matter. I am well aware that the hon. Member for Nottingham, East has some explanatory notes, but like my hon. Friend the Member for Christchurch (Mr. Chope), I have not had access to them. On some

[Philip Davies]

matters, I might therefore seek clarification that has been provided in the explanatory notes, but which I would not be aware of.

Mr. Heppell: I accept that the hon. Gentleman feels that he is very much in the dark about the Government's response to the Treasury Committee report and the law on the matter generally. How does he think that workers feel about being in a far worse position, when in the process of being taken over by one of the companies under discussion? Does he not think that they might feel that they are in the dark as well?

Philip Davies: The hon. Gentleman is right that workers are often in the dark. I was working for Asda when it was taken over by Wal-Mart. Inevitably, because of market sensitivities, we were in the dark to a certain extent about what was happening, but we were pleased that we would retain our jobs and that the company would survive and flourish as a result of the takeover. Being kept in the dark is a minor issue compared with having one's company safeguarded.

We ought to touch on the importance of the private equity and venture capital industry to the UK economy. It is estimated that in the last financial year, 2006-07, private equity-backed companies generated total sales of £310 billion, provided exports of £60 billion and contributed almost £35 billion in taxes to the British economy. That tax bill alone equates to the salaries of all nurses, ambulance staff and police officers throughout the United Kingdom. Private equity firms are therefore making a massive contribution to the UK economy, as well as to the public services that their taxes provide. Currently, more than 1,500 firms are engaged either directly or indirectly in private equity-related activity. The industry itself employs more than 18,000 people, more than 15,000 of whom are highly skilled professionals. According to a survey carried out last year by the *Financial Times* analysing the 30 biggest private equity deals conducted during 2003-04, 36,000 jobs had been created as a result of those investments.

The Government are for ever stressing—rightly, as it happens—the importance of improved productivity to the United Kingdom's economy, and the fact that we cannot succeed without it. A study by Michael Wright of Nottingham university is particularly insightful. He surveyed the industry output of 30,000 UK factories, and found that factories that underwent a buy-out enjoyed big productivity increases, rising from an average of 2 per cent. below the average before the buy-out to an average of 90 per cent. above the average following a private equity exit deal. Private equity is leading the way in improving the productivity of British business. Moreover, it provides substantial returns for its investors.

Labour Members may well conjure up images of fat-cat investors, but we should not forget that many pension funds are investors in private equity firms, and many people's pensions depend on their success. They provide fantastic returns for their investors. More than 1,300 UK companies received a total investment of more than £10 billion last year alone.

Andrew Miller (Ellesmere Port and Neston) (Lab): How were those productivity figures measured?

Philip Davies: I am grateful for the hon. Gentleman's interest in the study to which I referred. I will happily send him a copy of the report by Michael Wright of Nottingham university, so that he can enjoy reading it at his leisure. I am sure that it will make it abundantly clear how the figures were obtained. I am sure that he is not questioning the ability of Michael Wright of Nottingham university.

Andrew Miller: The hon. Gentleman has prayed in aid a study carried out by Nottingham university. I want to understand how it fits into his argument, so will he kindly tell the House how the productivity figures were measured?

Philip Davies: I just told the hon. Gentleman that I would send him a copy of the report, which he can study at his leisure.

Andrew Miller: He does not know the answer.

Philip Davies: I am not sure whether the hon. Gentleman is trying to question the ability of Michael Wright of Nottingham university to come up with an impartial report—

Andrew Miller: I am not questioning Michael Wright. I am questioning the hon. Gentleman.

Philip Davies: If the hon. Gentleman is not questioning Michael Wright, whose figures I am quoting, he will accept that the productivity of those companies increased. Perhaps he will give us his estimate of the productivity gain, or lack of it, produced by private equity companies.

Andrew Miller: My point is that there are several different ways of measuring productivity. This could be about massive land disposals or massive redundancies, or it could be about incentives given to the work force by a new management approach. There could be all sorts of reasons for those increases. I want to know what the hon. Gentleman is focusing on.

Philip Davies: If the hon. Gentleman had listened to what I said in the first place, he would know that I made it clear that I was talking about industry output. It was not about selling off land; it was about the industry output of 30,000 UK factories. I hope that that has clarified the position.

Mr. Evans: This reinforces my point about the need for more pre-legislative scrutiny. We are talking about legislation that may have unintended consequences—consequences that the hon. Member for Nottingham, East does not want. It could adversely affect investment in this country, and it could also have a negative impact on jobs. Does my hon. Friend agree that there should be much wider consultation, rather than our saying "Let us kick the Bill upstairs into Committee and see where it goes from there", which would pose a huge danger to future investment?

Philip Davies: My hon. Friend is absolutely right. Before we embark on a measure that could have such a negative effect, people should be able to understand the consequences. Another benefit of pre-legislative scrutiny, of course, is that it could give people such as the hon. Member for Ellesmere Port and Neston (Andrew Miller) time to read studies conducted by Nottingham university.

Mr. Heppell: I fear that the debate is turning into exactly what I did not want it to become: a debate for or against private equity. I certainly have no wish to get rid of private equity takeovers. However, what the hon. Gentleman has said helps to emphasise one of my own points. I suspect that the productivity changes resulted from changes in the way in which the institution worked, which would almost certainly mean changes affecting the work force. Why can the work force not be involved in consultation about such changes beforehand? I do not see why that should be a problem.

Philip Davies: I understand the hon. Gentleman's point, but it is not always possible to reconcile the future of a business with meeting the demands of the work force. That is an unfortunate reality. I realise that he does not want to get bogged down in a debate about the merits of private equity, and we are all satisfied that it plays an important role. What I am trying to explain is how important the industry is to the British economy, and how important it is for us not to damage it. If we did damage it, there could be devastating consequences not just for the growth of the economy and the taxes raised, but for the number of people employed.

Mr. Heppell: Does the hon. Gentleman not believe that this industry should be expected to obey the same rules as the rest of industry?

Philip Davies: As my hon. Friend the Member for Huntingdon (Mr. Djanogly) made clear earlier, there are rules applying to private equity firms in relation to workers' rights. My argument is that the Bill would have such negative consequences for the whole industry that it could cause the firms to invest elsewhere. I shall say more about that shortly. The consequences of where investment goes are very relevant to the debate.

Mr. Evans: That brings me back to a question I asked earlier about whether Lord. Jones had been consulted. Clearly the Government have one view, and Digby Jones normally has another view. At least we can have confidence in what he says, because he has been involved in industry for many years. I think that everyone respects his opinions. The CBI, the organisation that he used to head, has said that there is no logic in applying TUPE to private equity transfers, because sufficient protections for employees already exist. I hope the Minister will say something about that. If the legislation already protects workers irrespective of how their company is taken over, why should we introduce legislation that may duplicate what already exists?

Philip Davies: My hon. Friend is right: protection does already exist.

Tony Lloyd: The hon. Gentleman has just made a very important statement. He has said that protection already exists. Will he enumerate the existing protections, so that we can be absolutely certain that he knows what he is talking about and we know what the protections are?

Philip Davies: With the greatest respect to the hon. Gentleman, if he allows me to continue my speech he will hear me deal with the laws that already exist. However, I think it right to begin by explaining the importance of the industry to the UK's economy.

One of the myths about private equity is that it is a short-term investor, entering a business as a carpetbagger and exiting at the first possible opportunity after making a big profit. A study published earlier this year by the World Economic Forum found that private equity firms tend to hold on to their companies for longer than investors in public companies. In fact, nearly 60 per cent. of private equity fund investors have exited more than five years after their initial investment. It seems that in these increasingly uncertain economic times, private equity has a crucial role in helping to provide stability in the economy, because it takes a long-term investment view. The hon. Member for Nottingham, East said that workers faced uncertainty while people were buying into or taking over firms. On the whole, however, private equity firms invest for longer in companies and therefore create less uncertainty for workers than is normally created.

In order for our economy to remain competitive, businesses need a stable economic and regulatory environment, but the Bill would serve only to add to uncertainty in the private equity industry about what future regulations might apply to it. I fear that, if such an arrangement applies, some private equity businesses might decide to invest abroad. We are competing in an increasingly global economy, so we cannot rely on people just to keep on investing in British companies alone.

Mr. Chope: Does my hon. Friend accept that the mergers and acquisitions activity that takes place in the City of London is vital for our national economy, and that the City is a global hub for that activity and a market leader because of our mergers and acquisitions regime, which is self-regulated rather than having a lot of petty regulation imposed by this Government or the European institutions?

Philip Davies: My hon. Friend is entirely right. One of the consequences of globalisation is that countries will have to concentrate on their areas of strength. Economies will develop on the basis of certain countries being seen as experts and world leaders in particular fields. Financial services are one of the UK's few remaining genuinely world-beating industries, and we must build on that. We certainly do not want to undermine it. We must make London as attractive a place as possible for private equity and venture capital to come to. That is the only way we will continue to attract the current levels of investment and encourage the brightest and best people from around the world to come here and invest their money here. We do not live in an era of protectionism, or an era when people must invest in this country and put up with the laws as they

[Philip Davies]

stand. People can invest money in different countries. We need to try to win as much of that business as we can. Winning it will lead to faster growth, higher productivity, more innovation and a higher tax-take for the Exchequer to pay for better public services. If we lose that investment, however, there will be falling productivity, lower pensions, lower general investment, fewer jobs, and a lower tax-take for the Government to invest in public services. That is why it is crucial that we maintain the investment into this country.

Mention was made of sovereign wealth funds. They are estimated to have collectively between $2 trillion and $3 trillion at their disposal to invest. I was therefore interested in the comments of the hon. Member for Nottingham, East as to whether sovereign wealth funds would be covered by the Bill and how such measures might apply. I look forward to reading his explanatory notes on the definition of private equity and to seeing how far his Bill covers that area.

Mr. Chope: It is unclear from my hon. Friend's comments whether he is for or against the Bill extending to sovereign wealth funds.

Philip Davies: I hope I am making it clear that I am not in favour of the Bill at all, so I do not want it to apply to any funds, including sovereign wealth funds. I am grateful to my hon. Friend for allowing me to make that point clear.

We all agree that we must upskill the UK work force. The UK currently has far too many unskilled jobs. There will always be unskilled jobs in any economy, but because of the globalisation of our economy, our reliance on unskilled jobs will decrease as other countries can provide those jobs much more cheaply. Private equity and venture capital companies are among the best providers of skilled jobs in the country. We must attract such jobs into the country, rather than rely on unskilled work—something we cannot rely on too far into the future.

Mr. Chope: Is my hon. Friend aware of this statistic: companies that have received private equity backing account for the employment of approximately 3 million people, which is equivalent to 21 per cent. of UK private sector employees, and that almost all those employees would be categorised as skilled workers?

Philip Davies: My hon. Friend is absolutely right, and I am grateful to him for emphasising my point.

I mentioned earlier that 1,300 companies received private equity investment in the last financial year. More than three quarters of them received less than £2 million. Those investments were not, therefore, big takeovers; rather, they were crucial to development and growth, often of small companies or start-ups. Small businesses in this country often find it difficult to get going; the high taxes and the number of regulations that they face mean that it is hard for them to become successful. Private equity is one of the key investors in helping small businesses to get started, develop and therefore become bigger businesses that can pay higher taxes and employ more people.

In the UK, because of the success of private equity in the British economy, firms have started investing more heavily in the companies that they choose to back. Although only 11 more UK companies received investment in 2006-07, the amount invested increased by 50 per cent. to more than £10,200 million. These are, *therefore, substantial* investments. Investments were made in 312 overseas companies in that period—an increase of more than 37 per cent. on previous years. Total overseas investment by UK private equity companies has reached more than £11,600 million, which is more than is invested in this country; it is 53 per cent. of the total investment, compared with only 42 per cent. in 2005. I have a concern that UK private equity companies are already increasingly investing overseas and that a Bill of the sort that is proposed might well encourage the proportion of overseas investment to increase. I am trying to ensure that that is avoided.

Most of that investment was in continental Europe—this relates to a point made by my hon. Friend the Member for Ribble Valley—where 214 companies received investment, which is more than double the number funded in all other overseas territories combined. The amount of investment in continental Europe was more than £10,000 million, which is only slightly below the investment in the UK. We therefore cannot take it for granted that UK private equity firms will continue to invest in the UK no matter what burdens we keep imposing on them.

I want to emphasise a point made by my hon. Friend the Member for Christchurch. Investment in start-ups increased considerably in the last financial year: £531 million was invested in 245 start-up companies, compared with 208 previously. Each company received an average of about £2.2 million, compared with £0.8 million in previous years. Private equity is making a great contribution to our economy. Technology-focused businesses also received more funding in the last financial year—a 35 per cent. increase in investment on the previous year. Private equity firms are therefore providing lots of investment in the country, and lots of jobs—jobs that are in industries that we need to attract to be successful in a global economy.

Andrew Miller: The hon. Gentleman is describing a successful British economy. He is right that that is partly a result of investment patterns. However, those investment patterns are a result of the Government's success in attracting that investment. He should therefore praise the Labour Government for once.

Philip Davies: Once again, the hon. Gentleman is clearly not listening to what I am saying in the round. I made it clear that this industry is a success story in the UK economy—despite, rather than because of, the Government. I repeat, for his benefit, the point I made showing where the problem lies. Whereas 53 per cent. of total investment by UK private equity companies last year was abroad, in the previous year it was only 42 per cent., so private equity companies are increasingly investing money abroad rather than in this country. The trend is going in the wrong direction, which is why I argue that the Government must do more to attract private equity investment in this country.

Mr. Chope: I hesitate to disagree with my hon. Friend about anything, but is he right that the Government should try to second-guess the location of investment by private equity companies? Surely they are investing overseas to the extent that my hon. Friend describes because they think that they can get a better return on their investments than they can in the increasingly regulated UK markets.

Philip Davies: My hon. Friend is absolutely right. I was nervous when he said that he was hesitant about disagreeing with me, but he is certainly not disagreeing with me at all. That is precisely the point I am trying to make—that we want the Government to create the economic climate that will encourage people to invest here rather than overseas. I certainly do not argue for any regulation to make them invest here, which would be unenforceable as well as undesirable. I simply want people to feel that they will get the best returns in this country rather than abroad.

The private equity industry is extremely important to our regions. Although London and the south-east without doubt attract by far the most investment—about 60 per cent. of the UK total—quite a lot of money is invested in other parts of the country. For the benefit of my hon. Friend the Member for Ribble Valley, let me say that the north-west is one of the regions that benefit most, as 146 companies received £614 million of investment last year, representing 11 per cent. of companies and 6 per cent. of the total invested in the UK. In my area of Yorkshire and the Humber, £1.2 billion was invested in 83 companies, accounting for 12 per cent. of the overall UK total. I certainly do not want to pass Bills that might have a negative effect on the economy or the work force in Yorkshire, so I view my opposition to this measure as being important to my constituents.

Jim Dowd (Lewisham, West) (Lab): The hon. Gentleman has been speaking for well over half an hour. I, for one, do not dispute the importance of the private equity or the venture capital industry in this country. He says that he does not want the Bill to damage those industries. In response to an intervention from my hon. Friend the Member for Manchester, Central (Tony Lloyd), he said that he would be coming on to the Bill's provisions at some stage. Given that that was 25 minutes ago, will he give us some idea of when that moment might arrive?

Philip Davies: I am grateful to the hon. Gentleman and am delighted to hear that he is waiting in anticipation of what I might say further. I am sorry, Madam Deputy Speaker, if hon. Members feel that I am going too slowly, but I like to think that I am being generous in giving way to interventions. When we are conducting a debate, it is important to allow interventions so that Members can press their points, and I have been generous in allowing the hon. Gentleman to intervene. If he wants me to get on with my speech, perhaps it would be better if he and his hon. Friends did not intervene.

Mr. Evans: I, as much as any other hon. Member, am waiting with bated breath to hear my hon. Friend's examples, which he said 10 minutes ago—not half an hour or 25 minutes ago—that he would come on to. My hon. Friend mentioned the importance of the regions, and as I look around and see hon. Members in their places I note that many regions are represented. He specifically mentioned the north-west. Great emphasis is placed on the City boys and financial brokers who are based in the City, but does he agree that such people are also important in the regions? In Manchester, for example, quite a considerable number of people are involved in stocks and shares and equity deals. It is important to us in the regions that we safeguard those jobs as well as encourage investment.

Philip Davies: My hon. Friend is entirely right about that. It is noticeable that Labour Members come from certain parts of different regions of the country and I can guarantee that all regions will benefit from private equity investment to some extent. My perspective is that Yorkshire and the Humber is, outside the south-east, probably the single biggest beneficiary of private equity investment in the country. It is absolutely crucial for my constituents and my local economy that we do nothing to damage that industry.

Mr. Heppell: The hon. Gentleman's speech so far has been a great advert for private equity companies generally. He keeps referring to the problem of placing additional burdens on business, but does he think that the existing TUPE regulations should continue to apply?

Philip Davies: I am perfectly satisfied with the current arrangements. As I made clear earlier, this country's private equity industry and the financial services industry are world leaders, and that has been achieved under current regulations. I argue for the maintenance of the current regulations, but I do not want to add any additional regulations.

Mr. Heppell: The hon. Gentleman misunderstands me. I am not talking about the private equity industry, but industries generally, to which the TUPE regulations apply. Does he agree that the regulations should continue to apply in those industries?

Philip Davies: Yes, I am quite happy with the current arrangements across the board. I am not arguing for any change. My purpose is to argue against the hon. Gentleman's Bill, as its provisions would damage this important sector of industry. I understand the hon. Gentleman's point that as the regulations apply to other companies they should apply to private equity firms. That is where we are: the TUPE regulations implement a European directive, so there is nothing we can do about it. I wish we could do something about the implementation of European directives, but there is not, so there would be no point in my arguing for the reversal of a European directive agreed 30 years ago. I am merely arguing that the rules should not be extended in the way that the hon. Gentleman wants. If the rules in his Bill were introduced, it would damage private equity businesses and might lead them to invest elsewhere.

Mr. Heppell: We are not talking about something that happened 30 years ago, but about the Transfer of Undertakings (Protection of Employment) Regulations 2006. My point was that those regulations apply across

[Mr. Heppell]

industry. So far, the hon. Gentleman has not provided any examples of companies that, as a result of the regulations, have had to cope with some bad or terrible burden. If the existing regulations are okay for those firms, why would it be such a problem if we applied the same ones to private equity?

Philip Davies: The hon. Gentleman talks about increased burdens, but I am not talking only about the burdens he refers to because I believe that this Government have imposed more burdens and regulations on industry than probably any other Government in history. If the hon. Gentleman does not believe that any of those burdens have made any difference to businesses, he is certainly not living in the same area as me. I think that the burdens imposed by the Labour party on British business, particularly on small businesses, have done an awful lot of damage to this country's economy and to those small businesses.

Mr. Heppell: Let us be clear. Is the hon. Gentleman saying that TUPE represents a burden on business generally? Is he arguing that TUPE is bad for industry? What he is effectively saying is that we should not have TUPE at all, if it is responsible for putting burdens on business.

Philip Davies: This Government have imposed many regulations on businesses. If my memory serves, about 3,000 or 4,000 regulations are introduced every year, all of which have an effect on businesses. It is a salami slicer approach. One regulation might not be a big problem in itself, but when it is one after another and another, it starts to create big problems for businesses, particularly for small businesses. I am sure that, as a diligent Member of Parliament, the hon. Gentleman has spoken to small businesses in his constituency. I would be astonished if none of them had expressed concern about the level of regulation that this Government have imposed on them in the past 10 years.

Lorely Burt: Does the hon. Gentleman agree that the TUPE arrangements were extensively revised, after great consultation, as recently as 2006? I find it difficult to imagine why the current business atmosphere was not taken into account in the 2006 regulations. I wonder why the hon. Member for Nottingham, East (Mr. Heppell) feels the Bill is necessary, given that TUPE has only just been revised. Perhaps the hon. Member for Shipley (Philip Davies) wonders that too.

Philip Davies: The hon. Lady makes a pertinent point. We should reflect on the fact that in the past 15 or more years, this country has enjoyed economic growth. There will always be growing numbers of business and people in employment at such times. The resilience of the economy to a serious downturn has yet to be tested. The complacent view of the hon. Member for Nottingham, East that the regulations have somehow helped businesses in the past 15 years may well be shattered if we face an economic downturn in the not-too-distant future. Only in a downturn can we see how resilient our economy is. I contend that it is not quite as resilient as people might think.

Tony Lloyd: It might help the hon. Member for Solihull (Lorely Burt) if I say that the point of the Bill, which the hon. Member for Shipley has not yet refuted, is to extend the application of TUPE. Does the hon. Gentleman disagree with that? If not, will he give us the list of the protections that apply to employees *in private equity companies that make the Bill* unnecessary, which he has promised a number of times?

Philip Davies: It is difficult to get to the point of my speech, for which hon. Members are waiting with bated breath, if they keep intervening and preventing me from doing so. It is a frustrating position in which to find oneself. I am not sure whether the hon. Gentleman is saying that I should not take any further interventions from him, so that I can get to my point. I am doing the best I can, but I am also being as generous as I can so that Members may have their say. That is important in a debate. I am trying to be generous to the hon. Gentleman, not restrict him.

Tony Lloyd: I don't think you're getting there.

Philip Davies: I certainly am, but the hon. Gentleman will have to be slightly more patient.

It is important that we examine the sources of the funding raised for private equity. Last year, members of the British Venture Capital Association raised independent funds for investment totalling more than £34 billion, a rise of 26 per cent. on the previous year's figure. A greater proportion than previously came from UK sources, which now account for 28 per cent. of the total raised. An awful lot of the money invested is British.

As I said earlier, pension funds continue to be the most active private equity investors. They provided almost £10 billion of investment last year—29 per cent. of the total. The hon. Member for Nottingham, East has tabled the Bill with the noble purpose of protecting workers' rights, but many of the workers whom he seeks to protect have their pensions tied up in funds that invest in the private equity industry. It is therefore as crucial to them as to anyone else that we do not introduce legislation that damages their funds.

Although overseas investors remain by far the richest source of UK private equity investment capital, more UK institutional and private investors are committing to it, because it is a hugely successful asset class. The UK private equity market is the largest and most developed in Europe, accounting for well over half of European investment. It is second in the world to the United States, whose economy is very successful, as we all know.

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman said that he would give some background on private equity companies. I think that he has now done that, and I hope that he will turn to the measures in the Bill.

Philip Davies: Of course I will abide by your ruling, Madam Deputy Speaker. I hope that I have managed to go some way towards making clear how important the industry is to the British economy.

I turn to the Bill, as you direct, Madam Deputy Speaker. I notice the hon. Member for Lewisham, West (Jim Dowd) sitting forward in his seat with eager anticipation.

Tony Lloyd: On a point of order, Madam Deputy Speaker. Following your ruling to the hon. Member for Shipley (Philip Davies) a few moments ago, would it be in order for him to set the Bill in context by giving us the list of legal protections that exist for employees in private equity companies?

Madam Deputy Speaker: That is not a point of order for the Chair, but the hon. Member for Shipley has heard my ruling and I have no doubt that he will now proceed to discuss the content of the Bill.

Philip Davies: Indeed, Madam Deputy Speaker. I think that I made it abundantly clear before the point of order that I was about to do so. If the hon. Member for Manchester, Central (Tony Lloyd) is so keen to get the list, I suggest that he go to the Library, whose staff will be more than happy to furnish him with it. If he cannot wait any longer, he should go there now. I am sure that they will provide the list happily.

Mr. Heppell: Some of the information has been provided to me. It is stated that such protections are included in the Information and Consultation of Employees Regulations 2004, which implement the EU information and consultation directive, 2002/14/EC, and in the Companies Act 1985, which will be replaced by the Companies Act 2006. That legislation has been cited to me as containing the relevant protections, but in reality it does not give the same protection as TUPE.

Philip Davies: I am grateful to the hon. Gentleman. There seems to be a new tactic: the hon. Members at the very back of the Labour Benches ask me to come on to my points, then the promoter of the Bill anticipates them. That is kind and generous of him, but I shall try to make some progress. I am not sure why Labour Members are so reluctant for me to do so.

The Bill is intended to:

"Extend the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 to the acquisition and disposal of substantial shareholdings by private equity companies; and for connected purposes."

Responding to an intervention that I made, the hon. Member for Nottingham, East tried to define "substantial shareholdings". He said that it was defined in the explanatory notes, but I have not had them, as I made clear. From his response to my intervention, I am still not sure what a "substantial shareholding" is, and what constitutes a shareholding that might be considered a controlling interest. For example, there has recently been great controversy about Sky's stake in ITV, which I believe is about 17.9 per cent. A lot of people say that it gives Sky too much power, but I am not sure whether such shareholdings would be covered by the Bill. Does a controlling interest mean that someone must have more than 50 per cent. of the shares in a business? Will he be clearer about what he means by "substantial shareholdings"?

Key features of the Bill include the imposition of information and consultation of employees obligations similar to those that apply in the context of a business transfer. The Bill would also make void post-acquisition changes to contracts of employment unless the changes were made for an economic, technical or organisational reason. The Bill would restrict the ability to vary or rescind any union recognition agreement following an acquisition, and would introduce a new right to apply to court to seek an injunction to prevent a transaction from being completed until ICE obligations were complied with.

The combination of collective redundancy consultation obligations, rights under collective agreements, and ICE agreements already provide employees with a broad range of protections and rights to receive information and take part in consultation. If those mechanisms are used as part of a constructive dialogue, they should be sufficient to protect employees during all share acquisitions. As far as I can see, the Bill affords additional protection in two main respects. First, it protects trade union recognition, and secondly it provides the ability to secure compliance with information and consultation rights. That does not seem particularly necessary.

From a legal and commercial perspective, it is inappropriate to amend TUPE to address private equity acquisitions and not trade acquisitions. In practice, post-acquisition, a trade buyer is more likely to wish to achieve greater synergies with their own business, and give rise to job losses, than a private equity house that is investing in a business with a view to making it work more effectively and prosperously, so that it can avoid selling the business in a distressed situation in future. Private equity works as a business not just in one way, but in many ways. Contrary to what the hon. Member for Nottingham, East, suggested, private equity can be used not to take over a company and cause it uncertainty, but to shore it up and ensure that no future sale causes workers uncertainty. Implementing the Bill and bringing private equity acquisitions into the scope of TUPE could give rise to an uneven marketplace and provide trade buyers with an unfair competitive advantage.

I should be very interested to know what view the Minister for Employment Relations and Postal Affairs takes of the Bill. I do not know whether the Government have the appetite to introduce further legislation regulating employee consultation or trade union derecognition rights. I am not sure whether that kind of action was part of the Warwick agreement that the Government signed up to before the last election, when they had run out of money. I am not aware of any Government proposal to introduce a similar measure. I should be grateful to learn from the Minister whether the Government—or, as the hon. Member for Ribble Valley asked, the European Union—plan to introduce any regulation on the subject.

What transactions might be caught under the Bill? The Bill applies to the acquisition and disposal of substantial shareholdings, as we have discussed. A "substantial shareholding" may mean an interest in shares such that the undertaking holding the interest can exercise a dominant influence over the employee and entity. As I said earlier, I do not know what constitutes a controlling interest. Would it be 51 per cent., or a lower figure? As my hon. Friends the Members for Ribble Valley and for Christchurch said, we do not know how a private equity company is

[Philip Davies]

defined. That could be dealt with in separate regulations. It is also unclear what would come within the scope of "connected purposes"—a phrase used in the Bill.

Mr. Chope: I have an advantage over my hon. Friend, as I have a copy of the explanatory notes, kindly provided by the promoter. Acting as his honorary Parliamentary Private Secretary, I have made a number of copies. Paragraph 4 makes clear his explanation. It mentions:

"'private equity organisations' (companies whose shareholdings are not listed on a recognised stock exchange)".

That seems to be the definition that the promoter has in mind.

Philip Davies: I am incredibly grateful to my hon. Friend for that clarification—if, indeed, it is a clarification—of what is within the scope of the Bill. I am not entirely sure that it clears things up completely.

Mr. Chope: Surely the implication of the explanatory notes is that a private equity organisation would be any organisation that is incorporated, other than a public listed company.

Philip Davies: My hon. Friend may well be right. He is certainly more expert than I am at understanding parliamentary Bills and the language therein. His definition may well be right. I should certainly be grateful if the Minister and my hon. Friend the Member for Huntingdon expressed their understanding. When the hon. Member for Nottingham, East winds up, perhaps he will clarify the point and say how he understands the position.

The Bill would make the information and consultation obligations that apply to business sales apply to equity transfers, too. Vendor and purchaser of the substantial shareholding would be required to inform and consult employee representatives about any measures that are proposed relating to the acquisition. More onerously than in the context of a business sale, the Bill requires employees to be given information on the five-year period following the acquisition concerning the structure, the economic and financial situation of the vendor, the purchaser, the employing entity, the probable development of the employer's business, the probable development of production and sales, and probable trends in investment, employment, organisational changes, working and production methods, mergers, cuts, closures and redundancies.

Employers may be particularly interested in all those things, but it is difficult to know whether it would be fair to make a business provide all that information. It may not know those things itself. In my experience, the most successful businesses are those that communicate best with their employees anyway. I am not entirely sure that a successful business needs to be told to keep its staff informed of any developments; most of them already do that.

According to the Bill, training and assistance must be provided to employee representatives, so that they can deal with and respond to information provided as part of the consultation exercise. It is important to consider the penalties that may apply to businesses that do not follow the provisions in the Bill. Failure to comply with the consultation regulations would give employees or their representatives, including trade union representatives, the right to apply to court for an order seeking compliance. The court would have the power to prevent the share sale until the consultation obligations had been satisfied. Those obligations are rather too onerous for the market. They could well act as a deterrent to those who want to invest in companies. As I have made clear, the aim in some investments is to shore up a company that is under threat, and not just to take it over. The provision could therefore undermine the rights of workers and give them less confidence; I am sure that that would be an unintended consequence.

I think that I am right in saying—the hon. Member for Nottingham, East might be able to help me on this point—that the Bill provides that no changes may be made to the terms and conditions of employment of employees in connection with the share acquisition, unless there is an economic, technical or organisational reason to do so.

Mr. Heppell: The hon. Gentleman is correct, and the same situation applies under TUPE.

Philip Davies: From what I read in the Bill, I also believe that any dismissal in relation to the acquisition would be automatically deemed unfair, unless it was shown to have been made for economic, technical or organisational reasons. I am not sure that I favour an approach in which any dismissal is automatically deemed unfair, unless the opposite can be demonstrated. That may well lead private equity investors, who, unlike other industries and businesses, have a range of investment opportunities around the world, to look to make their investments elsewhere.

When the hon. Member for Nottingham, East replies, perhaps he will clarify whether the Bill goes beyond the protection afforded to trade unions by TUPE in providing that any variation or recision of a recognition agreement in connection with the equity acquisition or disposal will be unenforceable unless it is for economic, technical or organisational reasons. The Bill may go beyond what he said it was able to do.

Mr. Heppell: I understand that that is the TUPE requirement. If there is anything in the Bill that goes beyond TUPE, I undertake to remove it. I have already said that I will remove the injunction requirement. Anything that anyone can identify that goes beyond the existing TUPE regulations I will remove from the Bill.

Philip Davies: I am genuinely grateful to the hon. Gentleman for that clarification. Some of the provisions might go beyond the TUPE regulations, so it is helpful to know that he would be prepared to move amendments in Committee if necessary.

My hon. Friend the Member for Ribble Valley mentioned the CBI, which opposes the Bill. Its view is that while some deals have resulted in short-term job losses, they are more than made up in the longer term by subsequent growth in businesses and employment. It does not believe that there is any logic in applying TUPE to private equity transfers because TUPE was designed to provide protection for employees where

there is a change of employer. In a private equity transfer, there is no change of employer, so continuity of employment on existing terms and conditions is already protected for workers. That is why, to return to the point made by the hon. Member for Lewisham, West, the CBI does not believe that the Bill is necessary. It believes that any extension would not add significant additional protection for the workers, but could lead to more complex and lengthy transactions, which might damage the UK economy.

My main purpose in opposing the Bill is to ensure that we do not damage UK business. The Bill's promoter wishes to protect workers' rights. The CBI's view is that it will not do a great deal to achieve his objectives, but it could do a great deal to damage my objectives.

Mr. Evans: As I understand it, one of the sovereign wealth funds that we have heard about today might well invest in a particular company, perhaps to the extent that it takes a controlling interest, but have no say in its running. It will have invested the money in the first place because it was content with the way in which the company was being run. Therefore, we would be introducing a new obligation on behalf of that company that might deter it from investing in the first place. I would like to know the answers to such questions before I support the Bill.

Philip Davies: My hon. Friend makes a good point. The Bill's promoter might be able to clarify some of the points that he makes to try to reassure him. I am not entirely sure that I would be reassured, but my hon. Friend might be. The hon. Members for Lewisham, West and for Manchester, Central, who seems not to have had the patience to wait—*[Interruption.]* He is here; he was hiding behind the Chair. I thought that he had gone to the Library to pick up some information, as I suggested earlier.

The main thrust of my argument is that because there is no change of employer in a private equity transfer, existing employment legislation applies, so in terms of employment rights, an employer cannot unilaterally vary a contract of employment. Changes to individual terms and conditions, such as pay, hours and holidays, can be achieved only by agreement with the employee. Legislation also protects employees from being incentivised to opt out of collective agreements by accepting more generous terms. Any existing recognition and collective agreements remain in force following a transfer of substantial shareholdings.

Where there is a works council or an employee representative committee, employees have a right to be informed and consulted about any significant changes to their business. If no such body exists, employees in businesses employing more than 50 people can, I think from the next financial year, initiate procedures to require the introduction of such a staff council or committee. That is all part of existing legislation, which would not be affected by any private equity transfer and share sale. Where more than 20 redundancies are envisaged, legislation already requires collective consultation of at least 30 days in advance, and 90 days if more than 100 people are affected. That consultation has to be meaningful and cover the reasons for the dismissal as well as the consequences. All those provisions already exist, so even given the laudable objectives of the hon. Member for Nottingham, East, the Bill is not necessary.

The Bill would simply allow employee representatives to delay transactions, possibly indefinitely in some cases, making the UK a less attractive place to do business. Therefore, it would not have the benefits that the hon. Gentleman seeks. I suspect that its only consequence would be to make private equity firms, which I have sought to point out make such a valuable contribution to the UK economy, less likely to invest in the country and more likely to do what they are already doing, which is to invest increasing amounts overseas to the benefit of other countries, not ours. I want to arrest that decline in the proportion of private equity money invested in the UK and instead see an increase. Such investment greatly benefits the UK's economy, employment, innovation, productivity and the skills base, which results in increased taxes for improving our public services. I fear that the Bill would undermine all those efforts, and that is why I oppose it.

11.37 am

Andrew Miller (Ellesmere Port and Neston) (Lab): I shall be extremely brief in setting out my reasons why the hon. Member for Shipley (Philip Davies) is wrong. He set out his argument, first in a convoluted way and then in a precise way, saying that he was satisfied with the regulations. He also said several times that we have an over-regulated economy, but he should reflect on whether we should have a better regulated economy.

In my judgment, part of what my hon. Friend the Member for Nottingham, East (Mr. Heppell) is seeking to do would take us down the road of creating better regulation, because he seeks to create a harmonious approach across all types of investor and business.

Philip Davies: Will the hon. Gentleman give way?

Andrew Miller: No, I will not give way. The hon. Gentleman has had an hour.

Philip Davies: I was very generous in giving way.

Andrew Miller: Yes, but—*[Interruption.]*

Madam Deputy Speaker: Order. The hon. Gentleman is clearly not giving way.

Andrew Miller: I certainly will not give way until I have set out at least my opening remarks.

There is a powerful argument for creating more harmonious sets of regulation in all sorts of areas. I shall illustrate that with one small point: this week, my Select Committee, the Regulatory Reform Committee, considered a change to a set of rules that had been in place since 1974 within health and safety provisions—something that is absolutely fundamental to the well-being of workers and the success of our economy. Two bodies had been in place since 1974—the Health and Safety Executive and the Health and Safety Commission. I challenge any Member to read back through the Robens report of 1973 and the debates that took place in the House and the other place in 1974 and give me a simple explanation of why there ever were two separate bodies. They were illogical at the

[Andrew Miller]

time, and they stayed illogical, and the Government have now created a integrated body, as part of their drive towards better regulation. That is the kind of approach that we ought to adopt.

On 22 February, the House supported, with an overwhelming vote, the Temporary and Agency Workers (Equal Treatment) Bill—the private Member's Bill that I am seeking to take through the House. That, too, like my hon. Friend's Bill, is about ensuring equality in the workplace, and it would create a more level playing field. I should have thought that, on any logical basis, the business community would like greater equality in the workplace, business compared with business. Just as my hon. Friend rightly said in his examples, different workers in different circumstances are treated differently for no good reason. Exactly the same point applies to my Bill, as agency workers and permanent employees are treated differently for no good reason, except by people who deliberately want to depress labour rates and drive down employees' earnings.

The only bad guys in the equation that my hon. Friend describes in his Bill are, of course, those people who are using an opportunity to take control of a business deliberately to depress employees' earnings or to get rid of large swathes of them. I accept that there may be perfectly good economic reasons for that in some circumstances. If a business is failing—usually, most business failures are caused by the failure of management—it is not unreasonable for the incoming investor to change the management team and even to consider, of course, having to change working practices and so on. That is a perfectly logical thing to have to consider. But there can be no moral basis on which such an investor should not have a duty of care towards those employees that he will either dismiss as redundant or retain under different terms and conditions of employment.

There is no logical basis on which different categories of investor should be required to act differently. My hon. Friend has been frank with the House in recognising the weaknesses in some aspects of the drafting, but the important thing that the House should acknowledge is that he has hit on a very important issue in respect not only of fairness and the equal treatment of different categories of employee, but of different types of business as well. It would be totally illogical if, by use of the loophole that he has identified, an incoming investor cut a swathe through terms and conditions of employment, got rid of a lot of people and created an artificial competitive position against someone with a different set of requirements. From both the employer's and the employee's point of view, the principle that my hon. Friend seeks to address ought to be adopted across the economy.

In the 1980s, I worked with private investors in the Merseyside economy as a director of the Merseyside Enterprise Board. We helped to support companies in the days before Margaret Thatcher—the noble Lady—abolished the metropolitan counties. Eventually the board disappeared—I will not go down that track, because you will rule me out of order, Madam Deputy Speaker—but before it did so, it worked in close partnership with private investors. When helping to develop investment in companies, we told the investors and entrepreneurs with whom we dealt that a condition of the assistance we provided with taxpayers' money was equality of treatment for employees in their businesses, as measured by the statutes in force at the time.

That is not a new principle, and it has become more important, as the hon. Member for Shipley pointed out, because the scale of venture capital and equity funds has grown enormously recently, so we must deal with the problem. When my hon. Friend the Minister replies to the debate, I urge him to accept, as in other areas of the economy, that equality and the equal treatment of employees should apply, for the reasons set out by my hon. Friend the Member for Nottingham, East, and because of the overall benefit to the economy of a more level playing field. The measure is beneficial to both employees and employers.

11.47 am

Lorely Burt (Solihull) (LD): There has been a lot of discussion this morning, and I should like to suggest that a key word is balance: we must balance the fair treatment of workers with the need to respond to the private equity market and the contributions that it can make.

Private equity has increased a great deal, as the hon. Member for Shipley (Philip Davies) said. Figures from the TUC show that one in 12 private sector workers are employed by private equity companies. The TUC has outlined its concerns, and I have looked carefully at the points that it has made. It is worried, because private equity threatens to erode the unions' ability to influence business. That is a reasonable concern, and it deserves consideration.

Mr. Chope: Why is it a reasonable concern? Surely it is for individual workers to decide whether they want to join a trade union?

Lorely Burt: I am grateful for the hon. Gentleman's intervention, but I am not sure where he is coming from. I do not see why one's right to join a trade union should be any different whether one works for a private equity company, a public sector organisation or a public company.

The TUC says that disclosure requirements are less for private companies, which file accounts up to nine months after the year end, do not have to produce quarterly or interim results, and do not have to put their annual report on a website—it has to be applied for. The Companies Act 2006 requires quoted companies to include in their business review information such as business trends, information on the company's employees and suppliers, environmental matters—hugely important—and corporate social responsibility matters. The TUC points out that that is not a responsibility for private equity companies, because they are indeed private.

Mr. Chope: The hon. Lady seems to be arguing in favour of the same regime applying to private companies as to publicly quoted companies—surely she does not believe that.

Lorely Burt: The hon. Gentleman is absolutely right—no, I do not believe that. I am trying to set out a balanced argument to acknowledge the TUC's point of view.

One of the important points of difference is that a public company has shareholders who are entitled to know all the information that I mentioned in order to make a decision on whether it is the sort of company that they want to invest in. There is no such requirement on privately owned companies. The TUC points out that that has social and economic impacts on society, and implies that private equity companies and all private companies above a certain size—although I have not been able to work out exactly what size it is referring to—should produce such information in order to create a level playing field. In the case of large companies with customers, those customers will be interested to know about the business practices of any company that they are going to buy from. However, a good company should publish that information anyway, without a statutory requirement.

Another reason why the TUC does not like private equity companies is that they are often highly leveraged, which means that there is a high ratio of debt to equity and therefore a riskier future for their employees. It has a point, certainly in the current economic climate, although such companies are prepared to take on what are often much riskier propositions themselves. The TUC also points out that the debt of private equity companies is tax-deductible, so that high performance indicators for private equity companies would be only mediocre if that factor was stripped out of their results. We heard a lot from the hon. Member for Shipley about the wealth-creating abilities of private equity companies, but the TUC is not happy about the fact that those tax factors apply.

Another thing that sticks in the unions' throat is the fact that private equity company partners are taxed on the basis of capital gains tax, not income tax, so they can pay only 10 per cent. tax instead of the higher rate of 40 per cent. that they arguably should be paying. That is a fair point.

Even if the points that the unions have made do not impinge on this particular Bill, it may be interesting to give a bit of background. Another macro-economic implication that the unions do not like is that purchasing of publicly quoted companies reduces the size of the stock market, and if the size of the stock market is reduced, the liquidity of capital is reduced, which is seen as vital in ensuring the efficiency of capital investments. In summary, it seems that the unions see private equity as an unwelcome and uncontrolled intruder that gums up the economic works, and threatens jobs and not least the influence and power of the TUC itself.

Will the Bill sort out the problems that I have described? Besides treating large private equity companies—again, I am not sure what "large" means—like publicly quoted companies, it adds further restrictions to the activities of publicly quoted companies as well. That is the information I have from the CBI, and I take on board the points made by the hon. Member for Nottingham, East about having a level playing field. However, the CBI is convinced that there are issues in the TUPE requirements that will have a detrimental effect if they spill over into the affairs of public companies. If the Bill goes to Committee—I regret to say that it probably will not—it will be important for us to consider those matters carefully. Members of all parties would not want the Bill to reduce the competitiveness of any sector of the market, although I fear that it might.

It is worth repeating that much of what the Bill proposes are protections that employees of privately owned companies already have. They already have a statutory right for unions or other representative bodies to be consulted if 20 or more redundancies are planned, and a right to be informed or consulted about any significant change in the business. If there is no existing works council or employee representative in place, from 1 April, as the hon. Member for Shipley mentioned, a work force of 50 employees or more can initiate procedures to introduce one. They already have the right to ensure that any existing recognition or collective arrangements remain in play; they retain the same terms and conditions, and rights, as they had prior to the sale.

The TUPE regulations were brought in to protect the rights of employees in non-share sales, to give those employees the same rights as those in publicly owned companies. I am not trying to be tautologous, but if the aim of TUPE was to give employees the same rights that those in private companies had already, what on earth are we doing debating whether existing TUPE requirements should apply to private equity takeover companies? The TUPE regulations were revised in 2006 only after lengthy consultations, and I question how relevant it is to bring the matter up again so soon after a lot of time, attention and consultation went into producing the last lot of regulations.

Mr. Heppell: The regulations were introduced in 2006, but most of the discussions about them would have ended in about 2004. During the negotiations, the issue was raised by the trade unions, but it was not acted on. It was not accepted.

Lorely Burt: I am grateful to the hon. Gentleman for that intervention.

I would like to address the extra aspects of the Bill. The hon. Gentleman says that there will be no difference between private equity takeover and public share takeover companies. He has been talking about the need for consultation, but—I am looking to him in the hope and expectation that he will be able to help me on this—there is a concern that the employees of private equity companies will not receive the same degree of consultation. It is worth considering the implications of additional consultation, beyond that provided for under existing employment rights, for the business of a private equity company trying to complete a takeover.

One of the CBI's points—the hon. Member for Shipley referred to this, too—is that because of the speed at which companies sometimes have to be taken over and turned around, to the benefit of the employees, the requirement for consultation will make the timeline unattractive. If extensive consultation is made an institutional requirement, the mergers and acquisitions landscape may become a lot less attractive for investors, with, as the CBI has said, an injection of a great deal more uncertainty and delay.

[Lorely Burt]

We have discussed the scope of the Bill at some length. Again, there is a big concern about leaving the definition of private equity to the Secretary of State, as defining the term will be extremely difficult for any person or organisation to do. We have discussed whether the term will include venture capital or small innovation businesses. The word "large" does not really help us understand exactly what sort of animal we are talking about. That is another aspect of the industry, which is so fluid and moves so quickly, changing its composition quite rapidly. It is therefore much more difficult to pin down who is involved, at what stage, and what level of consultation would be appropriate, for both small and large businesses.

I know that the hon. Member for Nottingham, East has his heart in the right place in wanting to prevent exploitation, but just as with the Temporary and Agency Workers (Equal Treatment) Bill, promoted by the hon. Member for Ellesmere Port and Neston (Andrew Miller), the problem is that we are talking about different aspects of business, with different needs and requirements. A one-size-fits-all approach is unlikely to fulfil the requirements of a diverse industry with different needs.

If the Bill drove private investors away, as the hon. Member for Shipley said, there would be plenty of other fluid and attractive markets elsewhere in the world. We have been successful in attracting investment into this country. Although we must have a balance of fairness for all people who work in this country—that is absolutely a given—at the same time, our flexibility and fluidity enable us to achieve that competitiveness and attractiveness to investment of all different types.

The TUC is clearly not impressed with private equity, but the CBI believes that it has

> "A highly significant and beneficial impact on employment and the economic prosperity of the UK".

That is because of private equity's unique abilities. It will often look for underperforming businesses and inject much-needed capital into them. Private equity can restore profitability and turn failing businesses around in a relatively short period. However, to do that it often has to make unpalatable decisions, such as those involving job losses or culture change. People may lose their jobs, but in the long run that may be the only way for more jobs to be saved.

The World Economic Forum found that despite initial job losses, private equity firms create 6 per cent. more greenfield jobs. They also create faster growth: their annual sales increase at an average 8 per cent., compared with 6 per cent. growth for FTSE 100 companies. The Bill would stifle that market, and for that reason, the Liberal Democrats do not support it.

12.6 pm

Mr. David Kidney (Stafford) (Lab): Like the hon. Member for Shipley (Philip Davies), I congratulate my hon. Friend the Member for Nottingham, East (Mr. Heppell) on his success in the ballot. I have taken part in it for 11 years without success, but that experience does not dim my pleasure at my hon. Friend's success and his choice of Bill, which I am pleased to support today.

I support the Bill in a framework of fairness. Admittedly, my focus is on the fairness of the treatment of the work force, whose very livelihoods are at stake during the transfer of an undertaking. However, more widely, I should also say that I do not come to this debate with any bias for or against any particular form of enterprise. There is also fairness in the world of business, if there is—to use the cliché—a level playing field between businesses in respect of how they compete to take over other businesses.

What is unfair at present is that the work force of a company that changed hands for £100 would be protected by the 2006 TUPE regulations, but the work force of a company whose shares changed hands for £100 million would not. That is the unfairness that I want us to address in this debate.

It is true that the TUPE regulations protect a work force of one business that is sold to another from the automatic termination of their contracts as a result of the transfer; at common law, they would all be dismissed as a result of the transfer, but the TUPE regulations continue their employment. If, however, simply the shares in the employer are sold, there is no transfer of the business and therefore no common-law termination of the contracts. In that one regard, it is fair to say that as far as the work force are concerned, there is no difference between TUPE and a private equity purchase. The TUPE regulations give protection from automatic, unfair dismissal related to a transfer of employer; such protection is not given when there is a transfer because of the sale of shares to a private equity business.

The final point about information and consultation has been a subject of great debate today. It is important to point out that the TUPE regulations give a specific right to the work force to have information on and be consulted about the transfer long enough before it takes place. There is no such protection for the work force under general law or other forms of general regulation about consultation and information. That point is crucial to my hon. Friend's Bill. There are subsidiary points in the TUPE regulations about collective trade union agreements and acquisitions from insolvency which the Bill also seeks to apply to such cases; they are significant, but of a lower order than the rights that I have already mentioned.

My hon. Friend's undertaking to the House today is important. It is to reassure people who might previously have objected to the Bill on the grounds that it would extend the protection given by the TUPE regulations. That is not his intention, and he has made that clear today, which is helpful.

In an intervention, I made a point that I want to repeat now. Given that sovereign wealth funds are beginning to wash up on this country's shores, there will be significant changes of ownership in the coming years. If we allow one form of ownership, buying up the shares, to have less legal impact for the people who make that decision than the other, buying the company and obliging those involved to follow the 2006 TUPE regulations, when people start to choose the easier route for them—and the harsher one for those who work in the businesses targeted with those funds—I predict that our constituents, the media and hon. Members will start to ask why we did not close that loophole when we had the opportunity. My hon.

Friend the Member for Nottingham, East has given us such an opportunity today, and I hope that we will take it. Our constituents will want to know that there is transparency in the arrangements for buying up companies, that there are not distortions in the working of the market, and that employees have protection in such situations. We have the opportunity to make that happen today.

When the TUPE regulations were first introduced into law in 1981, at that stage they did not protect outsourced services such as catering and cleaning. The 2006 regulations did extend to those areas, so we have made changes in the past to ensure that workers are properly protected. I argue that we should make another change to protect another group identified today. If some people say, "The law is clear, they are not covered, and that is that," I ask them to consider the case to which the Library research paper refers, Millam *v.* Print Factory (London) 1991 Ltd., a Court of Appeal decision last year. In that case, a company did indeed think that by buying all the shares it avoided its obligations under the 2006 TUPE regulations—and the Court of Appeal told it that it was wrong. Because of the way in which the company conducted itself after it bought all the shares, it was caught by the regulations. Retrospectively, it found that it should have been obliged to follow the regulations.

Mr. Djanogly: The hon. Gentleman makes exactly the point that many Conservative Members have been making. Even if there is a share sale, it does not discount people's existing rights, particularly in relation to unfair dismissal and redundancy.

Mr. Kidney: Obviously, I do not agree, because the rights involved are specific to a transfer situation and are provided by the TUPE regulations and not by general law. My point is that those who think that they are safe from the TUPE regulations might find themselves caught by a subsequent court action. That is an uncertainty in the market from which I would have thought that business people would want to be free. If we make the position clear in law by adopting my hon. Friend's Bill, we will do them a favour too, although I repeat that my prime focus is to do a favour to those whose jobs are at stake and who are worried when such a takeover takes place.

Lastly, paragraph 7.3 of the explanatory memorandum to the 2006 regulations states:

> "The Government considers that, ideally, everyone should know where they stand when a business sale or reorganisation, or a contracting-out or similar exercise, takes place, so that employers can plan effectively in a climate of fair competition and affected employees are protected as a matter of course."

I agree entirely with that statement, and adopt it as my idea of what is fair in such a situation. That is why I support the Bill.

12.13 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): I disclose my interests as a partner in a law firm that acts for various private equity firms as well as for employees made redundant by companies in which private equity has invested.

The Conservative party opposes the Bill, which is unnecessary, misguided and would have an extremely negative impact on the UK's position as an attractive place to do business. The hon. Member for Nottingham, East (Mr. Heppell) professes to be no expert in this area, and not to understand some of the details of the Bill. That prompts the question: who does understand the Bill, who has drafted it, and who is really behind it? He was also honest in that regard, in saying that it was Jack Dromey. I shall return to the unions' position on the Bill later.

The Bill would extend the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 to the acquisition and disposal of substantial shareholdings by private equity companies. However, in practice, it would extend far beyond the realms of private equity and is an issue of major concern for all types of companies in this country. The United Kingdom is a major location, if not one of the principal locations, of choice for international business, not least private equity transactions. The hon. Gentleman says that he is not picking on private equity, but he must realise that his Bill, or rather Jack Dromey's Bill, is a savage attack on the private equity industry. I think it right, therefore, that some Members, including my hon. Friend the Member for Shipley (Philip Davies), have chosen not to underestimate the sector's importance to this country and, indeed, to other countries—countries that would welcome an end to private equity investment in the UK as a result of the Bill.

Private equity has existed in this country for more than 20 years, and according to Treasury figures has invested more that £75 billion worldwide in 22,000 businesses during that time. The British Venture Capital Association puts the figures at nearer £80 billion and 29,000 businesses since 1984. The size and scope of the UK's private equity sector is now second only to that of the sector in the United States. In 2005, 1,500 companies were financed by private equity in the UK, and there were 20 deals involving more than £250 million. In 2006, BVCA members brought more than £10 billion-worth of investment to the UK, and private equity-owned businesses generated sales of some £420 billion and paid the Treasury £26 billion in tax. Last year another 1,300 companies received investment from private equity.

About one fifth of the private sector work force are now employed by a private equity-owned business. As was noted by my hon. Friend the Member for Shipley, a survey carried out last year by the *Financial Times* revealed that the 30 biggest private equity deals in 2003-04 created 36,000 more jobs than they cut. Three quarters of those new jobs were created by the organic growth of the companies, and private equity-owned firms have outpaced public companies in employment growth. Over the past five years the number of jobs in private equity-owned companies has increased by 9 per cent. per annum, compared with 1 per cent. in the FTSE 100. According to the recent study by the World Economic Forum, which was mentioned by my hon. Friend, private equity-owned firms are responsible for 60 per cent. more greenfield job creation than their peers. Greenfield jobs are defined as jobs that would not otherwise have been created. In other words, private equity-owned companies create more jobs than other businesses.

[Mr. Jonathan Djanogly]

My hon. Friend also made the important point that, following investment, privately owned companies are by nature not as easily traded or sold as public companies. That means that private equity will almost invariably invest on a long-term view—say five years—rather than a short-term view. Private equity firms employ around 5,000 people in the UK in financial services, helping to generate £3.3 billion in fees for supporting organisations. That amounts to more than 7 per cent. of the total annual turnover of the UK financial services industry. It is therefore of the utmost importance that the sector is not sent packing overseas for no good reason. This country's light-touch regulatory approach is recognised as key to attracting the industry to the UK, and legislative change must not compromise such an important part of the UK's economy.

The hon. Member for Nottingham, East asked "Why not?" My first answer is that the Bill is technically unnecessary. That view is even supported by the European Commission, which concluded in June that there was no justification for extending TUPE to a change in ownership of shares. TUPE regulations were updated as recently as last year, as many Members have pointed out. However, the updates make no alterations to the well-established principle that TUPE need not apply to share sales. Notwithstanding what was said by both the hon. Member for Nottingham, East and the hon. Member for Stafford (Mr. Kidney), in a share sale the employer does not change, and therefore the employee's terms and conditions of employment do not change either. Accordingly, the employee retains his or her existing employment rights, which are no more and no less than they would be if the sale had not taken place. I repeat: the employee is in no worse a position.

If job losses were incurred as part of the sale process, or after it—for example, if there were asset stripping—the employee would have the same rights as they had when the company was owned by the previous shareholder. Any dismissal would automatically be unfair unless the appropriate regulatory procedures were complied with. Let us be clear: existing legislation already dictates that an employer cannot unilaterally vary a contract of employment. Changes to individual terms and conditions such as pay, hours and holidays can be achieved only through agreement with the employee.

TUPE was enacted with the specific purpose of giving employees of a business who are transferred to a new business in a non-share sale similar rights to employees in a share sale. The hon. Member for Solihull (Lorely Burt) made that point, and it would be bizarre to reverse the process. The extension of TUPE to share sales is therefore unnecessary and irrational, and we do not see how that position has changed. An extension of TUPE would not add significant additional protection, but would lead to more complex and lengthy transactions, ultimately damaging the UK economy.

The Bill's proposed new measures go significantly beyond the provisions in TUPE, and would be considerably more onerous and restrictive than existing legislation. I appreciate what the hon. Member for Nottingham, East said in that regard, but that is the nature of his Bill. We believe that such provisions are a thinly disguised way for the trade unions to exert more influence on mergers and acquisitions transactions in the UK. That of course implies that the subject matter of the Bill really has nothing to do with private equity, as TUPE affects all business sales. I suspect that private equity has been inserted as the proposers believe that inserting a whipping boy is likely to increase interest in what actually is a pretty poor idea.

The hon. Member for Solihull set out the many reasons why the unions do not like private equity. To that extent, the Bill could be called a Trojan horse. Clause 3 goes beyond existing TUPE law by seeking to institutionalise the role of trade unions. At present, under TUPE any collective and recognition agreements will remain in force following a business transfer. Alongside that, any rules for varying, terminating, rescinding or altering matters after transfer also remain in force. However, the Bill seeks to make it impossible to make such amendments following a share transfer, as any changes for reasons related to the transfer would be automatically void unless economic, technical or organisational reasons could be proved. That, therefore, gives trade unions a shield on a share sale and creates the double standard where it is more favourable for buyers to buy a business than to buy shares in the company that holds the business.

Clause 4 provides that information be given to employee representatives such as trade unions before the parties agree that a share sale is to take place. It also gives them the right to commission an expert study, give a formal opinion and receive reasoned response prior to any share sale. Such an expectation is wholly unrealistic. It would result in a dramatic slowing of the transaction process, and potentially give trade unions the power to delay transfers almost indefinitely. The clause places a further onerous obligation on the acquirer in a share sale to disclose five-year business plans on the business it is acquiring.

Mr. Chope: I congratulate my hon. Friend on a very good demolition job. Will he illustrate his last point by reference to what is alleged to be happening in France, where the planned merger between GDF—Gaz de France—and SUEZ has been delayed by more than two years through the employee representative's refusal to provide an opinion as required by French law? Would we in this country not be in exactly the same position if this Bill were enacted?

Mr. Djanogly: My hon. Friend gives a good example, to which I had intended to refer. He is right that there would be the same severe implications in this country. It was asked earlier what would happen if Northern Rock had been sold by way of a private share sale, to the Virgin bidder, for example. That did not happen, of course, but if this Bill had been enacted it would have significantly delayed the sale, leading to extra uncertainty—and certainly also to more worry for the staff concerned, rather than less. As my hon. Friend the Member for Shipley said earlier, in his usual forthright manner, we are not here to support the rights of workers whose work is going to end.

These obligations would be unworkable in a competitive, globalised marketplace that relies on rapid decision making. Moves to exercise such constraints on

the UK labour market would inevitably stifle the UK mergers and acquisitions industry, risk damaging London as a worldwide financial centre, and drive investment capital away from British shores into the hands of rival economies.

These measures are also unnecessary in the context of employee protection. Employment legislation already requires information and consultation with employee representatives, including trade unions, at least 30 days in advance if 20 or more job losses are envisaged.

The CBI has said that it does not support the Bill, which it believes would be damaging to private equity firms and, potentially, to many other businesses, compromising broader economic success and job creation. The hon. Member for Manchester, Central (Tony Lloyd), who has perhaps now gone to the Library to do his research, queried the CBI's view that the provisions would create uncertainty. They would do so because the sale process would be impeded and delayed, thereby creating uncertainty over the outcome and more concern for staff. To reinforce the point made by my hon. Friend the Member for Shipley, let us not have any quibbling about the fact that the British Private Equity and Venture Capital Association—the BVCA—has strongly opposed the Bill.

Clause 5 allows for an injunction to be taken out to prevent a share sale if trade unions are not consulted. That does not exist even in TUPE, and it would be a disastrous measure for the UK's mergers and acquisitions market. The hon. Member for Nottingham, East said that he wanted to strip out such extras, but I have to tell him that to do so would take him back to the existing law. That leads us to ask why we need the Bill. The timeline of any mergers and acquisitions deal would certainly be delayed while trade unions were elected and consulted, and much uncertainty would enter the process as a result.

Mr. Chope: Does my hon. Friend accept that the promoter of the Bill has now said that he does not wish the injunction provisions in the most recent draft of the Bill to apply? Does my hon. Friend take succour from that, in that it shows that the mood is changing on the Labour Benches and becoming more welcoming towards the whole principle of private equity?

Mr. Djanogly: I agree with my hon. Friend. It seems to me, having listened to the debate so far, that a Bill has been presented that was perhaps drafted by others, and that the amount of thought that went into it before it was presented was not as much as should have been the case. I regret that, because the implications of the provisions for British business are very significant, and because of the upset that the Bill has caused among business organisations, for what I see as very little benefit for employees' and workers' rights. For those reasons, I think that it would have been better if it had not been presented.

The scope of the Bill is uncertain. Although it claims to address issues of job insecurity following private equity takeovers, the fact that it leaves it to the Secretary of State to give a definition of "private equity" makes that an impossible task. Private equity is a highly problematic area to define, and—as my hon. Friend the Member for Christchurch (Mr. Chope) pointed out—there is much dispute, even within the industry, on its parameters. For example, there is much debate on whether it includes venture capital or small innovation businesses, let alone business angels investing alone.

The hon. Member for Nottingham, East's famous explanatory notes—which I have now had a look at; I thank him very much—confuse the issue even more. Paragraph 4 defines private equity organisations as

"companies whose shareholdings are not listed on a recognised stock exchange".

I do not understand the sense of that, not only because there are listed private equity companies, but because it was this Government who put in place the tax measures to encourage people to invest in them. I shall be interested to hear the Minister talk his way round that one.

The uncertainty surrounding the definition of private equity leads to a very real danger that other UK companies will be caught by the Bill. If that happened, the ability of such companies to conduct business in the UK would be extremely inhibited. Again, businesses would be driven abroad, which could be extremely damaging to our economy. TUPE law is highly complex and frequently misunderstood. Extending it to share sales would create uncertainty that, in turn, would erode buyer confidence that profitability in a takeover target's business could be restored and value derived from its investments.

The trade unions must be prevented from slowing up the UK's mergers and acquisition transaction process and wrapping up our flexible labour market in red tape. Only two weeks ago, a huge union-led Labour Back-Bench rebellion in this place forced the Government to review their previous opposition to increased employment rights for temporary and agency workers. Since 1997, and having taken on the EU social chapter, the Government have introduced some 18 Acts and more than 280 statutory instruments that deal directly with employment regulations.

Despite business representatives increasingly speaking out against the growing burden of regulation and the resulting erosion of Britain's competitive advantage, the process of reducing our competitive advantages is now actually accelerating. The impact has been to increase the complexity and burdens on employers while strengthening both trade union and employee rights. This Bill represents a further attempt by unions to push the Government—the Labour party now receives more than 70 per cent. of its money from the unions—into passing laws to make the UK's labour market significantly less competitive. That is a further turn of the Warwick agreement ratchet and we had all better wake up to what is going on before that process kills innovation and job creation in our country.

This Bill is a further example of unnecessary meddling in business practices. It is technically unsuitable and economically misguided. If passed, it would be hugely burdensome for UK companies and would bring unlikely benefits to employees. Accordingly, we shall oppose the Bill today.

12.32 pm

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): When I read the Bill of my hon. Friend the Member for Nottingham, East (Mr. Heppell) last

[Mr. Tom Clarke]

night, I was not anticipating the sort of debate that we have just had. To be frank, I had not realised that Huntingdon and hyperbole went so well together. We have had gross overstatement from Conservative Members, compared with the innate decency in my hon. Friend's presentation of his Bill in his excellent introductory speech. That decency is reflected in the measure that he has put before the House—a measure inviting a Second Reading.

We have heard much talk about parliamentary procedure, and I note that one hon. Member spoke for well over an hour, although he is no longer in his place. Yet "Erskine May" tells us that on Second Reading, we have the right to look at and examine a Bill and know that at later stages in Committee and on Report—

Mr. Evans *rose—*

Mr. Clarke: I am not giving way; I did not intervene on anyone else and I am going to be brief. I am not going to talk out my hon. Friend's Bill. I hope that if, for some reason, the Bill does not make its way through the normal parliamentary stages, there will be continuing discussion between the Minister, in whom I have enormous confidence, and people who understand what modern industry at this stage in the millennium is actually about, as opposed to the prejudices and ideology to which we have been subjected over the last couple of hours.

The Bill is, I believe, based on fair play—something that the British people recognise. Things have gone very badly wrong with industrial relations in Britain when that fair play does not exist, whether on one side of industry or the other. In my view, my hon. Friend the Member for Nottingham, East is trying to do the decent thing in industrial relations. He has looked into TUPE and recognised that, by and large, it is working well, but there are defects that can be put right. That seems to me a reasonable approach. My hon. Friend the Member for Stafford (Mr. Kidney) made the important point that TUPE is evolutionary and that there have been changes to it. Most of what I have heard about it has been positive, but when things have gone wrong, we have tried to correct them. Here we have a very decent little Bill, which would do exactly that in the case of private equity transactions.

I shall address some of the points that Opposition Members made before I turn to the positive aspects of the Bill, which will be recognised as such in my constituency. I was frankly astonished when the hon. Member for Shipley (Philip Davies) said that employment legislation was about giving people the opportunity to work. It was as though the quality of work did not matter and exploitation would be acceptable at this point in our industrial history. It was pretty much the old-fashioned idea of "hands wanted", beyond which nothing much mattered. I thought that we had made progress since those days.

The hon. Gentleman's argument was also advanced in the debates on the 2006 regulations, but there has been no evidence to justify it since. Indeed, the same argument was made against the proposal for the minimum wage. It was argued that all we should do was give people jobs—period. People said that our proposals would mean the loss of jobs, but there is not a shred of evidence that that has happened. Those arguments are no more valid now, when used to oppose this excellent little Bill.

The hon. Member for Huntingdon (Mr. Djanogly), the Opposition spokesperson, endorsed the view of the hon. Member for Shipley. At this stage in our history, when we are seeking partnership and agreement between employers and employees, he made an outright attack on the trade union movement. I could hardly believe my ears. I thought that the modern Conservative party knew about the demands of the modern world and wanted to respond to them. That was not what we heard this morning, and it is not what my hon. Friend the Member for Nottingham, East was entitled to expect.

In this little measure, my hon. Friend proposes protection. It is not unreasonable to ask for protection for my constituents who have done shift work, year after year, in appalling conditions. They have contributed far more to companies that have been taken over than some of those involved in private equity have. I do not include all those involved, because I have no desire to attack private equity concerns in the way that the trade unions were attacked by the Opposition at the Dispatch Box. However, there have been abuses, of which I shall shortly give an example from my constituency.

When there are abuses of employment law, we in Parliament have a responsibility to put them right. Some Members give the impression that that is not our role. I have enormous respect for colleagues on both sides of the House, but people who are following the debate will say that we have not done a bad job of protecting our own employment rights, including our pensions. We must act when there is evidence that private equity concerns with a controlling interest have ignored representations from trade unions—or from employees' representatives if there is no trade union, which I find unacceptable.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Does my right hon. Friend agree that the fundamental effect of the Bill is to provide basic support and conditions for workers, some of whom have probably spent most of their lives building up companies until they are profitable, just for some spiv to come along and take their livelihood away from them?

Mr. Djanogly: Pot, kettle?

Mr. Clarke: My hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) is absolutely right. I know what a contribution he has made to British industry—to working for partnerships between employers and employees. If the hon. Member for Huntingdon does not mind, I am happy to listen to what my hon. Friend has to say. He refers to real issues; there have been situations in which, following a transfer of equity, there were variations in contracts and dismissals, and collective agreements were dismissed and thrown out of the window. In some cases, the right to preservation of trade union recognition—something that I thought was accepted in all parts of the House—has been dismissed. In light of that, it seems perfectly reasonable for us to at least consider the

issues, and the Bill introduced by my hon. Friend the Member for Nottingham, East allows us to do so.

I make no apology for defending the rights of the work force. The Conservative spokesman, the hon. Member for Huntingdon, appeared to dismiss the fact that we have a responsibility, which I found incredible. Of course we have responsibilities to employers, large and small, but equally we have a responsibility to work forces who have contributed to the success of British industry and commerce that we have been discussing. Dismissals are very frequent in the situations that the Bill addresses.

I recall a local firm in my constituency called RB Tenant, which was headed by the local provost. When I became provost myself, and worked with my MP colleague, the late Jimmy Dempsey, there was never any problem about being invited in for a cup of tea and a chat about how the company was going. We could meet the unions and the work force. When the firm was taken over by Sheffield Forgemasters, by and large the same atmosphere prevailed. Sadly, when there was a much bigger takeover by an American concern, resulting in dismissals of the kind that my hon. Friend the Member for Nottingham, East mentioned, the Member of Parliament was not even allowed to pass the door. There were huge numbers of dismissals. I stood at the company gates while men who had given 20 or 30 years of service left in tears, having been thrown out. They were not told a word about the future of their pensions. Am I supposed to say that we ought not to do anything about such problems, and that if we do, we are upsetting the balance that has been established, with a lot of help from TUPE, in British industrial relations? I believe not.

The Bill is about genuine partnership, and about providing information and consulting after post-equity transfers. It is about talking with trade unions. Yesterday I had a brief conversation with Jack Dromey, and his description of the Bill, and his attitude to modern industrial relations, did not bear any relation to what I heard the hon. Member for Huntingdon say. To take up a point made by the Liberal Democrat spokesperson, the hon. Member for Solihull (Lorely Burt), it is perfectly reasonable to provide for the representation of employees in cases where trade unions do not exist. There is nothing particularly radical or challenging in that. That is the sort of measure that the Bill would introduce.

I would certainly welcome the Bill completing its various stages and emerging as an Act, but if that does not happen, my hon. Friend the Member for Nottingham, East should still feel that he has done an enormous service to industrial democracy and decency in this country, and I am sure that my hon. Friend the Minister will respond to the debate in that spirit.

12.44 pm

Mr. Nigel Evans (Ribble Valley) (Con): I congratulate the hon. Member for Nottingham, East (Mr. Heppell) on his success in the private Members' ballot and on introducing a Bill that he believes will do some good for the rights of British workers.

I was a little disappointed that the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) refused to take my intervention. He suggested that all that was being asked was that the Bill be allowed to go upstairs, where it could be kicked about a bit to see what impact it would have. I have been successful in a few private Members' ballots, but only one Bill was enacted, and that was because it had the support of a Conservative Government. An enlightened view was not taken on my other Bills because the Labour Government were not interested in giving them a fair wind. If the right hon. Gentleman looks at his voting record on Fridays, he might find that he voted with the Government not to send private Members' Bills upstairs for them to be dissected and considered. We know that private Members' Bills are an opportunity to introduce a measure that the promoter would dearly love to be enacted, but that is contingent on the Government's view, which is why we wait with bated breath to hear whether the Minister believes that the Bill should go upstairs to be operated on—it appears that it will require extensive surgery—and resuscitated in a form that can still walk and breathe. I suspect not, from what I have heard this morning.

I have mentioned Brussels a few times. I suspect that this week we have witnessed another takeover of this place by Brussels, yet I see no protection of the rights of the British people in the form of a referendum. However, I put that to one side. For measures such as this Bill, what happens in Brussels is important. Like my hon. Friend the Member for Shipley (Philip Davies) and the hon. Member for Nottingham, East, I would far prefer to see us enacting legislation that we think is important, so the sovereignty of this House is important. At the same time, we must recognise that the powers that we have shifted to Brussels and those that it has taken to itself over the years mean that we could legislate in one area, but Brussels could then propose something similar or completely different. We need more investigation on that.

As my hon. Friend the Member for Shipley said, colossal sums are being shifted around—far more than I can even pretend to understand—and some of that is pension fund money in which trade unions invest. The pensioners who will be in receipt of the money that is invested will have been workers and will not want their investments to be abused in such a way that workers' rights will be denied. We should have a fuller understanding of exactly what funds and investments we are discussing. Some of the investments are long term; they are not about getting in, doing some damage and seeing how much profit can be made before getting out, without due deference to the investments made. As I said in an intervention, in many cases investments are made in businesses that are believed to be going concerns, and the last thing anyone wants to do is meddle with the business or change it any way, shape or form.

Philip Davies: I agree entirely. A private equity firm gave £1 million to Remprobe, one of my local firms, which makes software to help firms monitor their energy consumption, and helped it to develop its product for supply to large corporations. Such companies are helping smaller businesses and their workers, not being a hindrance.

Mr. Evans: If the hon. Member for Nottingham, East has done one great service this morning, it is giving us an opportunity to talk about the impact of

[Mr. Evans]

private equity on this country. I am a poor, simple boy from Swansea; I should not understand these things, but I have had an education this morning about the importance and value of private equity.

Philip Davies: My hon. Friend has more money than a private equity firm.

Mr. Evans: I wish.

The Government think that pre-legislative scrutiny is a good idea. I was not so sure to begin with, but I now think that it has merit, and that applies to private Members' Bills, too. It is important that we consult all the organisations that would be affected by any Bill proposed in the House. We should know the view of the Institute of Directors, the CBI, the Federation of Small Businesses and the trade unions. Of course, we should get in the trade unions and find out what they have to say about such legislation, too.

The right hon. Member for Coatbridge, Chryston and Bellshill spoke with passion about some of the abuses that have taken place in firms that he is familiar with. Those abuses should be driven out of the system. We must protect the rights of workers who feel that they are powerless against people who exploit them for no merit other than simple profit and who have no interest in employees who help to make the company's profits. I believe 100 per cent. in all that and endorse it. We must be enlightened. Companies that recognise the value of the people who work for them—the people who create the wealth from which employers derive their profits—are the very ones that invest in their workers, recognise the people who help them and consult them as a matter of course, not because they must do so under legislation but because it is the right thing to do. Therefore, I very much believe that, where abuses exist, they should be exposed, and if it takes legislation to get rid of them, that is exactly what should happen.

Philip Davies: I am very reluctant even to try to suggest that I might disagree with my hon. Friend, but does he agree that the most successful companies in the world tend to have one thing in common—they are very good at looking after their staff and employees—and do not need Government legislation to understand the merits of looking after one's staff?

Mr. Evans: I find myself in a similar position to my hon. Friend at the beginning of the day, when he felt that our hon. Friend the Member for Christchurch (Mr. Chope) was disagreeing with him when he was not. I was afraid that my hon. Friend would disagree with me, but he has not done so. We all agree, and we all know of examples of firms in our constituencies that are enlightened, value their workers and invest money in their long-term life education in matters that do not directly relate to their businesses.

Mr. Chope: May I give my hon. Friend an example from my constituency, where a partnership whose results are in the papers today—the John Lewis Partnership, coupled with Waitrose—took over the local branch of the Co-op in Christchurch and created a lot more jobs, business and wealth as a result?

Mr. Evans: If I have read it right in the papers as well, that business is sharing about £180 million with its workers. I do not think that any legislation says that it needs to do that. I hope that I have the figure right. I suspect that anyone who works for the John Lewis Partnership who is listening also hopes that I have got the figure right. Those workers will benefit greatly from the wealth that is being created there.

Stephen Pound (Ealing, North) (Lab): I am extremely grateful to a poor, simple boy from Swansea for giving way. I appreciate that the hon. Gentleman has a vast commercial enterprise in south Wales. He might well be one of the most enlightened and benevolent of employers, but can he not realise that, by speaking of good employers, he is not denying the existence of the bad? What we are talking about today is a critique not of all private equity companies or all employing organisations, but of some of them, and some workers, frankly, need protection.

Mr. Evans: I agree with the hon. Gentleman that we must seek out those employers—I hope that they are a small group, but we have to accept that they exist—who are nasty, who want to pay their workers as little as possible and who give them no rights whatsoever. They are not helping the British economy. They may be trying to help themselves, but they will get that wrong, too. I suspect that the productivity of those who work in enlightened firms is much higher than that in firms where employees are abused.

I hope that when the Minister replies, he will say whether he believes the Bill is necessary at all. We have heard what the CBI said, and what my hon. Friend the Member for Huntingdon (Mr. Djanogly) said about existing protections. I joked with my hon. Friends about the £3 million bus that we discussed last week, which is being used to tell workers about their right to the minimum wage. Perhaps it should be used to tell them about other rights, if those rights have been abused as some hon. Members believe. Perhaps the scheme can be extended to give more information to workers.

I, too, believe in fair play for workers, but we must look at the unintended consequences that the Bill would have. The UK is one of 27 countries in the European Union. We call them our neighbours, laughingly, but they are competitors just as much as they are our neighbours. We must make sure that we do not disadvantage any firms in the UK with legislation that will end both the flexibility that the Government have tried to achieve for them and our competitive advantage. We must recognise the growth of firms in Asian countries. This week, I was fortunate enough to the meet the Prime Minister of Vietnam, which has recently enjoyed 8 per cent. growth. I learned that Vietnam has managed to take more people out of poverty than any other country, and it is important that we acknowledge that.

We have to compete with such countries, but not on conditions. Hon. Members should not get me wrong: it would be awful to think that we could drag the rights of our workers back to the standard that exists for workers in other parts of the world. That is something that we simply do not want to do.

Philip Davies: My hon. Friend is making a powerful point. Does he agree that we have fairly high levels of rights in this country, and it would be counter-productive to pile more burdens on to businesses, which would stop them investing in UK and lead them to invest in countries such as China, with the consequence that the workers in those businesses would have much lower protection in the workplace than they would in the UK under existing legislation?

Mr. Evans: My hon. Friend makes a valid point: not only would we export jobs but we would abandon the protection for workers in the UK. He, too, made a powerful point, as it is far better to have a job than no job, but that does not mean having a job at any cost.

I take on board what the right hon. Member for Coatbridge, Chryston and Bellshill said about workers' rights, but that does not mean that people should be in a job and beaten every half hour and given a bowl of rice. That is totally unacceptable, but no one is arguing that that should be the case. *[Interruption.]* Even my hon. Friend the Member for Shipley does not argue that; to suggest otherwise is an abuse of his views. However, he can protect himself far better than I can.

We have spoken about the importance of the number of jobs employing people directly in private equity firms. The UK is one of the world's financial centres. Time and again, the Opposition are reminded that they opposed the minimum wage, and that all the predicted doom and gloom on the minimum wage has not come about. However, for good measure, may I toss this one back? We were told that if the UK did not join the euro it would be a disaster for our financial institutions. We did not join the euro, and we have some of the strongest financial institutions anywhere in the world. Private equity firms are part of that. The City of London certainly benefits from them, but so too do the regions. I suspect that many people in Scotland work in private equity firms that operate from Scottish cities and towns. Those firms employ people at different levels, and the private equity that they can draw into Scotland benefits that country.

Stephen Pound *rose—*

Mr. Evans: That leads me nicely to devolution, but before I do so, I shall give way to the hon. Member for Ealing, North (Stephen Pound).

Stephen Pound: I am grateful to the hon. Gentleman for giving way, particularly when he is tossing things in our direction with such frequency. Although I recognise his superiority in that field, does he accept that it would be logical for him, while he is in this laissez-faire vein; to dissociate himself from any suggestion of taxing non-domiciled residents in the United Kingdom?

Mr. Evans: I understand that that is a movable feast as far as the Government are concerned, and I should hate to intrude on private grief. I look forward to 12 March, when perhaps the Chancellor of the Exchequer will finally be able to tell us exactly what is going to happen. *[Interruption.]* He will not be in purdah on 12 March, and I rather hope that he will be able to tell us exactly what is going on. As for non-doms in this country, I suspect that what they want is a bit of certainty. They want to know exactly what sort of taxation the Chancellor—he is the person in charge of this—is considering. They want to know exactly what impact the Budget or any announcements that have been made in the past will have on them, just as any workers who would be affected by this legislation will want to know what impact it would have on them.

That brings me back to devolution. As I understand it, the Bill covers the whole of the United Kingdom, so it would be useful to find out the views of the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly and whether they would want to have an input into it, deviate from it, or try to have a complete derogation from it. That is where pre-legislative scrutiny would have been interesting.

We have two other private Members' Bills before us, both of which are cross-party on the basis of their sponsors. If the hon. Member for Nottingham, East thought that his Bill was so good and wholesome, it is a bit disappointing that he was unable to find somebody from another party to share their support for it. I do not know whether he asked any Members from other parties or just asked his mates in order to get the 10 signatures needed to take the Bill forward. I always think that it is somewhat better for a private Member's Bill, if it is to have any chance of getting through whatsoever, to have not only Government support but the support of the whole House.

I am waiting to hear what the Minister says before I finally decide whether I can support the Bill. I want to see the same sort of protection for all the workers in this country as the hon. Gentleman does, but I do not want to see any unintended consequences that may damage their rights.

1.2 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate my hon. Friend the Member for Nottingham, East (Mr. Heppell) on his success in the private Members' Bills ballot, and on raising the topical issue of takeovers and their impact on employees. He was kind enough to thank me for discussions that we have had, and I am sure that hon. Members on both sides of the House will join me in paying tribute to him for the honest and open way in which he presented the issue. I appreciate his long-standing interest in the condition of people at work. I know that he believes in decency and fairness in the workplace, and that that is the motivation behind the Bill. In particular, he wants to ensure that there is fairness when circumstances beyond the control of the employee change and have an effect on his or her employment situation. My right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) spoke with passion about the impact of such change on his constituents.

The backdrop to the Bill is increased public interest in the impact of private equity investments in the economy and, in particular, any impact that they may have on terms and conditions of employment. As a result of the Bill, and the debate, there are several questions before us. Where should the TUPE conditions apply and in what circumstances? If the Bill extends those conditions, would it do only that, or would it do more that that? I fear that in several

[Mr. Pat McFadden]

respects it would do more. My hon. Friend the Member for Nottingham, East posed the question whether employees whose company has had a large injection of capital, or has been bought or sold by private equity investors, would benefit from further TUPE protections beyond those already afforded under existing legislation. There is also the legitimate question whether the proposals in this Bill, which allow for extra regulations to govern the process by which companies may be bought and sold by private equity companies, would result in companies being less able to compete and thrive, or be rescued through takeovers, in what is a competitive global economy.

I will return to the Bill in more detail, but I would like to begin by setting out some facts about the current situation in the UK labour market. Over the past decade, our record has been, on the whole, a highly successful one. The UK labour market has become one of the most successful in the world, with more people in work than ever before. Some 2.7 million more people are in work now than a decade ago, and at almost 75 per cent., the UK has the highest employment rate in the G7. The unemployment rate remains relatively low in historical terms, at 5.5 per cent., which is the lowest rate among all our major competitors, except Japan and the US—well below the average for the European Union.

One reason for that success has been the fact that our labour market combines flexibility and decent minimum standards in the workplace, and the TUPE regulations are part of those standards. Other key protections include the minimum wage, paid holidays, anti-discrimination policies and so on. We have introduced that foundation of standards without damaging the economy and without deterring inward investors.

We have an open market economy that allows companies to meet the challenges of globalisation and competition. Over the past 10 years, we have made real progress in maintaining stability and in allowing companies to make long-term decisions while knowing that the economy is run on a stable basis. Even given such national economic stability, there can always be uncertainty in a world where companies are bought and sold, where investment moves across borders and where technology and increasing openness in world economies enables outsourcing and international production processes that would not have been possible even in the relatively recent past.

Whatever the uncertainty, open engagement with globalisation is the approach that will maintain our economic success in the long term. Of course, that approach is not without its challenges. There is a need for the Government to ensure a fair labour market with rules to ensure the decency that has been spoken about, and to guard against the exploitation of the vulnerable. In putting that framework in place, we must ensure that business and enterprise can continue to flourish.

We have to acknowledge that although we hope that businesses will flourish, we know that some will fail. That has always been the case, and we have to support the process of risk-taking and entrepreneurship that is essential to the economy, while always equipping workers to be adaptable and able to cope with change, which is moving at a faster pace than ever before. A manifestation of the flexibility that characterises our economy are the dynamic capital markets and investment processes, of which private equity is a relatively small but important part. In introducing the Bill, my hon. Friend acknowledged the valuable role that such investments can have.

The first question is whether the Bill would protect employees in circumstances where private equity has made an investment in the company that they work for. We have heard examples of how employees can bear the brunt of private equity restructuring. Those examples referred to job losses and poorer terms and conditions for employees. That argument—especially in the context of the Bill—contends that that would not happen, or at least that the effects would be minimised if TUPE were extended to those circumstances. However, it is important to remind ourselves what the exact purpose of TUPE is.

The TUPE regulations implement the acquired rights directive and apply when a business or part of a business is transferred from one employer to another. That is the material point—the regulations are about the change of employer. Under the terms of TUPE, employment continues with the new employer, and employees have the same terms and conditions and continuity of service as with their old employer. That is necessary, because without the TUPE provisions, employees whose jobs were transferred from one employer to another would not have an employment contract at all. They would have to go to their new employer to ask for a job. When it comes to share transfers, however, the identity of the employer does not change. The employees' contract of employment is still valid and cannot be altered without the agreement of both the employee and the employer, exactly as in any other employer-employee relationship.

What, then, of redundancy? Are the jobs of employees who are subject to TUPE always protected in the event of a transfer? As this debate has showed, that is not the case. The TUPE regulations recognise that redundancies in restructuring after a transfer can be necessary for the business. The TUPE regulations allow redundancies to occur for an economic, technical or organisational reason, or for reasons unconnected with the transfer. Restructuring can occur if it would make a business more attractive for sale, for example. What TUPE ensures is that length of service is taken into account should employees be made redundant for an economic, technical or organisational reason. As employees have a contract in the case of a share transfer, their length of service is recognised already, so they would not need the extra provision.

What of the other provisions in the Bill, which are designed to ensure that employees are informed and consulted? As I have said, some aspects of the Bill go further than TUPE. I fear that that might be true of the some of the information requirements in the Bill, particularly in respect of information on the prospects for the company over the next five years. Even if such information could be given accurately, that requirement would place an additional burden that does not exist currently. The Bill also suggests that employees and their representatives must be given sufficient time to get advice on the merits of the transfer and would allow for back-and-forth exchanges on such issues. That could take a significant amount of

time and could add extra uncertainty for employees. Sometimes a takeover may, in fact, be a rescue, making it necessary to proceed with some speed.

The Bill also sets out what the outcome should be if that procedure is not followed. I appreciate that my hon. Friend has said that he had further thoughts about the process since first drafting the Bill, but as it stands it says that the employees or their representatives could go to the High Court to ask for an injunction. That would be a new situation, where we would be asking the courts to decide whether an investment in a company should go ahead. Those provisions, taken together, could significantly inhibit necessary investment in the economy, and in some situations could work against the interests of employees, rather than in their favour.

Of course information and consultation are important, and regulations are in place to deal with that. The Information and Consultation of Employees Regulations 2004, which I shall speak of later in more detail, went a long way towards ensuring that employees are properly consulted and informed about changes to their company, by allowing employees in companies with, at first, more than 100 employees—soon to be 50—to ask for information at any time. The Government put those regulations in place to ensure proper consultation of employees in all companies. However, if the Bill was enacted, what would be the outcome if a TUPE transfer was also a share transfer—that is, if one company bought another and subsumed it into its main operations? Would the TUPE provisions allow for a one-off consultation about possible redundancies, for example, or would there be a much more comprehensive consultation that required the share investor to state all the relevant facts

"in relation to the period beginning with the date the information is provided and ending 5 years after the date of the proposed transfer"?

As has been said, there is no shortage of litigation with regard to TUPE. I fear that the Bill, certainly as it stands, would end up adding to the confusion, not only for the employers—the transferor and transferee—but, in some situations, for the employees as well.

The hon. Member for Shipley (Philip Davies) spoke for some time. I am happy that he acknowledged much of the success of the investment environment. The OECD has rated the UK as having the lowest barriers to entrepreneurship of any major economy, and for the second year running the UK maintains its overall ranking, in a list of 178 world economies, as the sixth easiest economy in which to do business, according to World Bank benchmarks. The UK's ranking as an economy in which to start a business has improved from ninth place last year to sixth place this year. The World Bank also confirms that ours is one of the top two European economies in which to do business.

The statistics on start-ups in the UK are good: we are the third best of the G7, behind the US and Canada. The UK business population continues to increase, and there are some 1,800 start-ups every working day in England and Wales. Business survival rates are also higher than a decade ago, with 92 per cent. of VAT-registered firms still registered after one year, and now over 1 million more people work in small and medium-sized enterprises than did seven years ago. We want to maintain that environment.

One of the reasons behind the Bill is that, as a result of some high-profile takeovers, fears have been raised that private equity firms can be short-termist and impact negatively on jobs and investment in the companies in which they take an interest. That debate will continue long after today. However, whatever one may think of private equity in all types of businesses—those owned by private equity funds, small businesses or others—change is sometimes necessary. A takeover can sometimes be positive, leading to change that helps to reinvigorate a company and strengthen its prospects. Takeovers can mean long-term investment decisions that improve productivity and profitability, resulting in a stronger company. We should always remember that the alternatives can be worse.

"Private equity" has become something of a catch-all phrase for many different transactions—from venture capital to helping budding entrepreneurs start a company, to the much more high-profile takeovers of companies which have been in the news. As in any field, some companies are good and others less good, but the Bill will not address that issue.

I am sure that, as in other fields, most private equity companies are responsible employers and others are less so, but generally there is little hard evidence to show that employees are disadvantaged when their company is bought or sold by private equity. Indeed, although the evidence base, particularly as regards the UK and European private equity markets, remains weak, and the results are inevitably to some extent conflicting, some facts are beginning to emerge.

Reference has been made to the studies carried out by Nottingham university. Studies from the Work Foundation and other institutions also show that although there can be an impact on employment in the first year after a leveraged buy-out, it often rises strongly thereafter. Far from being predators always out to make a quick buck, private equity firms can bring extra capital and new working practices to a company that is going through tough times. Although there can be job losses in the first year, the record can be better afterwards. Indeed, some of the investments are rescue efforts; it is also worth remembering that there are often job losses in the years leading up to a takeover, which suggests that the company concerned has not been in the best of health.

Mr. Chope: The Minister is making some excellent points, and I wonder whether he could use the good offices of the Leader of the House to arrange a meeting with Mr. Jack Dromey, to persuade him of the wisdom of his remarks.

Mr. McFadden: I am sure that the Leader of the House has more important business to deal with than arranging meetings for me. I may have something more to say about meetings later.

As I was saying, the evidence does not show that private equity takeovers are always a negative or about making a quick buck. Private equity firms often hold on to companies for a lengthy period, to add value to their business before selling them on. The average is about three years, which is often longer than the average time for which institutional investors hold on to their shares. The recent study prepared for the World Economic Forum concerns mainly the American

[Mr. McFadden]

market. According to that study, while jobs might fall initially, over time more new greenfield—so to speak—jobs were created than jobs were lost. Rather than damaging companies, private equity investment often quickened the pace of restructuring, allowing jobs to be created and making the most of new challenges and new markets, as all good management must do.

Let me now deal with how the TUPE regulations currently operate. As my hon. Friend the Member for Nottingham, East said, the TUPE regulations were revised in 2006, after extensive consultation, to give greater clarity to their provisions and to when they apply. Although there was always an attempt to adhere to the principle of allowing employers the flexibility and freedom to pursue economic activity, with fairness to employees, the review resulted in the regulations being extended to protect employees in transfers of the provision of services or contract provision, as well as in transfers of a business.

As my hon. Friend said, private equity has hit the headlines recently, but there were not hugely strong demands to extend TUPE to private equity share transfers when the consultation took place. The revision did, however, include a provision to allow more flexibility when a company is subject to insolvency proceedings, allowing the Government to pick up the costs of redundancy, the underlying aim of which was better to enable the sale of insolvent businesses as going concerns.

The hon. Member for Ribble Valley (Mr. Evans) asked a couple of times about the situation in Europe. The idea that share transfers should be included in the scope of the acquired rights directive was recently examined by the European Commission, which last year conducted a comprehensive review of the operation of the directive in all member states. The answers on the questionnaire of both member states and social partners were taken into account.

The directive, which is based on article 94 of the treaty, is aimed at protecting business employees in the event of a change of employer, particularly to ensure that employees' rights are safeguarded. It works on the premise that there are differences between member states regarding the protection of employees in this area, and stresses the impact that those differences can have on the operation of the single market. Consequently, it concludes that it would be advisable to harmonise that protection. The Bill would go further than the provisions in the directive.

The Commission stated:

"The aim of harmonisation is twofold: to ensure comparable protection of employees' rights in the Member States and to approximate the obligations which the rules of protection place on European undertakings".

The Court of Justice has indicated on several occasions that the rules of the directive are to be regarded as mandatory, in that it is not permitted to derogate from them in a manner that is detrimental to employees. Consequently, an employee cannot waive his or her rights under the directive, and those rights cannot be limited—neither with the employee's agreement, nor if the disadvantages resulting from renunciation are compensated in some other way.

On 31 August the directive had formed the basis for some 44 judgments from the Court of Justice, 30 of which concerned its scope and, in particular, the concept of transfer.

The European Commission's report added:

"The transfer of ownership of the majority of the shares in an undertaking or a change in the majority of shareholders does not constitute a transfer because the legal personality of the employer is unchanged. The Commission considers that a revision of the Directive, extending the definition of 'transfer' to include a change of control, as proposed by the European Confederation of Trade Unions, is not justified at this stage. Although a change of control can lead to changes in the undertaking, the employee's legal position vis-à-vis the employer is unchanged. In any case, Directive 2002/14/EC4 (the information and consultation directive) makes such changes subject to appropriate information and consultation procedures."

So the Commission's view was that such a change was unnecessary.

The report also examined the workings of article 7 of the directive, which concerns the obligation to inform employees in the event of a transfer. That is a major part of the Bill. Under article 7, both the transferor and the transferee are required to supply certain items of information to the representatives of their respective employees. Whereas the obligation to report is general, the obligation concerning consultation is limited. The latter obligation exists when the transferor or the transferee envisages any measures in relation to the employees, for example a reduction in the work force.

The consultation takes place

"with a view to reaching an agreement".

Member states are required to take all appropriate measures to ensure that the representatives of employees are appointed with a view to ensuring the provision of the information and consultation referred to in article 7. The directive gives member states considerable latitude when defining the procedures for nominating employees' representatives, and the obligations apply irrespective of whether the decision resulting in the transfer is made by the employer or by an undertaking controlling the employer. The report concluded:

"Nearly 30 years after its adoption, the Commission believes that Directive 77/187/EEC continues to play a key role in protecting employees' rights."

Let me now say a little about what private equity itself is doing. As my hon. Friend the Member for Nottingham, East said, there has been controversy, and as I said earlier, the private equity industry has recognised that transparency and the lack of information about private equity are issues, which is why it asked Sir David Walker to produce voluntary best-practice guidelines. They apply to UK private equity firms and to companies owned by them. Unlike the Bill, they are aimed principally at the large public-to-private buy-out end of the market. That sector consists of a relatively small number of firms, but between them they have made the largest acquisitions.

The guidelines set out principles to ensure that there is timely and effective communication with employees in particular at a time of strategic change as soon as confidentiality constraints are no longer applicable. They encourage the industry to ensure that employees

are consulted as far as possible—which, as has been pointed out today, is best practice anyway—and to ensure that the company performs to the best of its key asset, which is of course the ability of the people who work for it.

In his guidelines, Sir David considered the issue of why TUPE would not apply to private equity transactions. He explained:

"These regulations apply to business transfers...and are designed to safeguard the rights and obligations of the employees, for example, by providing protection for employees from dismissal for the sole or principal reason of the transfer itself, whilst still allowing a dismissal for a reason connected with the transfer where that reason is...economic, technical or organisational...Where a business is acquired by means of a transfer of shares, the TUPE provisions do not apply since the contracts with the employees are maintained and remain with the entity that has been purchased and are subject to existing legislation applicable to the proper treatment of employees."

That point was made by the hon. Member for Solihull (Lorely Burt). Sir David added, however:

"Whilst the guidelines in this report do not seek to address the provisions of TUPE"—

which, as he says, is rightly a matter of employment legislation—

"they are explicitly attentive to the interests of employees, who are a major stakeholder in the company and the major contributor to a company's success."

He called for an end to what has been perceived as excessive secrecy from employees by UK portfolio companies, and for a commitment by private equity firms to communicate and engage effectively with employees either directly or through their portfolio companies.

The report recommends that a portfolio company should include as part of its audited annual report and accounts the following enhanced disclosures, which should focus on substance rather than form, and on the economic reality of a company or group rather than its legal structure. It states:

"The report should include a substantive business review that contains all the material necessary for an understanding of the development, performance or position of the company's business, including the main trends and factors likely to affect the future development, performance and position of the company's business; and information for the company's employees, social and community issues, including information about any policies of the company in relation to those matters and the effectiveness of those policies. The financial review should cover risk management objectives and policies in the light of the principal financial risks and uncertainties facing the company, including those relating to leverage, with links to appropriate detail in the footnotes to the balance sheet and cash flow section of the financial statements."

The Government believe that that is the right approach, and that it is in the interests of the private equity industry to provide information that will improve public understanding of the industry by demonstrating its contribution to the UK economy and employment.

Most good employers recognise that companies are increasingly dependent on human creativity, and a company that does not care what its staff think does not get its staff to "buy into" its new market goals and aspirations, and is less likely to be successful than one that does so. I am delighted that for the second debate running on these issues we have heard about the excellent employment practices to be found in Swansea, which perhaps reflect such points.

The concept of having a job for life is now unusual, and if people have to change jobs in the future it is important in order to succeed that they have both the hard skills in terms of qualifications and the soft skills in terms of experience. That is why the Government, and my right hon. Friend the Secretary of State for Innovation, Universities and Skills in particular, are investing so much in improving the skills of people at work to ensure that they can continue to learn and adapt throughout their working lives. That has replaced the old concept under which learning stops at the end of formal education or soon afterwards.

I would like to deal in more detail with some of the specifics of the Bill. Clause 2 deals with individual employment rights where a transfer takes place. The TUPE regulations implement the acquired rights directive, which exists to protect employees where a business, part of a business or a service provision has been transferred, within the meaning of the regulations, from one employer to another. Employees need that protection because without it they would be forced at a time of uncertainty to negotiate a new contract with a new employer. Under a share transfer, however, the identity of the employer does not change, so it is not as though employees in that situation are without protection; they continue to enjoy the protection of the employment contracts that they have. The employee's contract of employment is still valid and cannot be altered without the agreement of both the employee and the employer. I cannot therefore see why such a new provision is needed or that it would afford employees any further protection where shares pass from one company to another.

Clause 3 of the Bill deals with collective employment rights. The Bill's supporters fear that changes of ownership could lead to a new approach by an employer towards its recognised trade union, that collective agreements could be set aside, or that the union could be derecognised. Union derecognition in this country is relatively uncommon. There are tens of thousands of recognition arrangements in this country, but, according to the best estimates available, there have been very few derecognitions since 2000.

My hon. Friend the Member for Nottingham, East will recall that this Government introduced a statutory procedure for union recognition, which came into force in 2000. That provides a workable system for a trade union to become recognised where a majority of the work force want it. Under the procedure, the Central Arbitration Committee can compel an employer to recognise a trade union, when the employees want it. The Central Arbitration Committee has awarded recognition in more than 180 cases. Those awards either followed an independent and secret ballot of the affected work force, which indicated a clear majority in favour of recognition, or were granted without a ballot because a majority of the affected work force were already members of the trade union in question.

The procedure is also credited with stimulating an upturn in the number of voluntary recognitions that trade unions achieve. The procedure was designed to encourage parties to discuss issues and find a voluntary resolution. When the Government reviewed the statutory procedure a few years ago, it was found that

[Mr. McFadden]

the procedure had indeed had that effect. In fact, the number of voluntary recognitions dwarfs the number of statutory awards made by the Central Arbitration Committee. Some 900,000 employees are now covered by recognition arrangements as a direct or indirect result of the statutory procedure.

Andrew Miller: My hon. Friend will recall that those regulations replaced the regulations that were put in place by the Trade Union and Labour Relations (Amendment) Act 1976, which were subsequently abolished by the previous Conservative Government. I hope that he has noticed a shift in position today, with the Conservatives saying that they are satisfied with the present regulations.

Mr. McFadden: Conservative Members' comments that they were satisfied with the current regulations were reflected in the speech made by the hon. Member for Huntingdon (Mr. Djanogly).

Our review of the procedure concluded that it was working in a reasonable manner, and that it had avoided the pitfalls and problems that beset attempts to devise statutory procedures in the past. The existence of the statutory recognition procedure has the effect of making someone think twice before derecognising a union that has been voluntarily recognised. Why should an employer derecognise, if the union could then restore recognition via the statutory procedure, if the majority of the work force wanted that to happen? At the very least, the decision to derecognise could draw the employer into the statutory procedure. I would argue that the existence of the statutory procedure already provides an adequate safeguard against decisions taken by an employer to derecognise a union that enjoys the support of a work force in a company.

I fear that the Bill's treatment of union recognition goes beyond the provisions in the TUPE regulations. It does not merely provide the same protections as those that apply in TUPE. Let me explain that point. Under regulation 6 of the TUPE provisions, the new employer, the transferee, is tied to the recognition arrangement in just the same way as the old employer, the transferor—no more, and no less. That logic applies to a number of the provisions in TUPE. In other words, the new employer stands in the shoes of the old one and is tied to the recognition arrangement in exactly the same way. So the freedom of the old employer to derecognise the union, albeit in the context of the statutory procedures that I have outlined, applies equally to the new employer in a TUPE situation. Most recognitions are voluntary and can be terminated by either side within notice periods if they so wish. Under TUPE, the new employer can choose to derecognise the union within such a time scale; in practice, very few do, but TUPE would, in theory, allow them to do so.

However, there is no cross-reference to regulation 6 of TUPE in the Bill; nor is there a cross-reference to regulation 5, which explicitly deals with the status of collective agreements. Instead, clause 3 refers to the issue of union recognition and other collective agreements by stating that they are subject to parts of regulation 4 of TUPE. Yet that regulation deals with individual contracts of employment between the employee and the employer, and does not cover collective agreements between the trade union and employer. The net effect is significantly to change the treatment of union recognition agreements and other collective agreements.

For example, under clause 3, after an equity transfer, the employer could not derecognise the union for a reason unconnected with the transfer, unless he has an economic or technical reason to do so. That would provide a new legal underpinning to voluntary recognition deals that is different from TUPE and other statutory procedures—a limitation not found within the TUPE regulations. My hon. Friend the Member for Nottingham, East said several times that his intention was to treat equity transfers as if they were TUPE transfers, but on that point and one or two others, I fear that that principle is not quite reflected in the Bill.

Clauses 4 and 5 deal with information and consultation rights in the event of an equity transfer. That is an important issue, so I quite understand why my hon. Friend emphasises it. Clause 4 defines the information and consultation rights, including their timing, the identity of the participants and the content of that dialogue; whereas clause 5 deals with the available remedies. These provisions are based on regulations 13, 14 and 15 of TUPE. Again, however, there are important provisions in those clauses that are not found in the regulations, which would have the effect of conferring a different set of rights under the Bill from those under TUPE.

I appreciate the importance of proper consultation and a number of important consultation rights already exist. As I have already mentioned, perhaps the most important are in the Information and Consultation of Employees Regulations 2004. Where those rights are exercised, they would ensure that the business implications of new ownership are thoroughly discussed with the work force and their representatives. The 2004 regulations cover many of the circumstances with which clauses 4 and 5 are concerned.

The 2004 regulations were seen generally as a very important step in our system of industrial relations. Indeed, John Monks, the former general secretary of the TUC, described them as

"potentially the most significant piece of employment legislation ever to be introduced in the UK".

They were based on an agreement reached between the TUC and the CBI. Those rights apply to employers with 100 or more employees and next month they will be extended to cover those with 50 or more. That means that they will cover a significant proportion of UK employees and a comfortable majority of those in organisations that are likely be subject to equity transfers of the kind that the Bill is concerned with.

The 2004 regulations are flexible, allowing employers and employees to devise the consultative arrangements that best suit them. In our view, it is preferable for businesses and employees to decide their own arrangements voluntarily. The 2004 regulations provide scope, however, for employees to require the employer to introduce information and consultation arrangements where none exists. They also provide scope for employees to seek new systems where they consider that voluntary systems are insufficient.

The object of the discussions is to reach an information and consultation agreement. Under the 2004 regulations, employers and employees are free to include in their agreement any aspect of the business's operation as a subject for consultation, including issues around business ownership. When parties fail to reach an information agreement, the employer is required to institute a fall-back set of standard consultative provisions. Under the 2004 regulations, that includes consultation on the recent and probable development of the economic situation; the current and anticipated employment levels, particularly if there is a threat to employment in the undertaking; and decisions likely to lead to substantial changes in work organisation or contractual relations.

There is therefore an important opportunity in the 2004 regulations for employees, supported by their trade unions, to require an employer to discuss issues consequent upon equity transfers. Moreover, the regulations enable employees to create long-term information and consultation arrangements to help them influence decisions on a continuing basis. The Government recognise the importance of the regulations, which can be extremely valuable. We have kept a commitment to publicise them. We have alerted affected employers, arranged mailshots, sent e-mails, put information on the web to raise awareness and recently written to an estimated 40,000 organisations employing 50 to 99 employees, which will be brought within the scope of the regulations in April. ACAS has put together a programme of training events to help parties consider the effect of the regulations on them.

Clauses 4 and 5, on consultation, go further than either the 2004 regulations or the TUPE arrangements. They would require a five-year forward look, with recourse to the High Court should that not happen. Again, that would not simply translate TUPE but go beyond it.

The consultation rights available to employees do not stop at information and consultation regulations. Other important rights are available. We have heard in the debate about redundancies. When an employer proposes redundancies, other existing consultation rights come into play. If more than 20 redundancies are proposed in a 90-day period, the employer is required to consult for a minimum of 90 days with employees' representatives. They must discuss the reason for the redundancies as well as ways of minimising or avoiding them. If that discussion does not happen, each employee concerned may be entitled to a protective award, which constitutes a significant incentive for the employer to consult properly in accordance with the law.

We have also heard that private equity companies can be large undertakings, operating across borders in several EU member states. That could bring them within the scope of the European works council directive, which is another information requirement. The UK is subject to it, and it led to our implementing the Transnational Information and Consultation of Employees Regulations 1999. Those regulations provide employees of European-level undertakings with ongoing access to information and consultation rights. They give employees of undertakings or groups of undertakings with at least 1,000 employees in total, and at least 150 employees in each of at least two member states, the right to be represented on a European works council. As has been said, a new owner might wish to change the terms of an occupational or stakeholder pension arrangement, in which case another consultation right comes into play—the 2006 occupational pension schemes regulations.

My hon. Friend is right to stress the importance of information to employees. The purpose of my going through the rights available to employees in some detail is to show that we share his concern and have introduced a number of regulations to ensure that employees have recourse to information.

Mr. Chope: I appreciate the level of detail that the Minister has provided. Will he explain why the Government did not give a written response along those lines in answer to the request of the Select Committee on the Treasury last July? If the Government had given such a response, perhaps the Bill would never have come about.

Mr. McFadden: My understanding is that when the Government gave information to the Select Committee, they covered the position that I set out—the difference between an employer changing hands and a share transfer under TUPE.

As I say, consultation rights are important, but the Bill goes beyond those rights, and beyond TUPE, on the issues of the five-year period after the transfer and recourse to the High Court. The Bill would compel the employer, the transferee and the transferor to provide information on a number of topics. Some of those requirements are reflected in other regulations such as the European works directive, but the situation as regards that directive is not quite the same. It is about ongoing consultation on the overall position of an enterprise, and not about providing a snapshot of the moment at which an equity transfer is taking place. The consultation process defined in clause 4(5) is more prescriptive and detailed than that in TUPE. It would take some time for the back-and-forth exchanges envisaged to take place; indeed, it could take many months, when there was a prospective transfer.

For the reasons that I have set out, which have to do with share transfer and the respects in which the Bill goes beyond TUPE, the Government cannot support the Bill. However, I would not want my hon. Friend or other hon. Members to think that we were unconcerned about the issue of the exploitation of employees. We are alive to such issues on a number of fronts. We have put significant resources into enforcement of existing employee rights, and rightly so. To refer back to debate a couple of weeks ago, we have given agency workers new rights to withdraw from tied accommodation and transport, without any detriment to themselves. Our Employment Bill, which will improve rights in relation to the minimum wage, will have its parliamentary stages this Session.

The TUPE regulations were reviewed and service contract transfers were included; that reflected our concern about the issues. We know that the TUPE provisions are necessary to protect a group of employees in a specific situation—not share transfer—and at a time of significant uncertainty. We are aware that Britain has benefited enormously over the past 10 years from a flexible business environment. The Bill's provisions go further than TUPE and would apply to a much wider group of companies, and we do not think that that is necessary, so we cannot support the Bill.

[Mr. McFadden]

However, I accept that my hon. Friend the Member for Nottingham, East genuinely wishes to ensure proper protection for people at work. He was kind enough to thank me for the positive, constructive dialogue that we have enjoyed on the issue in recent weeks, and I am certainly happy to maintain a dialogue with him on the subject. He knows that a voluntary code of practice, to which I referred, has been developed by private equity firms. I am pleased to tell him that my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform is happy to facilitate a round-table discussion on the issues involving my hon. Friend, representatives of private equity companies and trade unions. The hon. Member for Ribble Valley said that we should be discussing such issues with interested parties, and, as I say, my right hon. Friend the Secretary of State is happy to facilitate a round-table discussions on these issues.

My hon. Friend will also be aware that the Treasury Committee looked into the matter of private equity and issued an interim report last year. My understanding is that the Committee intends to return to the issue at some point, and I am sure that it will be interested in receiving representations from my hon. Friend, the industry and external supporters of the Bill when it does so.

For the reasons that I have set out, I do not believe that the Bill is the right vehicle for dealing with the issues that have been raised. However, in view of the dialogue with my hon. Friend that I have offered, including the round-table facility, I hope that he will consider withdrawing the Bill and pursuing the issues that he has raised today in the manner that I have suggested.

1.56 pm

Mr. Christopher Chope (Christchurch) (Con): I congratulate the Minister on having given us almost one hour of good, robust common sense. I sympathise with the hon. Member for Nottingham, East (Mr. Heppell), but my regret is that he has been led up the garden path, perhaps not by the Minister or the Government, but certainly by Mr. Jack Dromey.

You know, Mr. Deputy Speaker, how valuable and precious this Friday time is for private Members' Bills, and the hon. Gentleman, who had the good fortune to come fifth in the ballot with the chance to bring forward new legislation that he thought would make the world better for some if not for everyone, chose the Bill, submitted its long title and had every opportunity to discuss it with the Government, but only now, at the eleventh hour, are the Government saying, "Let's have a round-table discussion."

I am sure that the hon. Gentleman will eagerly take up that option because it is the only morsel on the table for him to grab, but I want to challenge the Government as to why this mass of information on a technical subject, which had been requested by the Treasury Committee last July, was not provided sooner. The Committee pointed out, in paragraph 81 of its report, that several witnesses had said that TUPE applied if assets were bought from a company, but not if shares were bought, and therefore that TUPE did not apply to takeovers. On the other hand, witnesses from the British Private Equity and Venture Capital Association said that TUPE did apply to takeovers. The Committee said:

"We ask the Government to clarify the application of TUPE to takeovers in time for the resumption of our inquiry."

The Minister referred to the fact that he expects the inquiry to be resumed, but I would have expected, as I am sure would the hon. Member for Nottingham, East, that the information requested would have been supplied far in advance of today. If it had been, it would have helped the hon. Gentleman to have had a better-drafted Bill, which did not contain many provisions that even today he has said that he does not wish to apply and which, were the Bill to reach Committee, he would seek to withdraw.

There is an issue here about process and the extent, or lack of it, to which the Government are prepared to take Back Benchers seriously. The Bill is supported by 12 of the Minister's right hon. and hon. Friends. In a sense, it does not affect Conservative Members because none of us is a supporter of the Bill, but those right hon. and hon. Gentlemen deserve better from the Government than to have had this long explanation at this late stage. They should have had it much earlier and then the Bill could have been amended, withdrawn or produced on a different basis. We will hear from the promoter of the Bill shortly, but it may be that, in retrospect, he will say, "Well, if I'd known how the complicated law was, I wouldn't have introduced this measure. Having been successful in the ballot, I would have introduced a completely different Bill."

I shall not speak at great length, but I should like to put on record the fact that, when the Minister referred to what has been happening in the European Commission, he gave a long quote that included at the end of the sentence the expression, "at this stage". In other words, the Commission was saying that it did not want to introduce any change at this stage. I hope that the Minister will be alert to Euro-speak and to the fact that that phrase can well mean that a green or amber light is being given to people, particularly in the European trade union movement, to go on pressing for change notwithstanding the very strong arguments that the Minister has articulated against such changes.

It is regrettable that, if the European Commission decided that it would not introduce any more legislation pursuant to the acquired rights directive, it did not just stop and say, "No, we don't see the case." Instead, they said, "We don't see the case at this stage." That introduces an element of doubt and uncertainty, which is undesirable and may well contribute in the end to the sclerosis of European economies. The European Commission almost suggests that, given half a chance, it would like to introduce more regulation and control. That sends out a very bad message.

There is quite a lot of irony in what has happened today. Certainly, the relationship between the Leader of the House and Mr. Jack Dromey is well known to everyone. The fact that he has been mentioned as the person responsible for the Bill will cause quite a lot eyebrows to be raised outside the House. I do not know how he will deal with the issue at the dinner table this evening with his wife, but I am sure that quite a lot of us would like to be there to see what happens—if indeed the Leader of the House, who is a conscientious

follower of the proceedings here, is aware of what has been happening today, as I am sure she must be.

The hon. Member for Nottingham, East has appraised me of his intentions about the Bill for some considerable time; we have the privilege of serving together on the Administration Committee. All I can say is that I sympathise with him about the position that he finds himself in now, and I look forward to hearing what he has to say.

2.2 pm

Mr. Heppell: The hon. Member for Ribble Valley (Mr. Evans) talked about the unintended consequences of the Bill, and I have certainly already seen some of them. The private equity industry will never have had such glowing praise. Certainly, the standing of both the private equity industry and Mr. Jack Dromey has gone up considerably. I suspect that both their reputations have been enhanced, probably in very different quarters.

I shall be brief; I see the hon. Member for South Suffolk (Mr. Yeo) sitting there, and I am sure that he would like to have a few moments to speak to his Bill.

I hear what the Minister is saying, but I do not agree with everything that he said. At one stage when the hon. Member for Shipley (Philip Davies) was talking, I realised that he would have opposed anything that concerned regulation. I suspect that he does not support TUPE, as it applies now. However, having listened to the Minister read out all the things that people could do to be consulted and become involved when equity transfers take place—Bill after Bill, and occasion after occasion—I started to think that perhaps a bit too much regulation covers those transactions. The real point is that I could go through each thing that the Minister mentioned and explain why it is different from TUPE. He was saying what could be done, but none of those things equates to the same protection as people would receive under TUPE. I still feel the same as I did at the outset. I cannot see a logical reason why an equity transfer that causes distress or uncertainty for workers should not be treated in the same way as a general takeover in which TUPE applies. I do not see why one group of workers should not have the same rights as another group of workers.

I thank my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) and my hon. Friend the Member for Stafford (Mr. Kidney) for their contributions. On a day on which I came in for a fair amount of criticism, it was nice to have someone on my side supporting me. I should thank my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller), too—I nearly missed out one of my star lieutenants. I thank the hon. Member for Ribble Valley (Mr. Evans), although I disagreed with him. He seemed to say all the right things about workers' protection and wanting to protect the vulnerable, but he came to a different conclusion, and said that the way to protect them was to give them no protection. However, he did so in a witty way, which I appreciated.

The hon. Member for Solihull (Lorely Burt) expressed a balanced view. She tried to put the TUC view and the CBI view but, unfortunately, she fell on the wrong side of the fence. Listening to the hon. Member for Huntingdon (Mr. Djanogly) was like stepping back into the past and going back 30 years. It was the old, tired politics of them and us—the unions are all bad, and business is marvellous. I do not believe that there is any sensible person in the House who thinks that way any more. We all recognise that trade unions have a part to play in society and, at the same time, the Government have managed to create an economic situation that allows private investment companies to thrive. As a result, we have allowed the economy to grow. I am sure that there are no Government Members who want to kick business for the sake of kicking business, so I am sad that the debate descended to that level.

I will end by saying two things. Like Opposition Members, I picked up on the Minister's comments on the European Commission. I wrote down what the Commission said, because I thought it was significant. It said that such a measure was not justified "at this stage." That brings me back to what I said at the beginning of our debate. Without Government support, the Bill is going nowhere, and I am realistic enough to accept that. To use the Commission's phrase, at this stage, the measure is not going anywhere.

The fact that two sets of workers have different protections is unsustainable, and at some stage in future I think that something will be done to address that. I accept that the Bill is not the right vehicle to do so, but I welcome the opportunity that the Minister gave me to carry the issue a bit further and engage with the BVCA, other parties who are interested in such investment, trade unions and others to try to see whether there is a solution to the problem. I do not know exactly what it is, but if we have proper discussions, I am sure that we will find it and, in doing so, help investment companies in the private sector to participate in proper competition and, at the same time, protect their workers' rights. With that, I beg to ask leave to withdraw the motion.

Motion and Bill, by leave, withdrawn.

Energy Saving (Daylight) Bill

Order for Second Reading read.

2.9 pm

Mr. Tim Yeo (South Suffolk) (Con): I beg to move, That the Bill be now read a Second time.

I am grateful to my hon. Friend the Member for Christchurch (Mr. Chope) and to the hon. Member for Nottingham, East (Mr. Heppell), who spoke on the previous Bill, for their restraint in allowing me a few minutes to put the case for the Energy Saving (Daylight) Bill for the second year running. I am delighted to have this chance to return to the House with the same private Member's Bill. I waited 24 years to get a place in the ballot and then, just as buses come along all together, I got it two years in a row. When I got it for the second time, I had absolutely no hesitation in choosing the same issue—in fact, it is the same Bill. I think that I was being environmentally responsible in doing so. We had to change the dates, but in every other respect it is an identical measure to the one that failed to get a Second Reading a year ago.

In the past 12 months, I have been encouraged by the enormous number of supportive e-mails, letters and other communications that I have received. In that period, the groundswell of support for what I believe is a common-sense and overdue change has risen significantly. This is an idea whose time has clearly come.

My Bill would put the clocks forward by one hour all the year round. We would have double British summer time in the summer and British summer time in the winter, which we can summarise as single-double summer time—SDST for short. The clocks would still change twice a year, as they do now, but there would be an extra hour's daylight in the afternoon or the early evening on every single day of the year. I cannot, I am afraid, produce more daylight during the day, which is a shame—I may work on that in the future—but for the time being it would be sufficient and very advantageous to move that daylight to the time of day when people are up and about rather than when they are asleep in bed. Of course, the change comes at the expense of losing an hour's daylight in the morning, but the benefits of more daylight in the afternoon are considerable.

I am also aware of the current imbalance between the dates on which the clocks go back in October and when they go forward in March. They go back about seven weeks before the shortest day of the year and forward about 13 weeks after the shortest day. Several people have advocated bringing forward the date on which the clocks go forward. I would support that, but I think that they are, in a sense, accepting the principle behind my Bill. They are saying that it is better to have more daylight in the afternoon or early evening for more weeks of the year. I believe that they should follow the logic of that position and say, "Let's back the Bill and have it all the year round."

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I hear what the hon. Gentleman is saying—I am a fan of symmetry either side of midwinter—but I think that his logic is extreme. If he is bringing back the same Bill, he hit his head against a wall last year and is coming back this year to do it again. Had he taken on board the suggestions that were made on the Floor of the House last year, he might have had more support this year, but he comes back with the same Bill, and I fear the same result for him.

Mr. Yeo: In my judgment, this is an idea whose time has come. Support for it is growing, the case for it is getting stronger, and the evidence is getting stronger. That is why I felt encouraged to bring back the same Bill.

Mr. Nigel Evans (Ribble Valley) (Con): It was good to wake up to the sound of my hon. Friend's voice this morning on the *Today* programme. When Scotland was mentioned, he said that the Bill would allow Scotland to do what it likes, which is in clause 9. Scotland has special problems with his Bill but can do what it likes. I represent a north-western constituency that is only a few hours away from Scotland and where we have similar problems, if to a lesser extent, but there is no provision for us to have a different time zone. It would be ridiculous for the north-west to be on a different time zone from other parts of England, and just as ridiculous if Scotland were to have a different time zone from the rest of the UK.

Mr. Yeo: My hon. Friend is a stout champion of his constituents' interests, but I do not accept that it is necessarily impossible for a country to have more than one time zone. Many countries do, and the people who live in them, even those who live on the borders, and on the cusp of the different time zones, seem to arrange their affairs in a perfectly satisfactory way. I would point out to him that a significant proportion of the UK population resides very close to the continental European time zone and frequently travels there. Many people in London would travel to the continent more frequently than they would even to my hon. Friend's constituency. The inconvenience suffered as a result of different time zones already affects an awful lot of people.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I congratulate my hon. Friend on bringing the Bill to our attention for a second time. Let me place on the record the fact that Conservative Front Benchers will not object to it and believe that the benefits in terms of tourism, energy reduction, CO_2 emissions and lives saved make it worthy of further debate in Committee.

On the issue of devolution, I would be more inclined to support the Bill if clauses 5, 6 and 7 were amended, so that we had one decision for the United Kingdom, rather than the matter being split up into the various devolved areas.

Mr. Yeo: I am grateful to my hon. Friend for his support for the general principle of the Bill. I recall that during the debate last year, he intervened on my speech to express support from the point of view of his constituency. I recognise that the provision to give Scotland, Northern Ireland and Wales their own opt-outs in the Bill is somewhat controversial, but I believe that that aspect could be dealt with in Committee or perhaps on Report. I am not wedded to that provision, but to the principle of extending the afternoon lighter hours—that is the crucial thing for

me in the Bill. The detail about whether different parts of the UK have an opt-out and the sort of remit given to the review panel are matters on which I will be quite flexible when the Bill gets to Committee, which I hope it will one day.

Kate Hoey (Vauxhall) (Lab): The hon. Gentleman talked about more daylight at the end of the day. Does he realise the effect that the Bill would have on rural communities, farmers—particularly in the north of England, Northern Ireland and Scotland—and postal workers, which is why the Communication Workers Union is opposed to it? Those up earlier in the morning would be at a disadvantage, even if there were some advantage at the end of the day.

Mr. Yeo: There is indeed a group of workers who have to work in the mornings. It has interested me that the farming community is far less resistant to the idea than it was 20 years ago. In fact, my dialogue with the National Farmers Union suggests that it is almost in a position of neutrality on the Bill, compared with its opposition some time before. As for the postal workers' union, I wish my post arrived during the hours of darkness. The post that I receive in London—less than a mile from here—arrives at about 11 o'clock in the morning, so I do not think that the people who deliver it are going to be too badly affected by a change in the time.

Kate Hoey Will the hon. Gentleman give way?

Mr. Yeo: I cannot, I am sorry. I am running out of time and I want the Minister to have five minutes.

There are four reasons why this change is so important. The first is the saving of lives on the roads, particularly young lives. When the Road Safety Bill was in Committee, the then roads Minister, the hon. Member for South Thanet (Dr. Ladyman) said:

> "I am prepared to accept that approximately 100 lives would be saved and 400 people killed or seriously injured would be spared that fate."—[*Official Report, Standing Committee A*, 20 April 2006; c. 288.]

That would happen simply through making this change.

Andrew Miller (Ellesmere Port and Neston) (Lab): Would the hon. Gentleman accept that it is already within the power of education authorities throughout the country to amend school times to address that point? Perhaps they should do so.

Mr. Yeo: It is, but that would not achieve the other benefits that I am about to describe. The evidence on road safety is absolutely unambiguous, and I draw attention to the helpful leaflet that all hon. Members have now received from the Lighter Evenings campaign.

Mr. Christopher Chope (Christchurch) (Con): Will my hon. Friend give way?

Mr. Yeo: No, I am sorry, I cannot give way again.

The leaflet states that

> "accident rates rise after the clocks change in October when visibility...begins to worsen."

When the previous experiment with single-double summer time was conducted, 2,500 deaths and serious injuries were avoided each year. For Parliament to refuse to take such a simple step puts on the conscience of every hon. Member the fact that during the lifetime of this Parliament, almost one person in every constituency will die unnecessarily. That is a deplorable state of affairs.

The benefits of safer roads apply throughout the whole United Kingdom. The Transport Research Laboratory analysed the effects of the previous experiment, and found that the benefits get disproportionately greater as one goes further north. The biggest advantages come in those parts of the country that seem to find the idea least acceptable.

The road safety grounds are sufficient ones on which to introduce the Bill, but a second and equally important advantage concerns energy use. We are more conscious today than we were 20 years ago of the importance of energy saving and cutting carbon emissions. A Cambridge university study showed that peaks in demand for electricity and energy consumption would be lower if this change were made, particularly in the winter. Carbon emissions would be cut by more than 1 million tonnes a year at no cost whatever to GDP.

Mr. Chope: Will my hon. Friend give way?

Mr. Yeo: No, I am sorry, but I will not have time to let the Minister get to his feet.

The Policy Studies Institute concluded that the change would reduce energy use and fuel bills, which was confirmed by the National Grid Company. A more recent study, which took place since I introduced my Bill last year, showed that the change would reduce the overall UK electricity price in winter by as much as 5 per cent. because early evening peaks in demand would be reduced, and the need for as much power to be kept on standby would be obviated. Those findings were also confirmed by the National Grid Company's modelling a year ago and would also address the matter of fuel poverty, which is rightly of great concern in many parts of the House.

There are other, unquantifiable benefits for energy, such as people's greater willingness to use public transport or to walk or cycle in the hours of daylight. Only today I received an e-mail from someone who says that they often cycle through my constituency and would do so far more often if they could complete their journeys in daylight.

The third reason the policy would be so advantageous is the boost that it would give to tourism, Britain's fifth largest industry. The change would lead to more inward visits, generating an extra £1 billion of inward revenue and thereby reducing the huge balance of payments deficit that currently exists in the tourism industry. It is estimated that a further £2 billion of spending would be generated in the leisure sector if people had the opportunity to visit historic sites and other attractions in the hours of daylight in the afternoon. The tourism industry is important to Britain. It has jobs that cannot be exported to the Asia-Pacific region. It is a 21st-century industry and we should give it as much help as we can.

[Mr. Yeo]

The fourth reason for the change is quality of life. Again, only this morning I received an e-mail that said:

"I think this might be the single biggest thing that the government could do to improve my quality of life. Like most people who work full time, I have no time for leisure in the morning; I get up and get to work. My leisure time is when I get home from work, at about 7 pm. Yet at that time it's only light enough to go for a run, or potter in the garden, for about four months of the year. To extend that to perhaps six or seven months would mean...a huge amount to me"—

and indeed to millions of other people.

There would be health benefits, too. The opportunity for more physical recreation and outdoor activity would help to address the problem of obesity and its associated consequences, with great, unquantified savings to the national health service, including through avoiding lost production capacity.

On energy use, I should also mention that the amount of carbon emissions saved is not insubstantial, but equivalent to half the current amount of electricity being generated from renewable sources. That would amount to 15 per cent. of the European Union's challenging 2020 target, which Britain has accepted, to increase the amount of electricity produced from renewable sources. There would be advantages to those, particularly in Scotland, who are concerned about the requirements for large numbers of wind farms. The Bill would be an easier way of achieving a reduction in carbon dioxide emissions.

The opportunity that the Bill provides is enormous. There are many other benefits, including for the Olympic games and training opportunities, with perhaps a chance for the children inspired by the games to participate in outdoor activities under better conditions. People who do business in Europe currently find it difficult to get to morning meetings in countries on continental European time. That difficulty would be eradicated.

Most measures that come before the House that save lives, cut carbon dioxide emissions, reduce energy bills, boost an important industry and improve the health and well-being of many citizens carry a price tag, in the form of higher taxes or higher prices for consumers, or involve the imposition of more regulations and red tape on business. My Bill does none of those things. It is all gain and no cost—a change that carries no penalty for anybody.

My Bill is an idea whose time has come, and I am certain that within 10 years the change will have been made, but each year that Parliament delays making it, another 100 lives are needlessly lost on the roads and another 1.2 million tonnes of carbon dioxide are emitted. I hope that the Minister will use the seven minutes that remain to announce the Government's support for the measure. If he does not, he will have some searching questions to answer.

If my hon. Friend the Member for Bournemouth, East (Mr. Ellwood), the Opposition spokesman, has the chance, I know that he will make it clear that the Conservative party now feels sympathetically towards the policy. I hope that that sympathy will be translated into a strong commitment at the next election. If we had had a full day's debate today, I am confident that many hon. Members would have expressed their support for the Bill. I hope that one of them will pick up the same measure next year, if the Government have not already done so.

2.24 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): Time is very much against us, and I congratulate my hon. Friend the Member for South Suffolk (Mr. Yeo) on getting in as many pertinent points as he could in the limited time. I shall do my best to end soon enough to allow the Minister to make at least a couple of comments if Labour Members will allow. I should like to clarify some of the points that have been raised. The Conservative party would like the Bill to progress to Committee; it has merits, mentioned today, that deserve further scrutiny.

I should like to start with tourism, as I am the shadow tourism Minister. I am grateful for the feedback that I have received from all sorts of quarters, showing that the Bill would extend our tourist season. It would boost inbound tourism by more than £1 billion and overall spending in the UK leisure sector by more than £2 billion. The tourism industry needs a boost, and the Bill would certainly be welcome.

Mr. MacNeil: Will the hon. Gentleman give way?

Shona McIsaac (Cleethorpes) (Lab) *rose—*

Mr. Ellwood: I shall not give way; time is against me—I apologise.

Road safety is one of the main reasons why 70 countries around the world have changed their time slots; they have done so to prevent accidents on the road.

Mr. Chope: Will my hon. Friend give way?

Mr. Ellwood: I will not.

Some 82 per cent. of accidents involving schoolchildren happen in the evenings, and only 18 per cent. in the mornings. That fact alone shows what benefit would come from the time shift.

The last experiment on this issue took place in 1969-70. Page 10 of the Library's useful guide on this shows that deaths and serious injuries in Scotland during 1970 went down by 107, and total casualties were reduced by 390. That was in Scotland alone; further down the UK, the numbers would increase.

Mr. MacNeil: Will the hon. Gentleman give way?

Mr. Ellwood: I will not, I am afraid; time is against us.

It has been mentioned that there would be knock-on savings of £200 million a year for the NHS, not to mention the lives that would be saved.

Carbon emissions are very relevant these days, and that is why we need to consider the issue of daylight saving differently from how we did four years ago. The National Grid Company has commented that the peak in electricity demand would be lower, enabling the country to operate at a lower capacity at all times throughout the year. Furthermore, school activities would increase, more after-school functions could take place and kids could be helped away from the television.

Crime would also reduce. Obviously, criminals enjoy darkness more than light. There would also be economic advantages: the City and the London assembly are both in favour. However, I stress that there are disadvantages—

Mr. MacNeil: Will the hon. Gentleman give way on that point?

Mr. Ellwood: I will not give way, sir.

The disadvantages must be given more scrutiny. We have not heard from many of the relevant voices, although we have heard from the farming industry—

Mr. MacNeil: Will the hon. Gentleman give way?

Kate Hoey *rose—*

Mr. Ellwood: I am not going to give way or be bullied, because there are only three minutes left. I should like us to have more time. I see from the barracking that people want to put their points, but there is simply not the time.

Let us allow the Bill to move on to its next phase, give ourselves the opportunity to understand what is happening to our country and take advantage of the impact on tourism, energy, carbon emissions and the saving of lives across and up and down the nation. I encourage the House to move the Bill to its Committee stage.

2.28 pm

Kate Hoey (Vauxhall) (Lab): I am pleased to have the opportunity to speak on the Bill; I had not expected that. In the very short time remaining, I should say that a number of Members from all parts of the United Kingdom want to make a contribution about the Bill, although they would not necessarily serve on the Committee if it were to progress to that stage. It is therefore important that the Bill does not go to Committee.

I oppose the Bill. I am trying to remember when we last tried the experiment. I know that I was a lot younger then, but I cannot remember exactly when it was. In those days, exactly the same words were said by those who wanted the experiment. They said that it would really make a difference to people's quality of life and enjoyment. The reality was, as the promoter of the Bill knows, that it was not a marvellous change to people's lives and it did not bring about a huge change in people's quality of life. Indeed, a number of young children died in accidents during the morning, when people are not so awake or alert and are in more of a rush to get to work or school. Actually, the number of accidents rose.

I have yet to see any statistics that prove to me that people—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on Friday 14 March.

Remaining Private Members' Bills

COPYRIGHT IN SOUND RECORDINGS AND PERFORMERS' RIGHTS (TERM EXTENSION) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 14 March.

Walsall Council

Motion made, and Question proposed, That this House do now adjourn.—*[Tony Cunningham.]*

2.31 pm

Mr. Bruce George (Walsall, South) (Lab): This is the second time that my hon. Friend the Member for Walsall, North (Mr. Winnick) and I have raised the issue of those who formerly worked for Walsall who were badly treated. It was raised previously in an Adjournment debate on 26 April 2007.

If anything came of our concerns, we remain oblivious of it. I very much welcome this unexpected opportunity to speak again. There is a new Minister, and a further opportunity to express my deep concern—to put it incredibly mildly—about the lack of action by those who are responsible for ensuring the probity, efficiency, transparency and legality of municipal government in Walsall and elsewhere. I would include in that long list the Audit Commission; perhaps the district auditor, who has worked hard; the police; the Government office for the west midlands; Walsall council's internal audit committee, and—we should not forget—central Government. Many investigations and much activity have taken place, but how much positive action? Have all those organisations that are so entrusted, individually or collectively, achieved the objectives laid down in law and practice? I regret to say that, in my humble judgment, they have fallen short—far short—of the tasks that they have been set.

As I said almost a year ago, I believe that those in the local authority have been guilty of many things, and have been surrounded by a ring of steel, perhaps on the basis of personal relationships, misplaced loyalty or vested interest—a need to protect the credibility of alleged improvements in the council. I must admit that, since special measures, there have been improvements, in some cases considerable ones, but at an unacceptable cost to the reputation of local government and the lives of those discredited, dumped and in some cases not even compensated. Is that to be set against the achievement of three stars?

I raise the issue again and will continue to do so until justice is done and those who have besmirched municipal government are held properly to account and, if necessary, punished. So far, their actions appear to have been rewarded—in one particular case, handsomely so. I will not bore the Minister or the House by re-hashing events of the last four years, that period when Walsall was deservedly put into special measures by the Government, and put under the tutelage of—once again, diplomatically expressed—a highly centralised, idiosyncratic and deeply flawed leadership. However, I am more than prepared to give the Minister, and those whom he may designate, chapter and verse on what befell loyal employees of the local authority, and I am sure that others will do the same.

There are three basic issues: first, the governance, good and bad, of Walsall council in recent years; secondly, how the many allegations were investigated or not investigated; and thirdly, the monstrous treatment of four, possibly five, loyal public servants who, in my view, have been treated shamefully.

Most people in Walsall have heard of the tribulations that befell Peter Francis and the former chief superintendent of police, Dave Parish. Less well known was the appalling treatment of Liz McDonald, who was very sick. I knew there was at least one other who had experienced the heavy hand of the former leadership of the local authority and their loyal accomplices. His name, I later found out, was Mark Kemp. The reason he had disappeared from the radar screen was the sheer terror that he had experienced from unknown perpetrators, exacerbated by the usual suspects in the council to whom I have referred. If anything, his treatment was far worse than that of the others.

I thought that this small group of abused employees comprised the "Walsall four", but another name has very recently been added to the list—that of Carl Teesdale, who has just lodged an application to the employment tribunal. I am sure that there are still others out there who have been on the receiving end of the long and totally unacceptable treatment meted out to those who dared to raise their voices, ostensibly under the protection of the Public Interest Disclosure Act 1998—AKA the Whistleblowing Act.

A common thread runs through all four—possibly five—cases. These were all loyal, long-serving, hard-working, honest public officials, including Mr. Teesdale. All but Liz McDonald identified varying deficiencies and activities relating to flawed corporate governance, conspiracy to pervert the course of justice, malfeasance in public office, illegal payments, falsification of accounts and criminal deception—and that is for starters. For their courage and persistence, what did they get from their employers? Was it their sincere thanks? No, it was not. Was it a bonus or recommendation for a gong? No, it was not. Was it promotion? No, it was not. What they got was the following. They were ostracised, bullied, intimidated, marginalised, demoralised and pursued with relentless pressure, and virtually all of them succumbed and became ill. They were then unceremonially booted out.

The common element to support the employment tribunal case was the Disability Discrimination Act 1995, of which the local authority was apparently oblivious although it is 10 years old. Fortunately, the former employees had the courage, resilience and persistence to fight back. For a long time they acted independently, as they were oblivious of what was happening to the others. They obtained good legal advice, belatedly in the case of Liz McDonald, who had been fired by fax. As I said in the last Adjournment debate, she found legal advice having discovered, late in the day, that her home insurance policy funded certain legal actions.

Liz McDonald, Dave Parish and Peter Francis fortunately proceeded with their application to an employment tribunal. The council sought that well-known device procrastination, trying to weaken their resolve financially and emotionally. When it had nowhere further to run, the council, acting on strong legal advice, capitulated, on the day of the hearing or in some cases the day before. The cost to the council tax payer of the Peter Francis case was well over £1 million, excluding the cost of legal advice. In all the cases the enormous costs to the Walsall taxpayer could have been saved, and the lives of loyal public servants might not have been blighted or possibly damaged

permanently. Why did that happen? It was because proper legal advice was either not given or taken, or totally ignored.

I refer the House to a report by the district auditor, John Gregory. Although diplomatically presented, it was a damning indictment of the actions of the former chief executive. It was obvious that she would lose, as her lawyers had told her. Mr. Gregory identified many failures. The former chief executive clearly did not take the advice that she was given. She made decisions on the Francis case without the requisite legal knowledge of, in particular, disability discrimination. She dominated and thwarted the council's preparation of its weak case, which became weaker. In the words of Mr. Gregory,

"the former Chief Executive took clear personal control of matters relating to Mr Francis from the beginning of September 2004".

I will not list all the criticisms. I must not lose sight of the issues raised by Peter Francis, Dave Parish, Liz McDonald and Mark Kemp which led to their Kafkaesque treatment. It was fraud and theft pure and simple in some cases, together with a large dollop of gross inefficiency, malevolence and maladministration.

I believe that in the early days of the neighbourhood renewal fund, which was meant to alleviate deprivation, the instructions or advice from the Office of the Deputy Prime Minister were vague. That was eagerly leapt upon by a grossly inefficient Walsall bureaucracy, which was analysed and exposed by the district auditor. However, old habits die hard. I am convinced by the evidence that is available that much of the money that should have targeted deprivation was spent—with the flimsiest excuses—on closed-circuit television, wheelie bins, wardens, education facilities from Serco, and other beneficiaries as yet undisclosed. This large sum of money represented a nice little earner for some and a pot of gold to be raided by high officials to fill any gaps in mainstream funding—or even worse. NRF money had also been used to support policing of the night-time economy, which seems rather bizarre.

On the malfeasance and crime, I wish to mention an e-mail of 2004; I know the author, but I shall not name him. He said in response to the identification of an £800,000 underspend on the NRF:

"I am getting slightly nervous about the £800k of NRF that wasn't allocated to projects...What I also need to know is where it is sitting in the accounts at present and how we can ensure that the DA (District Audit/District commission) don't pick up whatever we decide to do with it."

In an e-mail of 10 June 2004 regarding the unauthorised transfer of £100,000 to social services he says:

"This e-mail will self destruct if an auditor comes within ten feet of it".

He may have found that pretty funny, but I find it corrupt.

The council's self-defence has been miserable; it has lost time and again. It has deceived. It has had spurious inquiries—I could name them all—that came to nothing.

The Mark Kemp case was in many respects the worst of all. He has had no legal representation, although he has received pro bono advice from someone—a heroine, in my view—who was familiar with the other cases. He came to Walsall in 2003 to work for the establishment team of the education department. It was not long before he was introduced to what appears to have been a long-standing, unofficial working practice of bungs between contractors and some employees of the council. He declined to participate, was ostracised, was assaulted five times—once in the council house—and was sent a dead, decaying rat through the post. Someone called at his house and threatened his 75-year-old mother's life. He was savagely beaten in his garden by two assailants. He was dumped in a pond in the back of his garden and could have drowned. He was then fired on spurious grounds. He did not surface because he was told, "Go to a tribunal and you're a dead man."

I am not blaming the council leadership, but corruption took place in the local authority at that time and went either unnoticed or unidentified. The council is in denial despite the regular beatings it has received. I have been told that what has happened is historical, but some of it happened two years ago, so that is nonsense.

The epicentre of all of this was a coterie of senior staff directed by the former chief executive. Many people around the country know exactly where the bodies are buried. Many went along with the tide, feeling the consequences of working within an organisation dominated in part, when threatened, by a culture of fear and intimidation. I hope that the silent ones will have had their consciences pricked by the revelations of what happened and will come forward. Perhaps omelettes cannot be made without breaking eggs, but what happened is a disgrace and should be properly investigated.

The police have made inquiries, but nothing, apparently, has come of them. There have been internal inquiries, and people have been hired to carry out an inquiry. I hope that the Minister does not accept that any of them got anywhere near the truth. I think that a lot of people should be investigated, and I hope that they will be.

I am sure that advisers will say that despite our long experience as MPs we Walsall Members are being paranoid, but the complaints of those who have been appallingly treated and the allegations of serious corruption should be investigated properly, not by friends of anyone, or by an institution that has a vested interest in maintaining that great success has been achieved in the past four or five years—which is a fiction in some cases—since the Government sent in the dogs. It should be seriously investigated, perhaps through more than one inquiry, by an independent person or persons reporting to the Minister. Only then will the allegations of appalling treatment meted out to decent people be dealt with, and only then will we receive the just expression of what should be said: that the council proceeded badly and those responsible should be identified and, if necessary, punished.

2.45 pm

Mr. David Winnick (Walsall, North) (Lab): I am very pleased that my right hon. Friend the Member for Walsall, South (Mr. George) has secured this debate. As he said, I had an Adjournment debate on 26 April

[Mr. David Winnick]

last year regarding Peter Francis, in which my right hon. Friend and I dealt with the events that had occurred on the council. What occurred in Mr. Peter Francis's case was unhappy to say the least. It was shabby, and a discredit to the local authority. It was right that he was awarded some £650,000 by the employment tribunal for unfair dismissal and disability discrimination. There is absolutely no justification whatever for what happened to Mr. Peter Francis. Of course, the council gave in on the very day on which the tribunal was due to meet, as my right hon. Friend said. It is also right that attention should be given to the other people involved, as has happened today.

There was a great deal of controversy—it lay, to a great extent, with the case of Peter Francis—surrounding the way in which the neighbourhood renewal fund was being applied. I know that the fund has now been discontinued, but when it was in operation, it was meant to help the more disadvantaged and deprived parts of the borough. However, in Walsall, it was spread much more widely. It was not used as it should have been used, and that is largely the reason behind the controversy over Peter Francis, and behind the shabby and unacceptable manner in which he was treated and dismissed.

I do not want to deal again with the case of the chief executive. I am sure that my right hon. Friend and I agree that we have every confidence in the new chief executive, and the council is now demonstrating some very welcome new departures. However, it is not only the former chief executive who should be criticised; it is also the political control of the council and the way in which the council operated at that time. There were certain periods during which the council gave the impression of being more like an authoritarian state than an English local authority. Those were very unhappy times, and I hope that they will never be repeated, whoever controls the council.

As I have said, those events were a discredit to the local authority, and they certainly did not reflect well on those who were responsible for running the council. I hope that there will now be new opportunities for the council to act in a very different way. I shall welcome the intervention of the Minister on all these matters, which are causing such concern in the borough.

2.48 pm

The Minister for Local Government (John Healey): I congratulate my right hon. Friend the Member for Walsall, South (Mr. George) on securing this debate, and my hon. Friend the Member for Walsall, North (Mr. Winnick) on his contribution. I thank them for the serious way in which they have pursued what I accept are serious concerns, and I recognise the determination with which they have done so for some time.

As my right hon. Friend will know, the cases of those to whom he referred in his speech as the Walsall four have all been drawn to a conclusion through various processes. In one instance, a case has been withdrawn. There have also been compromise agreements, and settlements in relation to the employment tribunal. I had not heard of Mr. Teesdale before this afternoon, but if my right hon. Friend will give me further details of that case, I should be interested to see them.

I made the point about the four cases because the relationship between a local authority and a member of staff is fundamental a matter relating to that officer's contract of employment with the authority. Legally speaking, Ministers have no remit to intervene in the day-to-day management responsibilities of a local authority. There is also established provision, which Mr. Francis used, under which individuals whose treatment under contract falls below the level at which it should be can take such cases to an employment tribunal—and, ultimately, perhaps to the courts.

I have pursued these concerns for some time and I have checked back in preparation for this afternoon's Adjournment debate. Correspondence has been frequent and discussions with Ministers have already taken place. I believe that there was a meeting in November 2006 with my predecessor, now the Minister for the Environment. Furthermore, as the then Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Basildon (Angela E. Smith), said in response to the debate of my hon. Friend the Member for Walsall, North on 26 April last year, she was ready to offer another meeting, once the reports discussed during that debate had been received.

At that time, the report of the district auditor was particularly awaited. As the then Under-Secretary said, it was the most appropriate way of uncovering and examining the relevant issues of public concern and then ensuring that the council took any necessary remedial action. Let me say to my right hon. Friend the Member for Walsall, South that that report was carried out, as he knows, by the district auditor. That person, as my right hon. Friend acknowledged, does not have a vested interest and has, indeed, a statutory role to play, carrying out his function under part 3 of the code of audit practice. In my experience, our district auditors do their job under statute with great diligence.

The report has now been published—it was issued in September last year—and the main conclusion was that in the particular case of Mr. Francis,

> "some of the council's arrangements for managing its staff and for complying with legislation clearly did not operate effectively. This was because those procedures were not always applied, but there were also weaknesses in the some of the arrangements which were in place."

The auditor further stated that his

> "findings do not, however, mean that there were widespread failures in the Council's governance arrangements, which were continuing to improve throughout this period".

A further linked inquiry was being undertaken at the time. It was an independent inquiry, although set up at the instigation of Walsall council. It was designed to complement the district auditor's work and laid greater emphasis on some of the systems that the council had in place—another area of concern for my right hon. Friend the Member for Walsall, South. That inquiry was undertaken by the former chief executive of Shrewsbury and Atcham borough council, Douglas Bradbury. When he had concluded, a decision was taken, because of the linked areas of inquiry with the district auditor's work, that both reports should be published together, which they were in September.

Given the shortage of time, I will not go into the detail of the issues that Mr. Bradbury's report covered. Suffice it to say that it concluded that although the council had the necessary disciplinary agreements and whistleblowing procedures in place, they were not always correctly or consistently followed. Both reports highlighted, as did my right hon. Friend, an insufficient awareness across the council of the nature of the Disability Discrimination Act 2005.

Let me try to spell out briefly, in a way that I hope will provide both my right hon. Friend the Member for Walsall, South and my hon. Friend the Member for Walsall, North some reassurance, the actions that have followed the recommendations of these two reports. Both were sent to all members of the council. Both were made public on 10 September last year and debated in public at a full council meeting. The council also put in place a detailed plan to deal with the concerns that had been identified. That plan was shared with the Audit Commission and approved by the council towards the end of September.

Importantly, the council set out and is now pursuing clear arrangements to ensure that action in the plan becomes action in practice, and so that all the actions for improvement are given priority. Each has a named individual responsible for its implementation, and the relevant cabinet portfolio holder is also identified. Ultimately, the chief executive is the implementation manager responsible for ensuring that the action is pursued, and the council's audit committee has oversight of it. My right hon. Friend and my hon. Friend can therefore trace it through and be clear about who is accountable for any progress, or lack of progress.

When my right hon. Friend and my hon. Friend raised the matter last year, the district auditor had not reported. My hon. Friend the Member for Basildon, the then Under-Secretary, said that she would meet them once it had been published. I extend them a similar invitation today. I understand that my right hon. Friend has previously met the district auditor, but not since—

Mr. George: I have not.

John Healey: Then I am misinformed. If he has not, but wishes to do so to discuss the content of the auditor's report and the weaknesses that he believes it contains, and if he and my hon. Friend the Member for Walsall, North, would find it useful, I will facilitate and attend such a meeting. I am also willing to approach Mr. Bradbury, if my right hon. Friend and my hon. Friend wish me to do so. I can ask whether he, too, would be prepared to meet them to explain the work that he undertook in his inquiry and the recommendations and findings in his report, and deal with any questions or concerns that they have about the content and conduct of the inquiry.

Mr. George: I am sorry to intervene, because I have the greatest respect for the Minister, but what he has said—or what his civil servants have said—is a bit like taking a penalty shot and hitting something at a 45° angle. It is all true, but it completely misses the point. I shall willingly accept his invitation, but I would love to bring along Peter Francis, Liz McDonald, Mark Kemp and David Parish. Maybe they could give a version that is markedly different from the reports that were commissioned. I ask my hon. Friend not to simply close his eyes and have a nice little meeting. I hope that he will examine the matter seriously, because it is about the integrity of British local government, which has been gravely damaged by what happened in my constituency and that of my hon. Friend the Member for Walsall, North.

John Healey: The integrity and propriety of British local government is the remit and role of the district auditor; that is an element of what he is meant to consider. My right hon. Friend has a lot of experience in the House, and he will understand that individual employment contract matters are not something that I, as a Minister, can properly look into in detail. I started my contribution by saying that there are established procedures through which that can be done, and all four individuals whom he mentioned have pursued, in different ways, the legal avenues available to them.

Let me finish by saying that in the last debate on the subject, mention was made of an ongoing police investigation and the involvement of the Crown Prosecution Service. I understand that that investigation was concluded shortly after the debate last April, and the police determined that no further action was necessary. As my right hon. Friend the Member for Walsall, South said, there have been real achievements in Walsall since 2002. It would be wrong to ignore them, but clearly he and my hon. Friend the Member for Walsall, North have questions resulting from the two inquiries and two reports. As I have said, if they wish to pursue those questions with and through me, I am happy for them to do so.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

Westminster Hall

Tuesday 19 February 2008

[MISS ANNE BEGG *in the Chair*]

Card Cloning

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Blizzard.]*

9.30 am

Andrew Selous (South-West Bedfordshire) (Con): May I say what a pleasure it is to serve under you this morning, Miss Begg? I had the pleasure of working alongside you in the Work and Pensions Committee in the last Parliament.

I am very grateful to Mr. Speaker for granting me this debate. This important subject does not get the attention that it deserves, and it is extremely distressing and upsetting to our constituents. I speak this morning directly at the request of a number of my constituents who have urged me to bring the issue of thefts from the cloning of debit and credit cards to the attention of the House, the police and the banks and credit card companies—or financial institutions as they are known. I have endeavoured to do that over the past few weeks.

I am particularly grateful to Bedfordshire police for the specific briefing that they have given me on the matter, and I look to the Minister to assure us this morning that the Home Office will hold an urgent and serious review of the current procedures. The procedures are clearly failing and I will try to set out why.

In brief, at the end of November or in early December, a skimming machine was inserted in the credit and debit card machine at a garage in the south of my constituency. Bedfordshire police tell me that, to date, 745 debit and credit cards have had money stolen from them, often on multiple occasions. One credit card may have had five, six, 10 or 12 amounts of money stolen from it. We are not talking about small amounts of money either. Typically, sums of £1,000, £2,000 and £5,000 are taken. I declare a personal interest. My wife had £1,000 stolen in four or five withdrawals from cash points in New York in early January. It was lucky that she checked her bank statement pretty soon after that and realised that something was wrong.

I shall quote briefly from letters from some of my constituents, who are unhappy with the current system for dealing with this serious crime. On many occasions, I have told Bedfordshire police that if 745 purses and wallets had been stolen, mainly in the two villages of Studham and Kensworth, there would probably have been police officers behind almost every hedge trying to catch the culprits. Card crime is no less serious. We are talking about a lot more money than most people have in their purse or wallet. The fact that the money is almost always reimbursed by the financial institutions does not make the theft any less traumatic, difficult and upsetting for the person, or any less of a crime. I object to the fact that the people who have money stolen from them in that way are not described as victims in the legislation.

Financial institutions are described as the victims because they have to reimburse the money, but if someone steals my wallet, I am a victim even if I get the money back later. I do not like that terminology. One police officer said to me, "We don't report gun crime to the small arms manufacturers. We don't report alcohol-fuelled violence to the drinks manufacturers." Yet, in the current system, card crime is reported to the financial institutions. I am not calling for that law to be scrapped because I understand the reasons for it. However, there are serious flaws in the procedure.

My constituents have written to me to say that they are outraged about what is going on. One stated:

"No law-abiding citizen can witness the large-scale theft of money from the UK without indignation."

A woman from Luton had her card skimmed from another garage close to my constituency. She wrote to me:

"They cleared our account down to £5. We have two kids to feed as well. We were worried about how we would survive for three weeks until my husband got paid again."

In many cases, banks and credit card companies try to reimburse people as quickly as possible, but that does not always happen. Imagine the person who is abroad and reliant on their credit card. Suddenly, because of illegal withdrawals, they go over their credit card limit and their card issuer will not let them take out any more money. They could be completely stuck. What about small businesses which have their accounts frozen and are not able to pay their suppliers? The ramifications of this crime are absolutely huge.

It is interesting to look at the range of countries from which money is being withdrawn. Britain has chip and pin—all credit to UK financial services, we are the most chip and pin compliant country in Europe and possibly the whole world. We are even better than Luxembourg, which is the next best in Europe. However, that does not mean that as UK citizens we are any safer. Highly organised criminal gangs clone the details from the magnetic strips on the back of our credit and debit cards and take our pin numbers through the skimming machines, and money is then withdrawn all over the world. From talking to my constituents and the police, I have found out that money is being withdrawn from the following countries: Malaysia, America, India, Hong Kong, Philippines, Dubai, Australia, Canada, Sri Lanka, Singapore, Germany and Thailand. There was an attempt in Ghana, but it was not successful. Let us pause for a moment and consider the scale of that highly organised, sophisticated criminal operation.

Furthermore, there is the question of the use to which the money is put. I have no evidence, but it has been suggested to me that some of the money may have found its way to the Tamil Tigers in Sri Lanka, to Pakistan and possibly to funding terrorism. It is, therefore, a very serious issue. I am talking about not just theft from our constituents but also the use to which the money is put.

The Fraud Act 2006 is in general a good Act. Much of it is sensible and is welcomed by the police. It simplified things and I am not calling for its repeal, but since 1 April 2007, if someone finds that thousands of pounds have been stolen from their bank account or from their credit card, they can no longer go to the

[Andrew Selous]

police unless the card has been stolen. In most cases, however, the card has not been stolen; the details have been skimmed and the card has been cloned. One must go to one's financial institution—bank or credit card company—and it will be up to them to inform the dedicated cheque and plastic crime unit, which will then liaise with local police forces. However, Bedfordshire police tell me that of the 745 debit and credit cards that were cloned, they did not have one single referral back from a bank or a credit card company.

That is where the current system is completely failing. The most serious issue is this: had just one bank been even semi-switched on, perhaps action would have been taken after five or 10 cards had been cloned. Everyone knew locally that one particular garage was involved. Do not ask me how they knew, but everyone said, "It's that garage that is doing it." If Bedfordshire police had been alerted, they could have gone in within days. If they had raided the garage immediately, they probably would have seized the skimming machine. They might have mounted a covert operation if they had seen that the skimming machine was there, because such machines need to be in place only for three or four days to capture thousands of details. Then they could have caught the criminals coming back to remove the machine, perhaps to take it to another garage. The police would have had fantastic intelligence and would have been able to question the criminals involved.

I understand from Bedfordshire police that typically a lone employee is in a garage, perhaps late at night. The criminal gang arrives and threatens violence, offers bribes or perhaps both. The criminals say, "We'll beat you up. We'll do in your family unless you turn a blind eye. We're going to put something into the card reader. You keep quiet or you'll be in trouble." The machine is there for only a few days and then they remove it. That is how the crime happens.

The current system is failing. The public are not being protected. Bedfordshire police raided the garage to which I have referred, partly because my constituents were not content just to tell their banks and credit card companies; they got on to the police. Prompted by my constituents, I got on to the police as well, but when they eventually raided the garage, two or three weeks ago, it was a classic case of locking the stable door after the horse had bolted. The key point that I want the Minister to do something about is ensuring that information is passed on to local police forces as soon as a pattern emerges, so that the public can be protected. If action had been taken earlier, many hundreds of my constituents and, indeed, other people passing up and down the A5 could have been protected. It is the first duty of Government to protect their citizens from crime, and that is crime by any standard.

It is often said that such activity is victimless crime because people are, by and large, compensated by banks and credit card companies. I refute that suggestion entirely because, as the British Bankers Association said,

"ultimately the financial burden is carried by the general public as a whole in the form of direct personal financial losses, increased charges and premiums, failed businesses, devalued investments, increased taxation, reduced public services and lost jobs."

That is clearly the case. At the very least, the Government are losing out on the corporation tax they could be receiving from the banks, because it is a legitimate expense when they repay customers from bank profits. Banks will recoup that money in the form of higher charges or higher interest rates, just as shops have to do from shoplifting and insurance companies have to do from illegal activities. We all lose out, including the Government, from this crime.

Since the introduction of the Fraud Act 2006, particularly the provisions that took effect from 1 April 2007, people have commented that because the police are not directly informed, card cloning will become a forgotten crime. Derek French, a banking campaigner, has certainly said that. Ross Anderson, the professor of security engineering at Cambridge university's computer laboratory, is also unhappy about the procedures now that

"banks completely control the reporting and prosecution of card fraud".

I also have concerns about the position of fraud as a police priority. There is only one police force in the whole country for which fraud is a paramount consideration, because its police authority insists that should be the case—the City of London police. The view of the British Bankers Association is that fraud is largely "a Cinderella function" for every police force in the country. I do not say that just to score a cheap point. Fraud is not given the priority that it deserves, which is surprising because I am informed by the British Bankers Association that the Home Office's own assessment of different types of crime

"places the harm to society caused by fraud as second only to that caused by Class A drugs, and more than that due to people trafficking."

Many of us might be slightly surprised by that prioritisation, but it is apparently the Home Office's view of the seriousness of fraud in general, of which the cloning of credit and debit cards is a very serious part. As that is the Home Office's view, people might reasonably assume that one or more of the 147 statutory performance or key diagnostic indicators would relate to fraud or financial crime, but that is not so. Again, I am informed by the British Bankers Association that not one of the statutory performance or key diagnostic indicators relates to fraud or financial crime. I happen to know that only last week the association wrote to the Minister for Security, Counter-Terrorism, Crime and Policing to ask why that was the case.

The police are ranked according to the targets and indicators that they have to meet. They are only human, like everyone else, so if fraud is not one of the priorities put on them, they will put their resources towards the areas on which they are ranked and from which league tables are created to show how well or badly they are doing. If the Home Office says that fraud is the second most serious type of crime, why does it not feature among the priorities? That is a fair question, to which I do not have an answer, so perhaps the Minister can enlighten us when she replies to the debate.

I do not think that we know the scale of this crime, but I found out that, according to the Association for Payment Clearing Services, the incidence of overseas fraud using cloned UK cards rose by 126 per cent. in the first six months of 2007, so it is a fast-growing area of crime—probably limited only by the criminal gangs' capacity to manufacture or put skimming machines in

place. Frankly, it is easy money. I am not aware that the gang to which I referred have been caught up with. They must be laughing their heads off somewhere with suitcases or bank accounts full of money. Given how they acquired it, perhaps they have better systems to ensure that their bank accounts are not skimmed.

There is a loss to the Exchequer—to UK plc—from the activities that I have been describing. I wrote to all four main high street clearing banks last week and one of them, a major one that may hold many of the bank accounts for the 745 cards that Bedfordshire police knew about last week, said that

"if we discover linked fraudulent events, for example, a petrol station compromising card details, we directly notify the DCPCU."

If the bank was doing that, what did the people at the DCPCU do with the information? Did they just sit on their hands from late November through to the end of January, when enough of my constituents were so fed up that they were almost beating down the doors of Dunstable police station? I was regularly on the phone to acting Chief Superintendent Andrew Street asking him what he was going to do about the crime. I am afraid that the information flow is not working well and something needs to be done about it.

The purpose of the debate is not simply to have an interesting discussion but to bring about change so that something is done. My hope that something really will be done rests in part on a written answer to my hon. Friend the Member for Hornchurch (James Brokenshire), who will speak from the Conservative Front Bench in this debate. The Minister for Security, Counter-Terrorism, Crime and Policing affirmed the Government's commitment to

"continually assess the effectiveness of new arrangements for reporting and recording of cheque and plastic card fraud introduced on 1 April 2007."—[*Official Report*, 2 July 2007; Vol. 462, c. 922W.]

I hope that I have demonstrated as reasonably, clearly and logically as possible that the arrangements are not working well. Of course the Government have good intentions; they clearly have no interest in fraud being perpetrated on such a scale. However, I contend that although the Fraud Act 2006 was put on the statute book with the best of intentions, it is failing our constituents in a major way when they could be protected.

Having money stolen from one's bank account is as bad psychologically as having one's house broken into. Someone comes into the most personal and private area of another person's life and takes from them what they use to feed their family, put petrol in their car, put clothes on their family's backs, pay their mortgage and so on. I want action to follow from the debate, and I hope that when the Minister replies she will assure me that it will happen urgently.

9.51 am

Mr. John Leech (Manchester, Withington) (LD): I did not intend to speak in this debate, but having heard the hon. Member for South-West Bedfordshire (Andrew Selous), I decided to make a few comments. I congratulate the hon. Gentleman on securing a debate on this important issue, which is a problem for all our constituents who have suffered credit or debit card fraud.

The hon. Gentleman made a pertinent point when he suggested that we are talking about an invasive crime. When a person is burgled, they know that the crime is over and done with, but people who suffer credit or debit card fraud are never sure what scale of fraud has taken place. A close relative of mine was recently a victim of such a crime, so I know about the impact on individuals.

I want to make some brief points, not about what action the Government can take, but about banks. Banks could do more to assist the victims of credit and debit card fraud, as I know from the comments that were made to the member of my family who was recently a victim. When my relative found out that she was a victim of debit card fraud, she immediately went to the bank and asked it to stop all transactions on her account. She was informed that money was due to go out of her account, but she had certainly not spent it. Although she informed the bank of the fraud before the money actually went out of her account, the bank told her that it had to honour the transaction, because it had taken place.

The bank told my relative that it could not do anything, because its fraud department had to investigate the matter. It said that unless the fraud department was satisfied that the transaction was fraudulent, it could not stop the money going out of her account. In such circumstances, banks should at least delay pre-arranged transactions until their fraud departments have concluded their investigations. Sometimes, members of the public are made to feel that they are in some way responsible for credit and debit card fraud when, in fact, they have done everything possible to ensure that their credit and debit card details are kept secret. In my relative's case, either somebody in a shop used her details to access her bank account or someone in a shop passed those details to somebody else.

Banks could do an awful lot more to reassure customers and to protect their money. Customers should at least be given the opportunity to stop additional money going out of their accounts while investigations take place.

9.55 am

Lynne Featherstone (Hornsey and Wood Green) (LD): I am grateful for the opportunity to discuss identity theft and fraud, which is a growing concern for everyone. I congratulate the hon. Member for South-West Bedfordshire (Andrew Selous) on securing such an important debate. I know victims of such crimes, and one of the things that most shocked me is that there is no mandatory requirement for the banks to inform the police, as the hon. Gentleman has mentioned. That is complete nonsense when it comes to detecting and convicting for fraud.

We could be forgiven for thinking that because sophisticated anti-fraud card technology has become commonplace, card theft will become a thing of the past. However, the truth is that every time the industry makes a move, criminals become equally innovative in the pursuit of a circumvention of the systems, in particular regarding their ability to clone cards, as the hon. Gentleman has described. However, we should never lose sight of the potentially devastating effect of becoming a victim of credit card fraud. It appears that victims are increasingly in a David and Goliath fight with the banks to get back what has been stolen. In the good old days, banks and

[Lynne Featherstone]

institutions automatically reimbursed people, but it is becoming more of a fight as we move towards a cashless society.

I was shocked to find—perhaps I should not have been surprised—that there are more debit cards in circulation than people. In the last quarter, more than £91 billion was spent on plastic card purchases, which puts the matter in perspective and shows the honeypot that attracts the criminal fraternity.

Cards have huge benefits for retailers, because they entail handling less cash and reduced staff fraud. Consumers also benefit—I am sure that we can all find a card or two in our purses. The chip and pin system has been tremendously successful in reducing fraud in shops. Bank costs have fallen from £218 million in 2004 to £72 million in 2006, which is quite an achievement. The system required significant investment from the banking industry, but as returns on investments go, I am sure that they are making their money back.

Mr. Leech: The problem with improving security is that people become less concerned about checking whether they are the victims of fraud. They are lulled into a false sense of security and believe that their details are secure. We need to return to a situation in which people check their statements every single month and are far more careful. People used to be like that, but these days they are lulled into a false sense of security because the system is allegedly safe.

Lynne Featherstone: My hon. Friend is right that everyone should take personal responsibility for checking their bank statements and not relax into thinking that everything will automatically be okay.

The banks should not use the security of the chip and pin system as an excuse to reverse one of the fundamental principles of the banking code, which underpins consumer confidence in the plastic card industry. Without customer confidence, the whole house of cards would fall and the system would no longer work. The principle is that the onus is on the banks to prove that a card has been used fraudulently before they can refuse to reimburse a transaction, and the evidence shows that it is coming under attack.

The banks may say that they have invested zillions—or billions or whatever—in chip and pin technology. They may be more reluctant to refund money, because they feel that that investment has made the system relatively secure, but there are two problems. First, credit card fraud has not disappeared with the advent of chip and pin. Secondly, the havoc and hardship to which customers are potentially exposed if they are victim to fraud is totally unacceptable.

The recent increase in disputed payments has ended up with the Financial Ombudsman Service, which is a real indication of a worrying trend. It is not automatic for such transactions to be reimbursed automatically, and there is a quite a time lag. Reports indicate that the service is now dealing with between 20 and 30 cases a week, and, as is the case with any ombudsman service, that is likely to be only the tip of the iceberg. As the hon. Member for South-West Bedfordshire has pointed out, the harsh reality is that many people can ill afford to be without the considerable sums involved.

Andrew Selous: Before the hon. Lady leaves the subject of the security checks that the banks have in place, one of my constituents told me how surprised he was to find that money had been withdrawn on the same day in Malaysia and Canada from the same credit card account. The bank did not pick up on that. The system is so automated that checking systems do not seem to be in place, otherwise the bank would have realised that it is a physical impossibility to fly from Canada to Malaysia on the same day.

Lynne Featherstone: I thank the hon. Gentleman for that intervention. I am reminded that my bank called me recently to check on some strange movements in my account, which were all done by me on the same day. The banks are obviously working on the problem, but they have not got their ducks in a row when it comes to realising that it is pretty difficult to withdraw money on two different sides of the world on the same day.

If there is an increase in disputes about reimbursement and a time lag in the return of the money, people will suffer hardship if they are caught up in credit card fraud. Government policies include encouraging pensioners to have a bank account, so that payments can be made directly to the bank and so pensioners no longer need to use the post office. How will someone living on a state pension cope, perhaps on £83 a week, if money goes missing from their bank account for a few months? They may have to go through a protracted battle with the bank.

Hon. Members are capable of having a good stand-up row with the bank, and we all know how difficult it is when one is passed from pillar to post while finding someone who knows what they are talking about. It must be much more difficult for those who are more vulnerable, when sorting out such a mess creates havoc for the most able. Such a situation could be disastrous, possibly forcing people into emergency debt, if they do not know how to handle things. At my surgery, recently widowed pensioners who have never dealt with money before ask for my help. How are they to cope with that sort of problem?

The answer is not always to legislate. As a Liberal Democrat, I do not always jump to regulation as the first option. I obviously prefer to talk it out, but if banks persist in pushing the burden of proof on to the customer, there will be no alternative to regulators taking a tougher line in order to ensure that the police are informed by the banks or financial institutions. The presumption of innocence is a cornerstone of British justice, but if the banks want to continue to rely on British justice when it suits them—protecting their interests in court over fraud problems—they must continue to have faith in their customers.

Andrew Selous: Has the hon. Lady considered the position of the Financial Services Authority? I received this letter from the FSA last week:

> "We require all regulated firms to have systems and controls to protect themselves and their customers from financial crime, whether committed by staff, customers or others. We monitor the effectiveness of these controls and we take action, including enforcement action, where we find that firms' controls have fallen seriously short."

Does the hon. Lady believe that the FSA should be looking into that, to ensure that those controls are more robust?

Lynne Featherstone: I believe that the FSA should take a tighter view. To be fair, the crime has been zooming up at every stage and at every move and countermove, but it is now time to ensure that what is in place works or to put things in place that will work if there are failures in the system, which there clearly are.

I wish to consider the future of credit card fraud and efforts to foil those who use cloning technology. Figures show that a significant proportion of such fraud is now online. Indeed, online banking losses due to fraud have increased by 44 per cent. from £23.2 million in 2005 to £33.5 million last year. That is easy pickings for would-be online fraudsters. In a virtual world, it is possible completely to bypass the complexity of replicating chip and pin technology—put a reader in place, get your hands on stolen card details and you're away. Only yesterday in Hornsey and Wood Green, a cupboard filled with people's personal data was found in an old housing benefits office. The papers had been dumped by the council when the staff moved out, and squatters reported the matter to *The Sun*. Details are not always entirely safe, and bank details such as those found in that pile of papers yesterday are enough to make a start.

It is already possible to get plug-in chip readers for personal computers, and it will become easier to do so. It will not be long before the online industry works out how to use personal physical identification—the Government have gone down that road with identity cards and passports. I could go to Tottenham Court road today and buy a laptop computer complete with a fingerprint reader. It does not take a great leap of the imagination to envisage how the industry might turn its mind to the verification of who is using a computer and who is ordering. That might play an important part in helping to authenticate online transactions.

I am a Liberal Democrat—we are nothing if not persistent—and we are averse to automatic biometric database systems. I throw into the pot the fear that such hugely sensitive information can be accidentally lost, whether the situation is similar to that in Haringey yesterday, whether a laptop is stolen from a bank employee's car or whether a data disc turns up in a dumpster. If people are worried about receiving a letter from the bank stating that their banking details had been lost, how would they feel if they received a letter saying that their fingerprints, their iris scan or another physical record—details that are theirs for life—has been mislaid?

Before banks contemplate going down that route, they should give a cast iron guarantee that such monumental data breaches are physically impossible—as we were promised with other data. That is where we could go in an effort to stop fraud. Frankly, I find it incomprehensible that such a large amount of data can be physically downloaded from a computer system on to a disc and taken out of a building. In my view, that should be impossible.

Finally, I would like to consider what the state can do to help banks fight that crime. As the hon. Gentleman has said, we are discussing an international racket supported by organised crime. We welcome the moves to make reporting of the crime easier for the victim, but I have not found much evidence that the Government are responding to an international problem with an international solution. I would welcome some comments from the Minister about what the Government are doing to co-ordinate their response with European police forces. We cannot treat this issue in a silo, because such treatment would ultimately lead to failure as organised criminals pay scant regard to borders and pick off police forces one by one. Some parts of the Lisbon treaty, which is going through now, address some of those issues, but I would welcome the Minister's comments about what she feels can be done specifically to deal with that crime, which, as we have heard, leaps around the world with such ease and causes such grief for its victims.

10.11 am

James Brokenshire (Hornchurch) (Con): May I congratulate my hon. Friend the Member for South-West Bedfordshire (Andrew Selous) on securing this morning's debate on what is a very serious and growing issue, and one that affects all our constituents? I can think of a particular case in my constituency in which a petrol station was subject to a skimming attack. Many of my constituents were defrauded and that fraud had a major impact on them. We can look at individual cases. As my hon. Friend said, in one case the details of 745 individual cards were taken from just one outlet. That example highlights how quickly this crime can be carried out and the number of people who can be involved.

My hon. Friend was absolutely right to state clearly that this is not a victimless crime: neither for the individuals concerned nor for the financial institutions that seem ready to bear some significant losses arising from the fraud perpetrated through the skimming and cloning of cards. There is also the direct and personal impact on individual victims of credit card fraud or any other kind of financial fraud. It can be quite traumatic for many people and it dents and knocks their confidence in terms of their willingness either to use their credit card or to engage in other financial transactions.

The hon. Member for Manchester, Withington (Mr. Leech) highlighted an individual case involving his relative. In many ways, he put this crime into a physical context, demonstrating the impact that this type of fraud can have. The person involved has a sense of their security or safety being invaded or breached, especially as they do not expect to become a victim. So it is perhaps even more shocking when they do become a victim, because the fraud comes out of the blue, when they are least expecting something like that to happen.

The hon. Member for Hornsey and Wood Green (Lynne Featherstone) was right to make the point that things are moving quickly in relation to this crime. Innovation among criminals presents a growing and changing threat. The banks, Government and law enforcement agencies must be equally fast-moving and reactive in examining criminals' changing patterns of behaviour, and in considering how best we can confront the organised criminal gangs that perpetrate such offences and use the funds obtained for various unsavoury purposes.

APACS, the Association for Payment Clearing Services, is the trade body for the banks and financial institutions, and its figures indicate that the use of counterfeit cards is a growing trend. For the first six months of 2007, plastic card fraud losses as a whole rose by 26 per cent. to £263.6 million. Of that figure, counterfeiting losses, of which skimming forms a part, amounted to £72.3 million, which was a rise of 37 per cent. Given that

[James Brokenshire]

counterfeiting losses for the whole of 2006 were less than £100 million, we can safely say that the 2007 figures to be released next month will show a significant increase in the losses that have occurred due to the skimming, cloning and counterfeiting of cards and of the metallic strip, which is then put on the back of a number of these fraudulent cards that are subsequently used overseas.

APACS describes the operation of this counterfeiting process quite clearly:

"Most of this fraud involves skimming, whereby a card's magnetic stripe data (on the back of the card) is electronically copied by a criminal. Fraudsters often skim cards by using a device that is fitted to a cash machine or a PIN pad. This data is then transferred onto a fake magnetic stripe card. A counterfeit magnetic stripe card can potentially be used in any UK or overseas shop that hasn't upgraded to chip and PIN or at an overseas cash machine that hasn't been upgraded to chip and PIN - although to use a fake card at a foreign cash machine a criminal will also need to have obtained the card's PIN by separate means."

I suppose that that explains how the advent of chip and pin and the use of other technology has provided an element of protection, but we cannot be complacent about this crime, given that criminals will use technology and other means to get round the chip and pin mechanism and to try to obtain details of the pin numbers. Such numbers can be obtained by various means.

In discussing this issue, we must look at it in its wider context; by that, I mean the overall cost of financial fraud, including banking and credit card fraud. A report for the Association of Chief Police Officers' economic crime portfolio in February 2007 tried for the first time to demonstrate the total cost of financial fraud, of which this type of credit card fraud forms a part, to the UK economy. That report came up with the staggering figure of £13.9 billion in 2005—including the cost of having to deal with financial fraud—of which fraud against private individuals amounted to £2.75 billion. Those are huge numbers and they demonstrate the real cost of fraud and the fact that it is certainly not a victimless crime. Furthermore, it shows the impact that fraud has on our economy, if this level of finance is getting into the hands of organised criminal gangs.

Credit card fraud is part of a wider picture of financial fraud. We might be talking this morning about counterfeit card fraud, skimming and cloning, but that fraud links into the selling of details abroad, using the internet and other technology that is now available. It also links into identity fraud, with the matching of information, such as matching credit card details with other personal information, and how that information is then combined to commit other frauds. Furthermore, once individuals have been identified by fraudsters, they can be targeted time after time.

Also, with the advent of mass e-mailing, phishing e-mails and spam have been used to try to attract people either to some sort of direct fraud or to attract them to visit another website, where they can input their pin number and other information. If fraudsters can identify an individual and match their personal information with the information that has been skimmed off a credit card, it is easy to see how that combined information can be used to perpetrate perhaps even more convincing frauds. Therefore, this crime needs to be focused on clearly, because it is developing very quickly.

My hon. Friend made the point about the use to which these fraudulently obtained funds are being put. Increasingly, questions are being asked about whether such funds are going not only to those involved in organised criminal activity—sophisticated, international, organised gangs—but to those involved in terrorist activities. That is why it is so important that, for our own safety and security, we do all that we can to counteract this very serious criminal activity.

My hon. Friend talked in detail about the changes to the reporting of financial fraud that were introduced last April, since when I have been concerned about not only their practical impact, to which I shall return, but the message that they send. If an individual cannot report financial fraud to the police, that sends the very damaging message that it is not an important priority; indeed, it almost sends the message to criminal gangs that we are not bothered about financial fraud.

Therefore, I remain critical of the way in which the changes were introduced. It was suggested that the aim was to reduce the bureaucracy involved in fraud recording and to streamline the reporting, recording and investigation of fraud. However, nothing happened in the case highlighted by my hon. Friend, in which 745 individual cards were, effectively, stolen after their details were obtained. That highlights a real failure in the system, which is not even operating in the way that was intended or meeting the goals that were set for it in terms of recording and reporting financial fraud.

Last summer, I put several questions to the Government about the manner in which the new arrangement was to operate. In response, the Minister for Security, Counter-Terrorism, Crime and Policing stated:

"From 1 April 2007 each police force now has a single point of contact…that has been set up to receive reports of cheque and plastic card crime direct from financial institutions. It is a matter for the financial institutions which crimes they decide to refer to the police for recording. It is then a matter for individual chief officers to decide which crimes will be investigated."—[*Official Report*, 2 July 2007; Vol. 922, c. 462W.]

The system almost has two limbs: there is the question of whether financial institutions report fraud to the police, and whether the police do anything about it. From the individual case highlighted by my hon. Friend, it seems that the system is falling down on two levels, because there are questions about whether any of the incidents are properly reported to the police and—even when they are—whether anything is done about them.

It is almost as if a double inertia has been created in the system, which masks the true extent of what is going on. Although we have the figures provided by APACS, the association admits that banks and financial institutions have no common standards governing the reporting of data to the centre or, indeed, whether to report it at all. That raises significant concerns because financial institutions almost have an incentive not to report. There is a fear that they do not want to show the true scale and nature of the problem, and nothing actively encourages them to do so.

I heard clearly what my hon. Friend said about the letter that he received from the Financial Services Authority, and that raises an important point. We must ensure that the regulations that sit behind financial institutions

operate robustly and clearly. I hope that the Minister will say that she has had contact with her colleagues at the Department for Business, Enterprise and Regulatory Reform to ensure that the regulation of financial institutions dovetails with other provisions so that we have a streamlined process. When I asked about that a few months back, however, I was given no real assurance that that was happening. Even if we assume that this is the right way forward—there are very real questions about that—the issue must be addressed at several different levels to ensure that regulation is robust and effective.

The second part of the issue relates to the manner in which the police deal with such matters, and there is a certain chronology to the way in which different police forces are intended to investigate such crimes. First, there is the police force covering the location of the fraudulent operation, and then the police force area where the greatest number of individual usages has taken place. We then move down to the police force area where the first offence was committed and finally to that where the victim is located. I appreciate that we need a protocol and standards in place, but such an approach highlights the bureaucracy and complications involved. When someone has become a victim of a crime and wants something done about it, they must go through such a process or even get their Member of Parliament involved if they want the issue addressed.

Andrew Selous: Does my hon. Friend agree that one important change that should be made is that people who have their money stolen should be referred to as victims, even if they are reimbursed? That, however, is not how I read the introduction to the Fraud Act 2006.

James Brokenshire: The clear point that is being made is that fraud is not a victimless crime, and any suggestion to the contrary is counter-productive and unhelpful in ensuring that we crack down on fraud.

Interestingly, that flows from the issue of reporting, which we have discussed. The answer that I got from the Minister of State last summer stated:

"Where an account holder does contact the police to report this matter without having first spoken to their financial institution, a crime related incident will be recorded and the account holder will be referred to their financial institution."—[*Official Report*, 2 July 2007; Vol. 923, c. 462W.]

I appreciate that one reason why that change was introduced was that people's experience of reporting such crimes to police stations was not good. Trying to get someone to focus on such things was difficult, and the whole experience continues to draw criticism from individuals and the business sector. However, something is wrong if someone who has taken the time and trouble to report something to the police is turned away and told, "It's not our problem. It's not something we really want to be involved in." Again, there is the question of whether such things are regarded as important and of what message that sends out. That also plays into the issue of whether people will actually bother to report fraud to the police or their financial institution if they are not confident that something will be done about it. If they do not, we will end up with under-reporting and under-recording, and the law enforcement agencies will not have a proper indication of patterns of offending or the nature and scale of the problem that we face.

I have a lot of respect for the dedicated cheque and plastic crime unit, whose representatives I have met. I have been to see its facilities, and I know that it takes this issue extremely seriously. The City of London police, as the ACPO lead on the issue, has also been pushing hard to raise the issue with the Government in the context of the ongoing fraud review, which I shall discuss shortly. However, there is not a level playing field in terms of the response that people receive from individual police forces, and although some police forces are very good, some are not. The Government's target-driven approach perhaps means that if we do not have a target, the issue is not a priority. That has perhaps meant that the discretion that people should have to treat crimes seriously has been fettered, with the result that the offences that we are discussing cannot be treated properly.

I was shocked to hear about an individual case involving a financial institution. The institution had packaged up a number of offences, followed the protocol and given the case to the local police force that was responsible under the ranking system. First, nothing happened. The institution pressed again. What happened? The material was given to the dog handler. The institution was frustrated because it had tried to package the offences up and to give 20 different offences to an individual police force, after which nothing happened, and they were not treated seriously. Getting fraud prioritised and dealt with as a serious crime, in relation to cost and the increasing number of victims falling foul of it, is a serious issue. With the advent of the internet, and the changing nature of offending, the problem will become more serious, and we are not properly prepared either for the threats that we must withstand today or those that the country will face in the months and years ahead.

It seems that there has been no proper assessment of the manner in which the system is being operated. My hon. Friend is right to urge the Minister today to undertake an assessment of the practicalities of the system and the proportion of cases that are actually reported to police forces after financial institutions have been notified, and to find out how many are then investigated. There is no real incentive to take the issue seriously. The way the scale of the problem is almost masked can, in some ways, bizarrely, suit financial institutions, in that it does not show the scale or nature of the problem. One might say that it also assists the Home Office, in that it ensures that the crime figures do not record that level of reporting.

The Government have undertaken a fraud review, and in the spring of 2006 they published their interim report, in which they euphemistically accepted that

"the lack of a national strategy meant that some problems are not being addressed."

From the reports that we have received, and the individual reports of cases, that is an understatement. However, one thing that has come out of the proposal is the establishment of a national fraud strategy and a national fraud reporting centre. In principle, that is clearly a good idea, but I am entirely unconvinced about how it will work in practice. It is one thing to establish a national fraud reporting centre, but how will that fit into the arrangements that have been described this morning? How will it be promoted so that people understand that they should and can report individual

[James Brokenshire]

incidents to the national fraud reporting centre? What guarantees are there that, even if the reports are sent through, something will be done to provide a proper insight into the nature of the problem and to ensure that criminals will be convicted of related offences, with a consequent reduction in harm?

One of my concerns is that the online environment and the e-crime aspects of fraud reporting have not been properly factored into the establishment of the NFRC. Many industry players to whom I have talked say that that does not appear to have been on the radar screens until very recently. Therefore, practically, I have significant concerns about how effective the arrangements will be. Judging by the feedback that I am receiving, the prognosis is not good. I should be interested to hear from the Minister how the NFRC will tie into the existing reporting arrangements, and what comfort there will be in the sense that, if reports are made, something will be done. Will financial institutions be obliged to share reports with the NFRC? Otherwise it seems as if there will be no meaningful picture on the nature and extent of, or trends in, financial fraud.

The Government have not been speedy in coming forward to address the matter. It does not appear to be the priority that it should be. I suggest that the approach to credit card fraud and e-crime has been lacklustre. Clearly, there is a growing problem, but the Government appear to prefer to see it as someone else's, not theirs. Sadly, it looks as if in the months and years ahead the consequence of that inaction will be that more people will fall victim to this growing crime, with all its impact and effects.

10.35 am

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): I congratulate the hon. Member for South-West Bedfordshire (Andrew Selous) on securing the debate. I commend him for raising this important issue in his characteristically measured, calm and well researched way.

The hon. Gentleman has raised some interesting and useful points. He has rightly pointed out—as the hon. Member for Hornchurch (James Brokenshire) has mentioned—the impact that such crime has on people. The Government agree that credit and debit card cloning is not a victimless crime. Not only are the individuals who are targeted victims, but the whole of society effectively becomes a victim, because of the issues that he has raised.

It was sobering to hear the example from the hon. Gentleman's constituency involving 745 transactions at one petrol station. However, it is worth highlighting the fact that fraud is not rampant at petrol stations. Rather, those are working environments where transactions are very frequent—people pour through making vast numbers of transactions, which are often small. Overall, such compromises occur in very few petrol stations. There is no particular reason to target petrol stations, other than the fact that they are retail outlets with high transaction rates.

It is worth going into the background to set the scene on the issues around fraud, which have been raised by hon. Members from all parties. I remind the Chamber that credit and debit cards are genuinely a very safe way of going about business. I take issue with the hon. Member for Hornsey and Wood Green (Lynne Featherstone) on her example concerning pensioners and bank accounts. I am not sure whether it is her party's policy to suggest that it is safer for people to carry large amounts of money. Having had direct contact with many pensioners, and thinking about the amount of money that they could carry around, it is safer for their money to be in a bank account than it is for it to be known that people carry cash in the street or have cash at home.

Lynne Featherstone: I do not want to labour the point, but I simply meant that vulnerable people with very little money can be *more exposed if* they have to wait for the banks to negotiate or if the banks extend the period before reimbursement, when presented with a case of fraud.

Meg Hillier: If I have time, I will touch on some of those points later. We must remember that criminals will identify loopholes and weaknesses in any payment system. The hon. Member for Hornchurch is right when he says that Government and other bodies must be fast-moving to keep pace with that, which is why the Government work closely with industry—the fraud units in industry and banks are often ahead of the game. The Government take the matter seriously, and it is wrong to say that we do not, but it is important for us to work in partnership with others, because we cannot solve the problem alone. There are responsibilities among the financial institutions, and individuals to try to protect against fraud, and the Government clearly have a role. I shall outline what we have been doing, explain why we should not be thought complacent and discuss how we work with the financial sector and law enforcement to improve the situation and tackle fraud.

Levels of plastic card fraud are higher than we would like, but I want to nail one myth: it is not impossible to go to the police to report an incident. An individual is still entitled to go to the police, but the first port of call would normally be the financial institution. The reasoning behind that is that there was a very low rate of reporting to police. Around 5 per cent. of relevant crimes were reported to them, as far as we could identify. It is difficult to be absolutely sure of the reporting level, but it was a very small number. In a case in which, for example, someone is clear that the fraud happened at a particular physical location, it is clearly sensible to report it to the local force, so that something can be done about it in real time. However, that does not negate the importance of gathering intelligence from a range of financial institutions to monitor patterns, which can be passed on to the police.

James Brokenshire: Will the Minister accept, however, that when someone takes the time and trouble to go to the local police station and queue up to report an individual financial fraud, and they are then turned away by someone who says, "I am sorry; we cannot help you and you must refer it to the financial institution," it hardly sends an encouraging message about reporting such incidents again?

Meg Hillier: I cannot get drawn into what individual police station front desks might say, but if there is a problem with machines attached to banks cloning cards, as in the hon. Gentleman's constituency, the local police would take an interest. However, they

would also gather intelligence, because a one-off situation might be lower priority than a situation involving regular contact. It is important that the police set their priorities and determine the most important issues to resolve. I just wanted to nail the myth that people cannot report such incidents to the police. However, it is important that the system works both ways.

Andrew Selous: On 9 January this year, the front page of *The Luton News* reported Bedfordshire police as saying that

"they would only investigate the crime if the real victims—the banks and credit card companies—report the problem, as they are the ones who actually lose money."

Meg Hillier: I am not familiar with *The Luton News*, but I look forward to receiving a copy and passing it on to the Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling (Mr. Coaker). I am sure that he would be interested to read about that approach from the local police in Bedfordshire.

As the hon. Gentleman has rightly acknowledged, chip and pin represents a major improvement in tackling card fraud. It was introduced to tackle precisely the type of fraud that we are discussing today. The chip makes it impossible to use a cloned card in a cash machine and for a criminal to use a lost or stolen card. The Government supported the banks in introducing that, and fraud on lost or stolen cards fell by 23 per cent. in 2006, compared with 2005, with a further 15 per cent. fall in the first six months of 2007. Losses in this country have fallen, but that has led, as we have heard, to clever approaches by fraudsters to use those cards abroad.

I shall return to my point about how the Government alone cannot solve this problem. I have some sobering statistics that demonstrate the challenge at the international level. In 2006, plastic card fraud losses were £428 million—3 per cent. lower than in 2005—but in the first six months of 2007 losses increased by 26 per cent., compared with the first six months of 2006. That increase was largely driven by increasing fraud abroad on UK-issued cards. Members will be pleased to know that the European banking industry has set a target of completing its chip card roll-out by 2010, which will protect British citizens and their cards from the sort of fraud that we have heard about today.

Last year, the Home Office worked with the Association for Payment Clearing Services and the Foreign Office in order to raise the profile of the problem in the countries that account for the largest amount of fraud on UK-issued cards, and we continue to engage on an international level. That demonstrates, again, that many other people and Governments need to be involved in tackling such fraud. Hon. Members might be interested to know that fraud on UK-issued cards in America is increasing and that, in 2006, it accounted for 14 per cent. of total fraud losses abroad, so clearly work needs to be done. The industry has found it particularly difficult to engage with bodies in America over this problem. However, the Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling—this is primarily his area of responsibility—recently agreed to write to his political counterparts in the United States to raise the profile of the problem. We hope for progress on that and co-operation from the Americans.

James Brokenshire: The Minister has talked about the international aspect, but will she comment on how the Serious Organised Crime Agency fits into the matter? How much of a priority is card fraud for it?

Meg Hillier: With permission, I shall ask my hon. Friend the Under-Secretary to respond to that in writing.

As hon. Members have mentioned, the Government introduced a fraud review, which led to us allocate £29 million in order to implement recommendations arising out of it. I shall list the key points: we are setting up the national fraud strategic authority, which will drive UK anti-fraud strategy, as hon. Members have mentioned; we will establish a national fraud reporting centre, which will help to improve our intelligence and information on fraud; and we will establish a national lead force, which will enhance policing capacity. City of London police will be the lead force, and it is already the lead for the south-east. We want to build on its work and expertise in that important area.

I shall explain the rationale behind the approach since April 2007, particularly because it has been criticised by the hon. Gentleman. However, I am pleased that the hon. Member for South-West Bedfordshire has acknowledged that the change to reporting to financial institutions was not necessarily wrong, although, as he has rightly pointed out, perhaps we can continue to make improvements in certain areas.

A great deal of fraud is carried out by organised criminal gangs and it is important that we develop policies in order to understand how best to deploy resources against them. We hope that the improved reporting mechanisms mean that the level of reporting will go up. In many cases, the lack of reporting has meant dealing only with police figures, which are very low. In 2004-05, some 121,000 cheque and plastic card crimes were reported to police. In 2005-06, that figure fell to 88,000, and it fell to 59,000 in 2006-07. That sounds like a good news story, but the figure from APACS for 2006-07 was nearly 2.3 million.

Clearly, there was a level of under-reporting to police, because most people just want their money back. It is not that people are not interested in passing the information on to the police, but they have busy lives and want to get the real problem sorted, which for them means getting their money back. Clearly, that has an effect on behaviour. I stress that there are very severe sentences for fraud by false representation—up to 10 years' imprisonment. Severe penalties can follow an investigation, and we want more introduced as a deterrent to people working in that area. The reporting of fraud is important, and we want to make it easier for people. That is why we adopted that approach, which has advantages for all concerned.

Andrew Selous: I am sure that the Minister is coming to this point, but I am not sure when she will finish her speech, so I thought that I would intervene now. I would be incredibly grateful if, before concluding her remarks, she were to address my central point about enabling the police to seize a skimming machine early on. Reporting is one matter, but taking action to capture skimming machines or, even better, to apprehend criminals removing them, is the prize that I am seeking in order to protect my constituents and others from suffering needlessly from such crime over many weeks. Early action should be taken.

Meg Hillier: There is nothing to prevent the police from doing that now. I shall move on, before concluding, to some of the other issues that the hon. Gentleman has raised about reviewing the situation.

It is worth highlighting why the new system benefits people. The old system clearly had problems. The account holder can now go to their bank knowing that the information will be, or should be, filtered through to the police, where appropriate. Financial institutions now have a single point of contact in each force, which is key. I met with the single points of contact for different forces and other organisations in the country at the end of last year.

Andrew Selous: Why does the Minister think that, despite the 745 people—not individual transactions—who had money stolen from their cards, not one bank or credit card company contacted the single point of contact in Bedfordshire police?

Meg Hillier: I do not know the answer to that. We need to look at why that happens and whether it is a regular occurrence. Later, I shall touch on how the Home Office wants to review the current situation.

The single points of contact will develop expertise. In the past, when cases were reported to police station front desks, it was not always clear whom they should be reported to. That was certainly a problem in cases involving complicated transactions involving several frauds in different locations, some of which might have taken place outside the local force's area or even abroad. It could get very complicated for local police forces. Single points of contact will develop expertise and allow intelligence to be shared between different points of contact with others in the local police force and with the national fraud reporting centre. That will help to build up a pattern of intelligence. That means that resources can be targeted at the most important cases in which there are the highest number of victims or the most serious incidents.

The other benefit of the new system is that the police do not have to wait for correspondence from the financial institution while they assess whether the report concerns a genuine fraud. The police have an important duty, as do the financial institutions, to ensure that a fraud that is reported is indeed a fraud. I was perplexed by the comments from the hon. Member for Hornsey and Wood Green about how the financial institutions check out fraud. It is important for the banks to have a process, but that is not for the Government to determine. The banks must ensure that they investigate, otherwise fraudsters will have—excuse the phrase, Miss Begg—a blank cheque to claim fraud on their accounts. They would have their money reimbursed, if we were to pursue to the end the hon. Lady's approach.

Lynne Featherstone: The point that I was trying to make is that it is becoming more difficult for people to secure reimbursement, because banks are introducing more investigation. No one says that the banks should not investigate, because they must, but the number of cases referred to the Financial Ombudsman Service is increasing. I should have thought that the Government would be interested to learn about that and concerned about the extension in the time taken to investigate.

Meg Hillier: I welcome the hon. Lady's clarification. The hon. Member for Hornchurch asked how the national fraud reporting centre will work in practice, and I hope that I just answered some of that question. The centre will bring together the pattern of intelligence, just as in each local force, officers and lay professionals gather and analyse the data and intelligence to see the patterns of crime in an area. Similarly, the national fraud reporting centre will make such determinations, provide the data and intelligence to local forces and see whether there is a pattern throughout the country and internationally. It is worth stressing that the crime is international, as the figures that I have stated demonstrate. Therefore, intelligence gathering must be undertaken centrally. It would be an enormous burden on an individual force to try to tackle the issues internationally.

James Brokenshire: I want to clarify with the Minister one specific point: how the current situation, with reports effectively going to financial institutions, will interrelate with the NFRC. If that information is not channelled from the financial institution to the NFRC, it will receive not a full but a partial picture. It will not receive the intelligence and patterns of criminal behaviour that the Minister has addressed in her comments.

Meg Hillier: The financial and banking industries have been very positive about the establishment of the NFRC. I cannot see any reason why they would not want to participate, and it is not the impression that we have been given. They are very keen on, and supportive of, the centre's establishment.

James Brokenshire: *rose—*

Meg Hillier: If the hon. Gentleman will forgive me, I must conclude my comments.

The hon. Gentleman also raised the issue of fraud as a policing priority. It clearly competes with other serious and organised crime for policing priority, but the Home Office is consulting on a measurement framework to determine whether we can establish the levels of investigation and success. I stress again how seriously the Government take the issue. We have put in money to set up the mechanisms that I have outlined to ensure that there are better procedures not only to tackle fraud but to examine how we measure it.

The hon. Members for Hornsey and Wood Green and for Manchester, Withington (Mr. Leech) have raised a couple of points. The hon. Member for Manchester, Withington raised an individual case anonymously, but it is difficult to comment on an individual bank's approach to fraud investigation. Financial institutions must take operational issues into account, but that is not the subject of this debate.

The hon. Member for Hornsey and Wood Green has mentioned fraud that is growing through remote channels, which is a concern. There are several technical solutions to such fraud, including hand-held readers, and the Government are working closely with financial institutions to encourage the take-up of such initiatives by banks and the public. In the long term, I am responsible for the Home Office's and the Government's approach to identity cards, and we are at the early stages of investigating how that technology might benefit customers and financial institutions in that situation.

It is worth highlighting the protective measures that individuals can also take. We in the House are responsible for reminding all parties and the public of what can be done. I urge the public to look out for attachments on

cash machines—if something looks fishy, do not use it. If a credit card is taken out of one's sight, especially abroad, it is a risk, and it is always best to keep one's credit card in view. One simple measure is for people to advise their bank when they travel abroad legitimately, because it helps the bank to build up patterns of behaviour—including the interesting patterns that the hon. Lady has dangled before us, but about which she did not go into detail—to ensure that it is the customer's behaviour, not the fraudster's. Using only locked and secure websites is also important. People frequently give out information online to anything that looks legitimate, but it is important that they are aware of the security issue, as the hon. Lady has rightly said.

Andrew Selous: Will the Minister give way one last time?

Meg Hillier: One last time.

Andrew Selous: Will the Minister ask either the Minister for Security, Counter-Terrorism, Crime and Policing, or the Under-Secretary of State for the Home Department, the hon. Member for Gedling (Mr. Coaker) to write to me about the assessment process that the Minister for Security, Counter-Terrorism, Crime and Policing promised would be in place in his written answer on 2 July 2007?

Meg Hillier: Absolutely. I am happy to do so. I shall ask my hon. Friend the Under-Secretary to examine the lack of reporting in the case that the hon. Gentleman has raised. During my hon. Friend's normal discussions with the banking industry, the matter would probably come up, but I shall ensure that he is aware of the particular case that the hon Gentleman has mentioned.

As the hon. Gentleman has said, my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing stated in his written answer that we are keeping the situation under review, and we continuously assess the effectiveness of the arrangements. The process is continuous, so there will not be a big-bang moment, but this debate has been useful in highlighting some of the issues arising from the new reporting system. I stress that it is still, none the less, an improvement on what went before, and we are trying to streamline reporting and information gathering. With that intelligence and data, the police and the financial institutions will be better able to protect the public, who are the big victims.

My right hon. Friend has a steering group, comprising law enforcement agencies and banks, which meets regularly, and I shall ask him to put the issue on the agenda at his next meeting. I thank the hon. Gentleman for raising the issue with me today.

Sentencing Policy

10.57 am

Mr. David Kidney (Stafford) (Lab): It is a pleasure to see you chairing our proceedings today, Miss Begg. This is an important debate about the sentencing options available to our criminal courts, and I am glad that we shall be under your watchful eye as you take care of us with your usual compassion and attention to detail. I am also pleased that my hon. Friend the Minister will listen to today's contributions and respond to the debate. She is conscientious and diligent in carrying out her ministerial duties, and she will want to take close account of what is said. I hope that she will be able to respond positively to some of my points.

About 1.3 million adults are sentenced each year in the courts of England and Wales. In addition, children and young people appear before the courts, and about 120,000 court-disposals were reported in 2006-07 involving them. Overall, since 1997, the number of crimes, including violent crime, is down, and last year, the number of deaths that the police reported as homicides was down to an eight-year low. The debate presents us with an opportunity not only to consider what to do for the future, but to pay tribute to those who work so diligently and with such commitment to serve the public through their work in, and for, the criminal justice system.

I very much support the police in their work. They play a pivotal role at every stage, from keeping the peace, through detecting crime, apprehending offenders, securing the evidence for convictions, enforcing bail conditions and taking part in the management of offenders subject to restrictions post-sentence, to playing their part to the full in multi-agency work, which includes persistent and prolific-offender programmes, such as the one I have visited four times in Stafford, and assessments of public protection and risk.

In addition to the police, the Crown Prosecution Service works conscientiously to secure fair trials, convictions of the guilty and advice to courts on appropriate sentences. Working with the police and agencies such as Victim Support, it ensures that victims feel as involved in the process as they want to be and that the system places them and their interests at its heart. At least, that is the ambition. The last time we had Question Time to the Solicitor-General, I asked him whether he was yet satisfied that the CPS consistently achieves that aim. I hope that we will continue to give attention principally to the interests of victims in the criminal justice system.

To carry on with my praise for those involved in the system, professional and lay judges bear heavy responsibility for decisions on guilt and innocence, bail and sentences, with a barrage of ill-informed criticism awaiting them when a decision is wrong or, with the benefit of hindsight, shown to be inadequate. Prison staff have a tough job keeping dangerous and violent people safely under lock and key and having an eye for vulnerable individuals who are not coping with imprisonment. They work tirelessly to improve the prospects of those leaving prison, so that they leave free from drug or alcohol misuse and with educational skills that they lacked on entry, and which will, we hope, assist them to be supported after release, especially in such crucial matters as housing, work and relationships.

[Mr. David Kidney]

In the community, probation staff do phenomenal work with offenders. The risks are obvious given that there can hardly be 24-hour supervision, which is no doubt why so many probation officers give 110 per cent. effort to their work, routinely going beyond the call of duty, patiently working with offenders when others might feel like giving up on them, and securing benefits for the community at large by reducing offending, supervising payback and educating the public about sentencing.

Then there is the Youth Justice Board and the many youth offending teams up and down the country, which perform so valiantly as they seek to divert children and young people from what might otherwise become a life of crime. Given the prolific nature of some offending, they are truly in the forefront of efforts to protect the public. As someone who took part in the many parliamentary debates about the creation of the National Offender Management Service, I know only too well that many other organisations contribute a huge amount to the work that goes on to reduce offending, to give effect to court sentences and to support victims of crime—organisations such as Victim Support, the National Association for the Care and Resettlement of Offenders and Rainer. No doubt there are many other groups and organisations that I have omitted to praise. I acknowledge the fantastic work that they all do, and I mean them no discourtesy by not naming them individually.

I turn to the situation in our prisons and to imprisonment as a sentence. In my view, and I think that of most people, prisons should be reserved for dangerous and violent offenders. The public demand protection from dangerous people and severe punishment for people who commit heinous crimes. Prisons are full, partly because sentences are longer. Indeterminate sentences keep very dangerous offenders in prison longer, and those who breach their licence conditions after early release are much more likely to be returned to prison. That ought to give the public some reassurance that prison provides the right deterrent and punishment for dangerous people.

However, the near doubling of the prison population in the past decade has created enormous pressures—not just financial cost to the state and the need to build more prisons, but the early release of prisoners and subtle pressure on sentencers. Faced with a case that is borderline but for which prison may be the right sentence, courts are given the message that there are no places in prison. We should consider ways to keep out of prison people who are not dangerous and who should be dealt with by community sentences. For non-violent women, imprisonment should be avoided when possible, for all the reasons that the Corston review recently set out. We should do much more to keep children out of prisons and comply with the United Nations convention on the rights of the child. In addition to working hard to keep women and children out of prison, we should provide alternatives to prison for people who do not pay fines, those with learning difficulties and those with a mental illness. Drugs and alcohol fuel crime, and there should be earlier access to health care outside prison.

I wish to focus primarily on community sentences and other community solutions. The Criminal Justice Act 2003 helpfully sets out the purposes of sentencing in most cases. They are fivefold: punishment, reduction of crime, reform and rehabilitation of offenders, protection of the public and reparation by offenders to persons affected by their crimes. I enumerate them, but as I recall from the debates on the Act—I was closely involved in every stage of its parliamentary proceedings—the five were not intended to be in sequence. Each was to be weighed against the others by the sentencing court.

How are we doing on the five purposes? Lord Woolf was asked that question by the Select Committee on Home Affairs when he gave evidence to it on 17 April 2007. He said:

> "Perhaps we achieve the punishment of offenders, but when we look at the other four our record is very poor."

He indicated the difficulty of reforming and rehabilitating prisoners when prisons are overcrowded and there is pressure on staff to deliver the courses needed. He believes that reparation solutions are underdeveloped and that we are not protecting the public sufficiently if we do not prevent reoffending effectively. I shall develop his arguments and suggest that there are ways in which we can do better.

The aims of sentencing are best met when the period that elapses between the crime and the disposal is as short as possible. That is true especially when the offender is young, but it holds good for many crimes, irrespective of the offender's age. The public understand that argument and expect the Government, Parliament and the criminal justice system to make criminal cases shorter. Back in 1997, in the heady days of winning my first election to Parliament, I found that that message really resonated with the public. I remember Labour's five pledges on the little pledge card that we used to give out to people. One was to halve the time that it took to bring young offenders to court for their sentences. That resonated with the public because they understood the importance of keeping the distance between offence and sentence as short as possible. When only a little time elapses between the commission of the offence and the offender facing up to the consequences of it, the connection between wrongdoing and payback is strong for both the offender and the victim. That is why, in appropriate cases, fixed penalty notices and restorative justice can be so powerful. The former is self-explanatory, but I shall say more about the latter.

There is now well-defined practice and law for restorative justice in cases involving children and young persons. A restorative justice order can even be made in a court. For adults, the position is less clear and the powerful tool of restorative justice does not play the role that it should in our criminal justice system. In Staffordshire, Chief Inspector Mark Riley has applied restorative justice solutions since 1994, and he is positive about their benefits. He told me:

> "The Victim often feels much better about the outcome, for even if they do not get recompense from the Offender, the fact that they have been able to 'Get it off their chest' is very cathartic for them.
>
> The Offender will obviously 'benefit' as they do not get a conviction out of the process, although the emotional trauma that they go through in the RJ process and the fact that they have to apologise for their actions often means that they comment about it not being a soft option."

The upsides of using restorative justice include, first, that it is victim-centred; the needs of victims are addressed and victims have a say in how the process should be

carried out, so it empowers them rather than leaving them on the sidelines. Secondly, it is possible to hold group sessions—for example, in antisocial behaviour cases. Thirdly, it can involve all the interested parties and improve communication between different parts of the community. Fourthly, it can address long-standing complaints within communities as well as specific incidents.

There are downsides, however, some of which we can address. In a police performance culture, restorative justice does not count as detection. The Government have recently begun to get a grip on that problem by releasing the police from over-prescriptive targets on detection. That is welcome, but, as with other community punishments and diversions from court, it is important that the community, the police and the criminal justice system all feel that restorative justice brings as positive a result as a court sentence would have achieved.

A second downside is that it takes the police as long to resolve a restorative justice case as to prepare a full file for court. A third is that too few police officers are trained to facilitate restorative justice, which requires experience and skill to make it work in the victim's favour. However, training is available to those who want to pursue that outlet. Mark Riley referred me to Inspector Tony Walker of Thames Valley police, who trained him, so I sought out Inspector Walker and spoke to him about restorative justice. I am told that Thames Valley police is probably the best police force in the country at developing restorative justice as a solution. When I spoke to Inspector Walker yesterday, he was extremely enthusiastic about it as a general solution that ought to be widely available in criminal cases. He reports that through his use of restorative justice, there have been immense reductions in repeat and serial offending as well as reductions in crime in a problem area.

There should be well-defined practices for offenders to apologise to victims and to hear what effect their crimes have had on their victims, and perhaps to pay compensation or do unpaid work for their victims. However, it should be clear which cases are suitable for that approach, and care should be taken to prevent its use where it would be dangerous or counter-productive. There should also be sufficient training of police officers and other facilitators to remove lack of capacity as an excuse for not using restorative justice. When restorative justice is the right solution, it ought to count as a successful conclusion to a case.

Conditional cautions do not involve going to court to get a sentence. The Government place great store in conditional cautioning as a vehicle to achieve greater use of restorative justice. It will become universally available to the police and the Crown Prosecution Service in April after a period of trialling, including in Staffordshire. Police in Staffordshire who have experience of conditional cautioning speak positively about it. Will the Minister explain the Government's intentions regarding conditional cautioning from April onwards, when it becomes widely available? How much does she anticipate it will be used? Looking back at the pilots and trials, what assessment has been made of its success to date, and what success is predicted for the future?

I recently asked the Minister about conditional cautioning in a written question. In her reply, she stated that the

"compliance rate is about 6 per cent."—[*Official Report*, 29 January 2008; Vol. 471, c. 292W.]

That sounds quite worrying, and it does not make much sense. If a conditional caution means that the police and the CPS have agreed that if a certain course of action has been taken, a caution will follow, non-compliance does not apply because there will be no caution if the required work is not carried out. I am not sure what the phrase means, so I would be grateful if the Minister will clarify that point.

Conditional cautioning is quick and cuts out court sentencing altogether. I am content with that as long as the scheme meets other important public policy and sentencing objectives. Crucially, if that method of disposal is used regularly, there must be accountability about how it is used, so that there is no abuse. Statistics must be collected and published to ensure transparency.

Although the debate is about sentencing, I have been talking about ways of keeping sentencing out of the hands of judges, which some people will think is good and others will think is bad. Before I discuss courts' sentencing powers, I shall say a little more about court diversion and other ways of resolving cases. There are methods that meet all the aims of sentencing policy and wider public protection, but which are quick and cut out the need for court proceedings; for example, drivers who are caught exceeding the speed limit may, in defined circumstances, pay to go on a speed awareness course and avoid fines and points on their driving licences—as can drivers who are caught driving without due care and attention. Such schemes have led me to consider where similar practices could be used.

I recently asked some parliamentary questions about military training, which is given both to armed forces personnel and to members of the public by way of outreach work by the military. In reply to one of my written questions, the Under-Secretary of State for Defence, my hon. Friend the Member for Halton (Derek Twigg), told me that there is a military corrective training centre at Colchester that

"exists to retrain and rehabilitate service personnel who have offended".—[*Official Report*, 22 January 2008; Vol. 470, c. 1840W.]

There is also an outreach programme to help vulnerable young people outside the military, and young people could join the cadet forces that operate widely in the UK.

I know from my experiences of cadet forces in Staffordshire that they are run on a shoestring. I regularly visit the military base at Stafford, where the Army cadets train, and I am the honorary president of the Penkridge air cadets, so I regularly visit their training centre too. I have seen the brilliant work that is done with youngsters to give them discipline, a sense of purpose, recognised qualifications and Duke of Edinburgh awards. As a result of their training, some young people have the ambition of joining our armed forces, and they are well placed to be recruited because of the skills and qualifications that they have acquired.

Cadet force instructors are incredible people. Some of them volunteer completely, giving all their time for free, while others receive payment for some of their work, but do miles more than they are paid to do. We could not ask our overstretched military forces to do more with their money and pay for the kind of training courses that I am talking about, so we need to consider how we could fund such a solution. I am interested in that as a way of diverting people from a life of crime

[Mr. David Kidney]

and certainly from an appearance in court. If by training people and putting them straight, the military gained a new way of recruiting suitable armed forces personnel, that would be an added bonus.

The Minister of State, Ministry of Justice, my right hon. Friend the Member for Delyn (Mr. Hanson) recently told me in a written answer:

> "We are consulting with a range of organisations which have an interest in youth justice and the provision of youth justice services as part of the Youth Crime Action Plan which will be published in the summer, and will consider the feasibility of sending young offenders on training programmes by the armed services in light of the response to that consultation."—[*Official Report*, 28 January 2008; Vol. 471, c. 154W.]

Therefore, this is not an out-of-field suggestion; it is under consideration. For some non-violent, antisocial offences, offenders could choose to go on training courses run by the military rather than going to court for sentencing. Such a scheme would apply mostly to young offenders, but need not be exclusively for young people.

Nor need we stop at the military as providers of suitable training courses, such as the one that I just described. In Staffordshire, for example, the fire and rescue service runs a young firefighters training course. Those identified to take the course are young people in danger of social exclusion and those whose behaviour shows them to be in danger of becoming involved in crime.

Can we not consider whether more providers are ready and willing to take part in schemes that have the backing and recognition of law? Could public sector bodies develop appropriate courses? Might there be private sector offers as well? Third-sector providers such as Rainer and the National Association for the Care and Resettlement of Offenders are already involved with similar projects.

Those are my suggestions for taking the weight of sentencing off the court, but when we come to community sentencing itself, we must look at how we can make the process speedier. Beyond the early disposal of cases without a court hearing at all, existing community sentences ought to be adapted—adjusted by Parliament—to make possible a sentence that specifies attendance on training courses, such as the ones that I described, as a whole or a part of the court disposal. That would be in addition to the more than 6 million hours of unpaid work that are already carried out in the community each year.

On that work, it is time that we settled whether payback is the brand for all reparation work that is ordered by the courts and carried out by offenders for the victims and the community more widely. We ought to ensure that there is much more labelling of the public property that is repaired or paid for by offenders as a result of such orders, and of community projects that have been completed by offenders undertaking unpaid work at the order of a court. In that way, the public would see constant reminders, as they went about their everyday business, that people had been caught, punished through the courts and made to do work to pay back the community for what they did. That would help us to inform and educate the public about crimes being detected and successfully prosecuted, and community sentences being served as a result. The public would then have a sense of the criminal justice system working for them, and punishment would be successfully allied with payback.

One important aim of reducing reoffending is making people pay for what they have done wrong, but I appreciate that the National Offender Management Service has developed seven pathways for reducing reoffending. To remind hon. Members of the full list, NOMS deals with accommodation; education, training and employment; health; drugs and alcohol; finance, benefits and debt; children and families; and attitudes, thinking and behaviour. All are clearly important, and all require the speedy responses that I mentioned earlier.

Alongside thinking about how we can quickly deliver a community sentence at the end of the process, I would like to deal with speeding up the procedures to get to the end of the process. That links up with my argument about keeping to a minimum the period between the offence and the sentence. It is important that we continue to encourage initiatives that are already taking place.

The first and most obvious initiative is to free the police from unnecessary burdens of bureaucracy to allow them more time on the front line to do the work that we need them to do, of reassuring the public, catching criminals and keeping the peace. The Flanagan review, which has just been made public, makes important recommendations about cutting police "blue tape". I am pleased to say that Staffordshire is actually pushing the Home Office to let it be at the forefront of implementing Flanagan recommendations to cut bureaucracy and free police to do the quality policing that the public want from them. That initiative would speed up the whole process.

The second initiative, which has already begun but needs to be recognised and encouraged, is the excellent practice of co-locating police and prosecutors, thereby getting much earlier and more accurate decisions on the right charges and the right cases to take forward for prosecution. Allied to the successful co-operation between the police and the prosecution has been the development of low-bureaucracy court files for the most straightforward cases. Again, that takes away some of the excuses for unnecessary delays and the resulting adjournments in proceedings.

There have been several experiments with specialist courts such as those for drugs and domestic violence cases, and there has even been talk of courts for mental health cases. As long as we assess the effectiveness of each, and as long as they do not divert resources that would be more effectively used for the mainstream business of courts, there is a lot to be said for developing expertise in each of those areas to speed up court proceedings.

Another initiative that my friends in the Staffordshire police are enthusiastic about, having now witnessed it, is the virtual court. The police officer and the accused can remain at the police station. They are in touch with the court by a video link, and the whole process is got out of the way and dealt with without moving outside the custody suite in the police station.

Those are procedures that we are already developing and adapting in this country to speed up the process. They should be welcomed and encouraged to take greater hold. If we speed up the process, and ultimately get effective community sentence orders from the court,

it is important to ensure that those orders are then carried out effectively. There is no point in Members of Parliament such as me suggesting additional and refined sentencing powers if the existing ones are not already being used, where appropriate. I take that lesson from last month's report by the National Audit Office, which states:

"Not all components of community orders are used in all probation areas."

Why is that? What is wrong? Why are people given powers to operate and then not able to use them? The NAO finds that community orders are effective, that they offer benefits over other court sentences and that they can reduce reconviction rates. Contrary to popular belief, most sentences are completed—94 per cent., according to the NAO report, although, to be absolutely open and complete, it states that 94 per cent. are completed, breached or revoked.

The report revealed a particular weakness in the use of one component of a community order: alcohol treatment. Given the concerns that members of the public have about how much of today's offending behaviour is fuelled by alcohol consumption, such a weakness is particularly inappropriate. The report says that the availability of the alcohol treatment component varies greatly across the country, and it identifies responsibilities not just in the Ministry of Justice and the Home Office but in the Department of Health and, at the local level, for primary care trusts and the deliverers of health services. NHS involvement means that Justice Ministers need to work conscientiously and as hard as they can across Government to ensure that the funding and facilities are in place to make alcohol treatment available everywhere.

The final area that I wish to cover is parenting. I have learned in a lifetime of experiences, and as a lawyer who dealt with divorce cases, family dispute cases and public law cases involving children being taken away from their parents, that the first three years of everybody's life is the most crucial in determining how they will perform and behave throughout the rest of their life. One of the many experts whom I have heard speak said that we learn up to half of all that we ever learn, however long we live, in the first three years of life.

Many people spout on about how schools and education can solve a lot of the problems of children who might be growing up with identified weaknesses. However, the starting age for school is five, reception classes are offered at four and a child may be able to get into a nursery at three, so nobody is near a school in the vital years from nought to three. Who are the vital educators during those years? The parents. That is so blindingly obvious, yet some parents do not understand how important they are. I want to look at ways of reducing offending behaviour by starting at the right point—at year zero—with every new citizen.

Of course, this is a debate about sentencing, and we have an option called a parenting order, but that would be aimed at the parents of a youth—perhaps a teenager—who has offended. I am sure that those orders can sometimes be useful at that stage, but there needs to be rigorous enforcement of attendance and participation by parents. It is at that stage that we might find that the absence of parents or their inability to take part is the reason that we have a problem in society. Nevertheless, where parenting orders are used, we need to be as rigorous as possible in getting a whole-family approach to tackling the offending behaviour of the person who has been in trouble with the law.

Parenting orders represent an intervention some way down the line, after the offending behaviour by the child has become established. I have been attracted to the work of an international charity called Wave. A report co-written by Professor George Hosking in 2005 draws a number of conclusions about how a public health approach to crime prevention in those first three years of children's lives could lead to a great reduction in violent behaviour and offending in later life.

Bob Spink (Castle Point) (Con): I congratulate the hon. Gentleman on bringing an important matter to the House in a balanced, eloquent manner. However, does he share my concern that over the past few decades, as the state has become more involved in parenting—for instance, it has prevented the loving chastisement of children by pulling them up or slapping them on the back of the leg when they are doing wrong—we have seen the growth not only of bad behaviour and crime among youngsters as they grow up, but of violent crime?

Mr. Kidney: No, not really. Of course, I share all the concerns that the hon. Gentleman has mentioned—that is the point of my mentioning parenting in a debate about court sentencing—but the use of violence by a parent to reinforce discipline reflects completely the wrong attitude. Violence between a parent and a child is a sign of failure and of pushing the child away from the parent, instead of their being drawn in and loved and cared for. I do not share his analysis of what the right solution to the problem is, although I agree that there is a problem. I should like to expand a little on that to show what I mean.

I have more time than I thought, so I should like to say a little more about the 2005 Wave report, which concluded, among other things, that serious violence in England and Wales is rising and that that trend can be reversed by effective early interventions focusing on the period from pregnancy to the age of three. Another conclusion of the report, which is the result of nine years' research—this is not something that has been considered lightly—is that the propensity to violence is developed primarily from wrong treatment before the age of three.

We should explain to every parent how important those first three years are, to equip them with the skills and the outside support that they feel that they need, entirely through their choice. However, the danger is the nanny state, which was the point that the hon. Gentleman was drawing me towards. I understand that it is for each parent to do their job and carry out their responsibilities, but as a society it is our job to make them appreciate what their role is and give them support when they feel that they need it. It is entirely for them to choose whether they need it or not. However, if parents fail in their job, when their children end up in the court system we must hold them to account as well as their children. That is the incentive for them to pay attention when we give them such messages.

In my constituency, I have been promoting for Staffordshire a universal parenting support service that is available to all parents. Universality is important. We should not try to stigmatise bad parents, because that

[Mr. Kidney]

would simply drive them away from us. We need to say that every parent reaches a point when they need somebody to turn to and there is nothing wrong with people turning to help that is already available for them. That is what I would like to achieve. However, that does not mean adding some new agency of the state. In my constituency, health visitors, midwives, general practitioners' practice nurses, churches and organisations such as Home-Start already exist: it is about branding them, drawing them together and offering support. My hon. Friend the Member for Nottingham, North (Mr. Allen) is doing similar creative work in Nottingham, trying to make it the early intervention city, precisely on the same reasoning that I am using. That is a very important way forward.

There are some recommendations at the end of the Wave report, based on research and hard evidence from around the world, about some of the responses that we ought to consider applying as a matter of course in this country: a course called "Roots of empathy", drawn from successful practice in Canada, prepares parents-to-be while they are still schoolchildren; a British charity, Parents in Partnership Parent Infant Network, prepares parents-to-be during the first pregnancy; in the United States of America, the Nurse-Family Partnership supports first-time parents from pregnancy onwards; and there is also an internationally known approach called the "circle of security", which is a group-based parent intervention programme to increase sensitivity between parents and children. All those ideas already exist. The Wave report says simply:

> "Debate is invited on the merits of a focused, national crime prevention agency to co-ordinate, fund and drive effective early prevention strategies."

It is calling for a debate about what is the most effective use of our money.

I attended a presentation by Professor George Hosking at which he showed that intervention in a child's life had the greatest effect from nought to three years old. He superimposed on that profile the spending by the state on children's upbringing. The biggest payment that we make as a state is when children are 15, 16 or 17 and the smallest payment is when they are aged from nought to three. Yet the greatest intervention that we could make is at nought to three. We ought to think about whether we should make changes. I say to the Minister that it is important to work across Government to get the right solutions.

I have been speaking for quite a while because I am the only Back Bencher who wants to make a full speech, but I will come to my conclusions now. Another great connection that Labour made with voters in 1997 was through the promise of being "tough on crime, tough on the causes of crime". We have certainly been tough on crime in terms of more and longer prison sentences. That seems to be Lord Woolf's conclusion as well. We have been tough on some of the societal causes of crime, for example, cutting worklessness, rough sleeping and poverty. But my connection with my public in my Stafford constituency tells me that other causes of crime have been under-addressed. People often mention a loss of discipline, a decline in standards of behaviour in public and binge drinking.

For me, discipline starts with good parenting and upbringing. Upholding decent standards of behaviour calls for a genuine zero tolerance of annoying public crimes such as damage to property, graffiti, litter, public disorder and antisocial behaviour. Tackling binge drinking requires determination to stop supermarkets selling alcohol below cost price.

I want accommodation, health care and help getting a job to be available to people at risk of offending before they commit an offence. I want those who wish to face up to their drugs and alcohol misuse helped to overcome their addiction before they embark on a rash of acquisitive crimes to feed their habit. Sometimes, people commit such crimes precisely to access one or more of those supports because they cannot get them soon enough as law-abiding citizens. That is wrong. As I have said, a cross-Government approach is required to achieve such outcomes.

It is the responsibility of Back-Bench and Opposition Members of Parliament, as elected representatives of the British people, to exert pressure on the Government to take the right actions, facilitate the passing of the laws that are needed and scrutinise the resultant use of funding and other resources to make sure that the taxpayer gets best value. Above all, it is our responsibility to bring about safer communities and a safer Britain.

11.39 am

Mr. David Heath (Somerton and Frome) (LD): It is a pleasure to take part in this debate, Miss Begg, and I congratulate the hon. Member for Stafford (Mr. Kidney) on securing it. The hon. Gentleman has a long history, in his career in the House, of raising issues of this kind and speaking with a great deal of intelligence and commitment on matters associated with criminal justice. He and I, and the hon. and learned Member for Harborough (Mr. Garnier), are veterans of too many criminal justice Bills for our own good. Nevertheless, we have frequently had the opportunity to debate such issues.

The hon. Gentleman is right to look at sentencing in the context of what happens beforehand. I was pleased that he paid tribute to a large number of the participants in the process, including the police. Sentences cannot be imposed until a criminal is before a court, and my view has always been that the greatest deterrent to crime is the expectation of being caught, but sadly that has not been the case for far too long.

The hon. Gentleman was also right when he said that we have not paid enough attention—the Government have certainly not done so—to the causes of crime, particularly the elements that he described, and parenting is a large component of that. I do not want to be misunderstood in suggesting that there is an hereditary component to crime, and I am certainly not talking about a genetic predisposition; I am talking about a behavioural element, because there is undoubtedly learned behaviour from parents and peer groups. If that disjunction can be cracked, intervention at an early age is more likely to reduce people's potential to find themselves in a life of crime. That is not universally the case, and some parents have done everything that might be expected of them, but still find their children in trouble with the law. I do not want my suggestion to be considered an absolute, but the hon. Gentleman is right in saying that we have not yet sufficiently considered the idea.

Bob Spink: The hon. Gentleman may recall that in 1997, I introduced a private Member's measure on underage drinking and confiscation of alcohol, which is now much talked about and much used—probably the most used law in the land, apart from traffic regulations. Is he aware that the legislation tried to ensure that when removing alcohol from young people, police officers would always tell the parents and involve them so that they could take control action with their youngsters? That provision has not been widely used until now, but does he welcome the fact that at last the Home Secretary has woken up to it, and is telling the police to use that facility?

Mr. Heath: I certainly welcome that, but I also recognise the practical problems for a single officer or pair of officers on the beat in towns such as Frome in my constituency on a Friday evening. I have been out on patrol with the police, and there are many underage drinkers on the streets in Frome on Friday nights. Dealing with them is a problem, and my question is: why do parents not ask why a 13 or 14-year-old is not at home well past midnight, and why, when they finally return, they are legless? That returns to the point made by the hon. Member for Stafford about parenting and the expected norms in exercising a little parental control. However, that is a slight diversion from what we are discussing: sentencing policy.

I am pleased that among his bouquets, the hon. Gentleman handed one to the lay magistracy, because we often do not recognise its extraordinarily difficult and unpaid job, and the value that it adds to society.

What should we look for in sentencing? My starting point throughout my forays into home affairs and justice matters is to ask whether it is effective in reducing crime. That is the whole point of a criminal justice system. If it does not reduce offending, it is not doing its job effectively. Secondly, we are entitled to expect some consistency throughout the country and in relation to specific crimes, so that there is an underlying feeling about the justice of the outcome for any specific disposal. Thirdly, we must allow discretion. It is not for Parliament or the Government to prescribe in minute detail the outcome of a court case. There is no point in wise people sitting in judgment if they cannot take account of the evidence before them and the circumstances of the crime in question. Such discretion is an important part of the principles of justice.

Fourthly, we should seek more transparency, which returns us to the argument we often have in this place about honesty in sentencing. We should describe sentences in a way that everyone inside and outside the courts understands, so that they are not dismayed by the realisation that when we say someone will serve 20 years in prison, they are released after five or six years, and that a 20-year sentence is not in fact a 20-year sentence, or that a life sentence is not for life. We need honesty in sentencing, and that can be achieved in the way in which we describe sentences, rather than by any major change in the nature of sentences. Finally, we must have centrality in sentencing from the victims' point of view, and their concerns must be put before the court, understood by the court and, if possible, addressed by the court.

For many years we have concentrated far too much on custodial sentences as the only "proper" sentences that work. Custodial sentences undoubtedly have a part to play, and are the only effective sentence for protecting the public from a dangerous criminal who is likely to reoffend, so it is essential that such sentences play a part in our penal process. However, the hon. Gentleman was right in saying that they are often used when they are not the best disposal, although his argument that because more people are breaking their licences and being returned to prison, the public should be reassured that prison is working was rather difficult to understand in logical terms. I suggest that it may do the opposite.

Why are our prisons so overcrowded? Why do they so often fail in their primary duty of rehabilitation, re-education and the reduction of recidivism? They contain far too many people with mental health problems who should be in secure mental health units. They contain far too many people with drug and alcohol dependency issues that should be treated rather than simply reinforced, as, sadly, they often are in the prison estate. Far too many women are in prison. Baroness Corston's report clearly shows that women who do not represent a danger to the public are often imprisoned inappropriately for lower level offences. There are certainly too many children in our prisons. There are better ways of dealing with children, and there is ample evidence that prison does not work in reducing offending in children. The reverse is the case.

Too many people are serving short-term sentences when all the evidence is that such sentences are almost certain to result in a reoffending individual. Why on earth do we spend enormous amounts of public money on putting people into prison for a very short time when they can have no opportunity for education or rehabilitation, and when they reoffend almost immediately after being released? Some of the figures show that reoffending rates exceed 90 per cent., and that includes only those who are caught. The system simply does not work in its primary purpose, so why do we spend enormous amounts of money on pursuing a policy that does not work?

Mr. Kidney: The hon. Gentleman asks an important question: why do sentencers send people to prison for short periods even though they know that it will not help to reduce reoffending? What is his answer? My answer is that it is because until recently there has been lack of confidence in community alternatives, although the trend is beginning to change. My contribution is about trying to create even more confidence in the community sentence alternative.

Mr. Heath: The hon. Gentleman is absolutely right. I was just about to mention that issue. There are better possibilities for effective community sentences, but the problem is that until recently the Government have appeared not to believe in such proposals and the public do not believe in them either. We need to establish in the public mind the fact that community sentencing can be rigorous and effective and do the job as well, or better, than a custodial sentence. To do that we need to re-examine the way in which we deal with community sentencing.

There are some high-intensity schemes with prolific offenders that operate in the community. Such schemes cost a lot of money and are not undemanding in terms of resources, but it has been shown that they can reduce offending among a notoriously difficult group of offenders. In Bristol, a scheme has been operating for some time with, interestingly, the police as the prime movers, although they work with other agencies. I used to be the chairman

[Mr. Heath]

of Avon and Somerset police authority and am impressed by what the force has been doing. I would like to see more such schemes, but I recognise that there needs to be a large resource for them to work effectively. There will, of course, be failures; we are talking about prolific offenders who have been to prison and come out. We should deal with a comparator that makes sense in terms of the general public, but nevertheless such schemes have been shown to be more effective than simply a lock-them-up-and-forget-about-them approach.

What would make community sentencing more acceptable in terms of public perception? The hon. Gentleman mentioned some points in relation to that. Immediacy is important, as is propinquity to the offence and the community that is affected because that means there is a relationship between the offence and the offended community or individual. Visibility is also important. We must make community sentencing more visible so that the public realise that it is not a soft touch, but a way of directly making amends for the crime in the community in which it has been committed. If we put those factors together, there is likely to be greater public acceptability. The restorative element, whether within a formal community sentence or outside it, is extraordinarily important and we should find ways to incorporate it so the person who is arrested for graffiti is seen to clean up the graffiti that he or she created. The restorative element is important for establishing public confidence and there are many examples of that kind.

The hon. Gentleman is right: it is often most difficult for the offender to come to terms with the restorative element. When an offender has to come face to face with the victim and say how sorry they are, they realise how much their action has affected that individual.

The worst argument for community sentencing is simply to say that it is needed because our prisons are full. I am worried about much of what has recently happened because there have been some quite arbitrary measures. Rather than having confidence that community sentencing is a better disposal, people have been saying, "Well, we haven't got enough room in prisons so we will require our magistracy or judges to use community sentencing more". I hope that will not be the case in future, but it worries me. The Lord Chancellor has set up a review of sentencing, on the basis of the Sentencing Guidelines Council, which will consider the relationship between sentencing and penal provision. The Lord Chancellor appears to have pre-empted that review in his speech last week in America—I think it was at George Washington university—where he appeared to say, "Well, we want to go the way of the American model where in some states there is a direct relationship between cell availability and sentencing policy". I question that approach. It may work in Minnesota or Michigan—it is a state beginning with M, but I cannot remember which one—but it will not work for us. Such a policy is not right in principle either, because if somebody is a threat to the community, they should be in prison; if they are not a threat, we should consider the alternatives and ensure that they work effectively.

Other disposals are below the level of formal court hearings, such as disposals at neighbourhood courts or at a peer group level. That sort of thing has been experimented with; for example, a restorative justice panel in Chard, Somerset, has worked well. Recidivism levels are well below those of a normal court dealing with the same sort of individual because there is a relationship between the offender, the offended against and the community. We need to consider such proposals, explore their effectiveness and see how far they can be expanded.

A further level below court, to which the hon. Gentleman referred and about which he is slightly more enthusiastic than I am, is that of summary measures taken by a police officer or prosecutor. I am worried about the proliferation of summary disposals that do not have the advantage of a court or judicial input. It is far too easy for a police officer or even a prosecutor to take an injudicious decision for the benefit of his or her records, rather than in the interests of justice. I am not saying that all such disposals are wrong—we all live in the world of fixed penalty tickets for parking and traffic offences—but I am worried that they are increasingly being used as an alternative to a proper judicial process. The same applies to processes that pre-empt the actual commission of an offence—the various forms of civil injunction to reduce criminal offending. I do not wish to sound too pompous, but the more we go down that road, the more we erode the principles of British justice. If such measures are effective, we need to consider them in terms of reducing crime, but we should be aware that we are putting the cart before the horse, or the sentence before the commission of an offence, which is a dubious approach.

[DAVID TAYLOR *in the Chair*]

My last point is about the importance of diversionary availability, to which the hon. Gentleman referred. I am not convinced that Colchester would welcome a lot of civil offenders or that cadet forces are the best place for people who have no interest in the armed forces, but simply need to be kept off the streets—putting a gun in their hands may not be the best way of teaching them to be better citizens. However, I accept that we should do a lot more in relation to youth provision, of which the cadet forces are an important part, and that we should provide alternative structures and diversions for young people so that they are interested in and engaged by something and are active. They need excellent role models to learn from and, to that extent, the hon. Gentleman is right.

We have a sentencing and a criminal justice system to protect the public and to reduce crime and re-offending. That is what our sentencing procedures should be about; not simply sounding tough, but being effective.

11.58 am

Mr. Edward Garnier (Harborough) (Con): As the hon. Member for Somerton and Frome (Mr. Heath) did, and as my hon. Friend the Member for Castle Point (Bob Spink) did in an intervention, I congratulate the hon. Member for Stafford (Mr. Kidney) on initiating the debate. Like the hon. Member for Somerton and Frome, I want to recognise publicly the contribution that the hon. Gentleman has made to our debates on criminal justice. He brings huge experience to debates, both as a solicitor advocate in the courts in Staffordshire and more widely. What he says on this subject is always worth listening to, as it is on other matters. I hope that I do not embarrass him by saying so, but it is appropriate that, from time to

time, those who have a particular knowledge about a subject have the opportunity to speak.

Mr. Kidney: I am grateful to the hon. and learned Gentleman, but, to spare my blushes, when I praised judges I did so in the full knowledge that he himself is a part-time judge.

Mr. Garnier: The hon. Gentleman has reached the next part of my virtual notes. I was about to declare an interest. I am a Crown court recorder and have had some good and bad experiences of the problems that our criminal justice system currently has in relation to sentences.

I spent last week sitting as a recorder in a court in London. Every time that I do that, I face the same problem—our prisons and community punishment system are overcrowded. We can see an overcrowded prison, but an overcrowded community punishment system is not so obvious. According to Government statistics, about 60 per cent. of our prisons are officially overcrowded. It is no longer controversial to say that our prisons are overcrowded. Last Friday, we reached a disgusting state of affairs in which nearly 82,000 people were being held in custody. Even the Operation Safeguard system had hit the ceiling. Some 400 people were in police or court cells as a consequence of the Government's mismanagement of the present system, which prevented those who were sentenced or on remand from being housed in proper prisons.

That has a consequence. Unlike prison cells, police and court cells do not have the facilities to evaluate medically the people who are sent there. The point made by the hon. Member for Somerton and Frome about the mentally ill and those who are affected by substance abuse is writ large when such people have to be detained overnight, or for several nights, in police cells. It is bad enough in a place such as Pentonville in which the medical staff are working their backs off just to stabilise the drug addicts in their care. They cannot hope to get them off drugs or make them better. All they can do is to stabilise them with a methadone scrip or some other form of medication to ensure that they do not die during the course of their custody.

I thought that the hon. Member for Stafford would mention the current state of affairs in relation to the ability of sentencers in Staffordshire to give the appropriate sentence. As I understand it, and the hon. Gentleman will correct me if I am wrong, magistrates in Stafford, and Staffordshire more widely, find it increasingly difficult to sentence offenders to community punishments because such courses are no longer available. Therefore, for those people for whom custody is not appropriate, the resources are no longer in place to sentence them, under the Criminal Justice Act 2003, to one of the community sentence options, such as unpaid work, or alcohol or drug rehabilitation—I think that there are 12 such options. I know, Mr. Taylor, that as a magistrate you will have some familiarity with that as well. As a consequence, magistrates in Stafford and Staffordshire now have to send inappropriate people into custody as opposed to dealing with them in the community. That adds to the terrible problem of overcrowding that the Government have created.

Mr. Taylor, if I have not finished by 12.15, will someone please shut me up?

David Taylor (in the Chair): I shall certainly do that.

Mr. Garnier: I want the Minister, who has been waiting patiently, to have an opportunity to respond to the points that have been made. In particular, I would like her to respond to the points made by the hon. Gentleman, even if she does not have time to respond to those made by the Opposition.

Since 1997, the criminal justice system has been going through a period of revolution. Unfortunately, we have seen more movement than productivity. That is beginning to manifest itself in the overcrowded prison estate and in the inability of justices of the peace to sentence appropriately. As the hon. Member for Somerton and Frome said at the end of his remarks, sentencers' discretion is being undermined on a daily basis. I am not suggesting that there is a malign motive. I do not believe that the Minister and her colleagues get up in the morning and say, "How can I further erode the judicial and sentencers' discretion?" However, that erosion is the unintended consequence of the mismanagement of our criminal justice system.

The prison and probation services have been victims of the Government's failed experiment in public sector reform through targets and central control. The Government confidently believed that central Government could hold unwieldy Departments to account using top-down targets. Civil servants would be rendered super-efficient, almost stakhanovite, with the aid of efficient modern IT systems. However, their confidence was misplaced. Officials have been burdened with too many targets. Monitoring has forced them to meet intermediate targets, leading to ineffective, demoralising box-ticking instead of productive and fulfilling work. The IT systems that are supposed to make the whole system function have invariably been late and over budget.

The Government rightly realised that the split between prison and probation is the root cause of failure, but their attempts to fix it have foundered. The first attempt was the National Offender Management Service, which was envisaged by Lord Carter as a new bureaucracy that would co-ordinate the prison and probation services. NOMS assigned a case officer—an offender manager—to follow the progress of each criminal from the time that they were sentenced until they were reintegrated into society. The officer was to use a state-of-the-art computer system, C-NOMIS. However, instead of drawing together prisons and probation, as Carter wanted, the Government created an inflated bureaucratic monster that sat above the Prison Service and probation service, did little to facilitate co-ordination, and sucked more than £1.5 billion a year—more than the budget of the national probation service—from the resources available for offender management. The computer system, C-NOMIS, was late and over budget, and the Ministry of Justice has now announced that a system that it previously described as

"central to end-to-end offender management"

will not be rolled out to the probation service. As for NOMS, the Government have decided to merge the top management of the Prison Service, probation service and NOMS, effectively subsuming a slimmed-down NOMS into the Prison Service, but without integrating the delivery of the services on the ground.

Meanwhile, Ministers have continually interfered in the running of prisons. The former director general of

[Mr. Garnier]

the Prison Service and chief executive of NOMS, Martin Narey, said on Radio 4's "Analysis" programme on 20 July 2006:

"The Prison Service for some years has been an executive agency in name only. The autonomy, the ability of its director general to get on and manage the organisation has been significantly eroded... I was spending 70 per cent. of my time in my last year at the Home Office managing ministers. For prison and probation services alike, targets have been focused on measurable levels and on throughputs, but not on success at tackling reoffending."

That, as a recent National Audit Office report has found, creates perverse incentives and outcomes, stifles innovation, and ultimately restricts the ability of the Ministry of Justice to deliver on its own service level agreement to reduce reoffending.

The Government's approach suffers from two fundamental flaws: the chasm between prison and probation, which they have failed to bridge, and the lack of incentives for people within the system, which they have not attempted to address. In essence, reoffending has not been reduced because it has been nobody's job to reduce it. That is why we have the problems that the hon. Members for Stafford and for Somerton and Frome mentioned in relation to the collapse of the sentencing system.

Time does not allow me to analyse what is going wrong with our prisons. Let me deal with the subject of community punishments, which is creaking in Stafford and Staffordshire, and, increasingly, elsewhere in the country. Magistrates deal with about 90 to 95 per cent. of all criminal cases. Although the Crown court deals with more serious offences, it deals with a smaller proportion of the offences brought to justice. It has often been said that the answer to the state of our prisons is to give up and to advocate the use of community punishments. The hon. Member for Somerton and Frome highlighted the implied policy of the Secretary of State for Justice that, because of the prison overcrowding, the only thing that can be done is to send inappropriate people on community punishments. I do not think that he has gone that far, but he might yet. That would be as wrong as over-filling the prisons in the first place.

We reached a ludicrous stage last Thursday, when the Prison Service and the probation service met for a private conference in Leeds, at which the director general of the Prison Service, Mr. Wheatley, was having to advise prison governors during the tea break to go back to their telephones and ring their prisons to ensure that the overcrowded prison estate was emptied into the less crowded open prison estate. "If necessary, use your own transport," he is alleged to have said. The Government have organised a grossly irresponsible set of affairs whereby the director general of the Prison Service is, as a consequence of prison overcrowding, requiring unsuitable people to be decanted out of the secure estate into the open estate.

I am no spokesman for the Prison Officers Association, but I am not surprised that on 18 February it issued a press release that stated:

"POA members were bussing prisoners from establishment to establishment to try and accommodate almost 82,000 prisoners over the weekend. This policy will lead to unrest amongst prisoners and prisoners being placed in unsuitable accommodation and thus endangering the general public. We are aware that the Ministry of Justice have instructed all Governors to send prisoners to open prisons. It is believed that all open prisons will be operating at around 95 per cent. capacity. To the POA that can only mean one thing; open prisons will be dangerous places to work in and the public in surrounding areas will be at risk...The problems of overcrowding are not new; and the problems we face today are as a direct result of the lack of real investment for new prisons over the last 10 years. If things continue as they are we will see more and more unsuitable and dangerous prisoners released early and public safety will be at risk."

Believe that or not, it is a fact that unsuitable people are now being pushed through to the open prison estate and, as a consequence, are not receiving the proper rehabilitation that they should have received within the closed estate if the sentencing planning system was operating in a correct manner. Just as the resources appear to have been mismanaged in the secure estate, so the resources are now being managed in a detrimental fashion in the community punishment system, particularly in Staffordshire.

The Secretary of State for Justice was invited to address the Howard League for Penal Reform and in a speech to it on 21 November 2007, which I attended, he said:

"For people sentenced to under twelve months in prison, reoffending rates have long been too high, and this is the case regardless of exactly how long those prisoners are inside. Community sentences will, in many cases, be a better alternative."

However, robust alternatives to custody have so far evaded the Government. As the National Audit Office observed in a report published in January,

"for unpaid work to be seen to be punishing and implemented properly, it needs to be demanding".

However, probation inspectors found that only 63 per cent. of unpaid work requirements were suitably demanding. The Ministry of Justice concedes that, although the maximum amount of work under such requirements can be up to 300 hours, the average is only 100.

There is a place for community sentences to deal with offenders whose crimes do not warrant imprisonment and where treatment in the community offers a better prospect of rehabilitation than imprisonment. Such punishments can be useful in so far as they allow offenders to remain close to home, family and work, while affording opportunities to receive vital rehabilitation and skills. However, they cannot simply be used as an act of faith, and should not be used simply because the jails are full. The way to use community punishments to reduce the prison population is to make community punishment work to reduce reoffending, and so reduce the supply of criminals who will be sent to prison in the future.

In the past decade, the Government have embraced community sentences as a way to divert criminals away from the ever more overcrowded prison estate. Five years ago, the then Home Secretary, the right hon. Member for Sheffield, Brightside (Mr. Blunkett), talked about tough community sentences to

"reduce the prison population at the lower end".

Disturbingly, community sentences are now given to more than 40 per cent. of violent offenders, and in the past three years nearly 90 rapists have received community sentences. In addition, a fair few of the 12,000 or 13,000 people who have been released early from custody on licence—I am referring to the end of custody licence scheme—since 29 June 2007 have been

violent offenders, despite the fact that the Government's rules for the release of people on ECL are supposed to keep violent offenders off ECL. The Secretary of State says, "Oh, don't worry about the 18 days," but it is in the last 18 days that short-sentence prisoners receive the necessary contacts with the health service, jobs and so on—

David Taylor (in the Chair): Order. I call the Minister to respond to the debate.

12.15 pm

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): Thank you, Mr. Taylor. No doubt the hon. and learned Member for Harborough (Mr. Garnier) now regrets suggesting that he be stopped, because he was stopped in full flow, but I am sure that he will have a chance to finish his sentence on another occasion.

I begin, as all hon. Members have done, by congratulating my hon. Friend the Member for Stafford (Mr. Kidney) on both securing this debate on an important topic, which has provoked a great deal of interest among Front Benchers, and the way in which he has advanced his theses and made his remarks. His speech was excellent and well worth listening to, and I know that it was appreciated on both sides of the Chamber. Some of us perhaps come at the issue from a slightly different perspective, but there is a lot of common ground across the Chamber in respect of much of what he has said.

I echo what my hon. Friend has said about the people who work throughout the criminal justice system, who are not thanked as often as they ought to be by society—I always do my best to thank them personally—for their work in tackling tough problems and issues and dealing with people with many difficulties and problems who are not the most sympathetic members of our society. They all do an excellent job. My hon. Friend has mentioned most of them, but, like him, I am happy to thank everybody involved, even though they may not have been mentioned by either him or me. Clearly, what they do is sometimes a thankless task, but it is vital in our society, and we all appreciate it. I want to make that absolutely clear.

As my hon. Friend has also said—other hon. Members have echoed this—custody will always have to be available for serious and dangerous offenders, but a key part of the reform of sentencing policy over the past few years has been to try to limit the use of short custodial sentences for less serious offenders by unlocking the potential of the community order and increasing its flexibility, making it more possible for sentencers, be they magistrates or judges, to deal appropriately with individual cases, as has been emphasised. It is entirely appropriate that they take the decisions in individual cases; it is not for Parliament or Ministers to impose solutions to individual cases in our courts system.

Within a framework of reserving prison for serious and violent offenders, we are doing our utmost to enable the system to reduce reoffending, to protect the public and to give those who have offended a chance to tackle the problems that have perhaps led to their offending behaviour and ensure that they come out as more useful members of society than they were when they entered the criminal justice system. That balance is correct, and I have not heard any hon. Member in this debate or in other debates on the subject suggest that it is wrong. Prison should be used for serious and dangerous offenders in order to protect the public, and we should use other approaches to deal with those who would not benefit from custody or who do not have to be in custody for the public to be protected.

The Criminal Justice Act 2003 provided an adult sentencing framework that was clearer and more flexible than that which previously pertained. The legislation set out for the first time in statute the purposes of sentencing for adults, which all hon. Members have referred to, namely, punishment, crime reduction, reform and rehabilitation, public protection and reparation. Sentences were reformed in that legislation, but perhaps most significantly the various types of community order for adults were replaced with a single community order with a range of possible requirements, and new sentences for serious and violent offenders were introduced to ensure that they are kept in prison or under supervision for longer than previously to try to manage the risks that they present. The intention is for the court to provide each offender with a sentence that best meets the needs of the case, at any level of seriousness, for sentences to be more effectively managed by the correctional services and for correctional services and the courts to work closely together on delivering the new sentences.

Tough community sentences include a wide range of requirements, as they should, including unpaid work, drug treatment and curfews—some of those things were mentioned in the debate. They allow offenders to maintain employment, education and family links and ensure that offenders do not get sucked into a cycle of repeat offending that they are less likely to get out of as time goes on. Instead, the sentences deliver interventions to address offending behaviour.

The Government are convinced that a well planned and properly supervised community sentence can be tough on the offender and far more valuable than prison in offering the individual opportunities to change their behaviour and constructive possibilities for the future. The overall reoffending rate for community sentences, 51 per cent., is lower than that for short prison sentences—the overall reoffending rate after a short custodial sentence is more than 70 per cent. Even on the basis of those bare figures, such approaches are more effective.

We have made substantial progress on both the enforcement and quality of community sentences—my hon. Friend has referred to that—and 90 per cent. of breaches are now dealt with. There is no reason why the public and sentencers cannot have confidence that community sentences are tough alternatives to short custodial sentences. Increasing community confidence in the effectiveness of such arrangements is the aim of ensuring rigorous enforcement.

I agreed with my hon. Friend when he talked about ensuring that the general public understands how tough community sentences can be and how useful they are. There is a general perception or feeling at the moment, as any Member of Parliament will know, that people who receive community sentences have had some kind of let-off. Of course, they have not—community sentences can be much tougher than short custodial sentences, and they can make an offender face up to the problems that they have caused and deal with the issues that led them into offending more intensively than if they simply

[Maria Eagle]

went into custody. As my hon. Friend has said, restorative justice is now embedded in the youth justice system, which is perhaps not that well known among the general public. Victim contact or reparation can be a part of youth disposals.

My hon. Friend has raised the issue of conditional cautions and made a point about a written answer. The answer should have stated that the non-compliance rate, rather than the compliance rate, was 6 per cent. There was a misspelling in the answer, but we were attempting to make the point that conditional cautions are almost always complied with. They are successful, and the conditions can have an impact. Often, they make a real difference to whether an individual becomes involved in offending behaviour again. Obviously, the Criminal Justice and Immigration Bill, which the House of Lords is debating, extends the capacity to use conditional cautions on 16 and 17-year-olds.

I agree with everyone who contributed to the debate, including the hon. and learned Member for Harborough, that diverting young people away from the criminal justice system in the first place is the way to control the increase in the prison population in the medium and longer term. Diverting people away from the criminal justice system must be the best thing for society, and conditional cautions appear to have the potential to do so. They have restorative and reparative features, and they can involve victims. Offenders might be required to write letters of apology to victims, or to deal with or put right the damage done by their graffiti or criminal damage, for example.

Those are visible ways in which to say to a community that the person who committed such offences has been caught, that they are putting things right, that they have had to apologise, and that they have agreed to those things. Quite often, such people are required to pay compensation. That is an effective way in which to deal with the kind of low-level antisocial behaviour that is so corrosive in our communities, as many MPs know. Calling such things "antisocial behaviour" may make them seem minor, and the offences might be at the petty end of the scale, but they can be a real problem in vulnerable communities, and they need to be rigorously tackled. That is why there is a sense in many of our communities that custody is the right answer—people want such behaviour to stop. Conditional cautioning provides an alternative way to make that point clearly in our communities.

My hon. Friend has referred to problem-solving courts, which have the potential to deal with those issues positively. People involved in the community court pilot in north Liverpool, which I know particularly well, make a great effort and provide great quality work. The district judge in the court, David Fletcher, does a superb job with the people who come before him every two weeks, if they have not met the conditions by going through drug rehabilitation or looking for a job. He knows that if those people have not done what he asks them to do, they cannot hide behind the fact that they will next appear before a different judge.

Mr. Garnier: It is obvious that the drugs court in Liverpool is a success, as is its equivalent in west London, but why are there only two? Surely there ought to be more.

Maria Eagle: There are two drugs courts pilots at present. The Government like evidence-based policy making, so we should ensure that the pilots work and that they make a difference. The court in north Liverpool is a community court—it does not deal only with drug-related matters, although drug rehabilitation is often part of what the district judge orders for persistent offenders who appear before him repeatedly. He seeks to supervise such people in the community and to avoid sending them into custody, if he can.

There are 13 community court pilots. Early evaluations show that they have the potential to reduce reoffending over time. It is too soon for us to be clear on that, because the pilots have not been going long enough for us to be sure of the long-term impact on reoffending behaviour among persistent offenders. However, we are extending the approach—there are now 13 community courts—and we intend to ensure that magistrates courts in other areas adopt some of the lessons, so that we can show in due course that they have a persistent impact on the types of offence that I have mentioned.

We intend to ensure that we have the money to extend the process to other courts areas, but before we become too enthusiastic and roll the pilots out further, we must be clear that the pilots work properly and that, when we evaluate the evidence, we see that they work. We need to be able to show that the problem-solving approach works, whether in community, domestic violence or drug courts.

My hon. Friend has referred to the problem-solving approach. We may argue how well offender management works, whether it is well resourced and what the problems are, but the idea behind it is to wrap interventions around the needs of the individual, particularly persistent and young offenders, to solve their problems so that they do not commit further crime. I believe that that is the way forward.

My hon. Friend has referred to interventions below court level and to intensive supervision. I agreed with what he said about the importance of the first three years after birth and parenting. The Government, with the Youth Justice Board, are developing some intensive supervision and surveillance programmes to deal with those who fall into bad behaviour partly because of their upbringing and bad experiences as young people. That approach involves family and parenting support over a six-month period, with the intention of ensuring that, at the end of the period, young people can go back to their families secure in the knowledge that their families are more able to cope with them, and that the young people concerned have changed their behaviour. That has a great deal of potential.

My hon. Friend may know that we are piloting intensive fostering in his area, which is another way in which to take hold of people who have gone wrong, perhaps because of poor experiences and parenting in their early years, and to ensure that they can be returned to society when they are less likely to offend in future.

A lot of work is being done in our criminal justice system to tackle the issues raised by my hon. Friend and others who spoke in the debate. We need to continue to put effort, money and time into the approaches that I have discussed. I congratulate my hon. Friend on the way in which he put his ideas forward, and he raised one or two issues that I shall have to go away and think about.

Stone Conservation (Cathedrals and Churches)

12.30 pm

Robert Key (Salisbury) (Con): It is a pleasure, Mr. Taylor, to be under your chairmanship, and to debate this subject with the Minister.

It is hard to imagine a greater privilege than being on Salisbury cathedral's spire with a stonemason, 300 ft above ground, considering how best to conserve an individual stone in that enormous edifice. That was where my passion for stone conservation started some 20 years ago. Since then, we have seen the progress of an astonishing number of cathedral and parish church projects throughout the country. Much of the credit for that must go to English Heritage, but even more must go to the skill of the stonemasons and conservators. They are responsible for ensuring that our generation passes to future generations the inheritance of those wonderful mediaeval buildings that are such an important part of the life of our country.

This is a huge subject, and I cannot begin to do more than scratch the surface. For those who are particularly interested, I commend the winner of the 2007 Royal Institute of British Architects book award for construction—"Stone Conservation: Principles and Practice". The book was edited by Alison Henry, a distinguished conservator. In it, she said:

"How often, for example, do we hear someone talk of restoration when what they really mean ...is in fact conservation?...at what point does restoration or preservation (of individual stones) stop and conservation (of the building) begin?"

She continued:

"The concept of conservation as a proactive means of managing the inevitable change in the historic environment is something that escapes the majority of people."

How right she is.

Of course, I do not want to speak only about Salisbury, although we are blessed not least because we have the benefit of the original stone quarries at Chilmark and Purbeck from which the cathedral was built. Indeed, this year, we celebrate the 750th anniversary of the laying of the cathedral's foundation stone. However, Canterbury has had a more difficult story.

The distinguished archaeologist Tim Tatton-Brown, writing in the Ecclesiastical Architect and Surveyors journal of spring 2007, said of Canterbury:

"Alien stones have been brought in, which have not matched the original masonry, and this new stone has changed every few decades in the 20th century, following 'fashions' determined by their Surveyors to the Fabric (architects). So, for example, between about 1908 and 1920 Doulting stone from the Mendips was used, followed by Clipsham stone in the 1930s. After the last War, it was Bath (Box Ground) stone that was in fashion. Then from the 1960s it was decided to use Lepine stone, a totally different stone, which was being imported from France by lorry for Chichester Cathedral. Unfortunately none of these stones are in any way a match for the original medieval masonry. At Canterbury the principal stone used between the late 11th and late 15th centuries was high quality Caen stone, but this has been used alongside other English stones like Reigate stone and Kentish Ragstone."

It is a huge problem that affects every parish church with a few bits of stone that need attention.

How do the conservators approach such a problem? Their first duty is to preserve as much of the historic fabric as possible, and to record fully the archaeological and historical information of each area treated. They seek to maintain the fabric in a sound condition through cleaning—removing damaging or potentially damaging material—by repairing smaller areas of decayed or damaged stone with lime mortar repairs, or by replacing or piecing-in larger areas of decayed or damaged stone with new stone.

Conservators, architects and stonemasons are always reluctant to replace historic stonework; they do so only after careful inspection and consideration of the degree of decay—in size, form and depth—from location to location. The decision to replace is taken only after the implications of intervention have been discussed jointly by the cathedral architect and the consultant conservator while on the scaffolding. Since 1994, such decisions at Salisbury have been fully discussed with English Heritage. Its inspecting architect has visited the cathedral regularly, and has developed a good relationship—until recently.

There has been a change of policy at English Heritage. The cathedral has had to face up to a significant change to work that is being carried out, but to do so it would need the approval of the cathedral fabric advisory committee, and the Cathedral Fabric Commission for England. The problem arose this year. It might seem curmudgeonly to say it, but the press release in which English Heritage announced the award of £2.1 million to 28 cathedrals only a couple of weeks ago was not greeted with universal enthusiasm by cathedral deans throughout the country, and not only in Salisbury. Why?

The real problem is that the lack of money has led to a change of policy. It is not about sour grapes for Salisbury. English Heritage has been very generous to Salisbury cathedral—more generous to Salisbury and Lincoln than to any other cathedral. However, English Heritage provides a minority of the funding. We have been fundraising in Salisbury since 1986, when we launched our spire appeal. That raised £8 million for the spire, the tower and the west front. However, total expenditure since 1986 to the end of this financial year is more than £18 million, of which English Heritage has generously provided £6.25 million.

Mr. Frank Field (Birkenhead) (Lab): I declare an interest as chairman of the Cathedral Fabric Commission for England. I am pleased about the way in which the theme is being developed. We all accept that English Heritage does not have enough money to carry out its functions properly. When comparing the budget being voted on later today for Northern Rock with the good done by the English cathedrals, there seems to be a mismatch. Although we accept that English Heritage funds will always be inadequate, is not the main point that it should give funds in such a way that it does not make it more difficult for those cathedrals that are unsuccessful or that do not have their grants renewed to continue to raise funds? The commission is certainly concerned about that issue.

Robert Key: Of course, the right hon. Gentleman is entirely right. He points out the very small amount of money that English Heritage has to distribute. That, of course, can be blamed only on the Treasury. However, the Treasury has its priorities; and Northern Rock is apparently a much greater priority than the southern rock of Salisbury cathedral. The right hon. Gentleman is right. We have a strange sense of what it is right to

[Robert Key]

subsidise. For example, Salisbury's excellent theatre will receive not far short of £1 million in annual subsidy, but the cathedral will not.

As the cathedral will not now be receiving the money that it had hoped for from the excellent Wolfson Foundation—it provides the money for cathedrals, which is administered by English Heritage; it previously came from the Treasury—the problem is starker. It makes things much more difficult. As the right hon. Gentleman said, we do not want to make fund-raising more difficult for those churches.

It is also terribly important to remember that 25 per cent. of all listed buildings in the country are funded by the Church of England, as are 40 per cent. of all grade 1 listed buildings. It is a pretty stark challenge for the Christian community to have to pay for the iconic buildings of our country. We are very grateful to the Wolfson Foundation for providing £1 million a year for three years for our cathedrals.

The problem that we faced with the decision of English Heritage was not that it did not have enough money and had to spread it more thinly but that it changed the criteria. There is no doubt about that; the chief executive told me himself that English Heritage had changed the criteria in order better to distribute its finances. However, the way that English Heritage changed the criteria caused considerable upset. That was surprising in some ways. Sir Hayden Phillips, who is the chairman of the Salisbury cathedral fabric advisory committee and a former distinguished permanent secretary of the Department for Culture, Media and Sport and then the Lord Chancellor's Department, said:

"English Heritage failed properly to pursue a consultation process to which the cathedral was committed, and which involved the Cathedrals Fabric Commission for England (CFCE), to resolve differences of opinion on stone conservation policy. They should have done so before making this the reason for denying continued support. We hope English Heritage will accept that their decision-making process fell short of the best standards of public administration and will engage with us, and the CFCE in dealing with the specific issue of stone conservation and our general concern about the way their decisions appear to be made."

We are therefore faced with a challenge for the future. We have had a change of policy. I suspect that the problem stems from the changes at English Heritage themselves and I hope very much that the excellent commissioners for English Heritage will take note of that. We used to have an excellent cathedral team in the headquarters of English Heritage, led by Richard Halsey who then retired. Since his retirement, there has been regional devolution and it seems that there has been no overall control of cathedral policy. English Heritage no longer has a chief architect, which is also a pity.

We really must have consistency in policy by English Heritage, which is meant to be the guardian of this type of conservation of our great buildings. Regionalisation by English Heritage has led to a lack of national consistency. So, my first request of the Minister is that she should facilitate for English Heritage a serious national conference to decide the best approach for conserving stonework, not just in cathedrals and parish churches but in any of our great stone buildings.

Mr. Field: English Heritage and the CFCE are going to stage such a conference. However, is the hon. Gentleman not making the point—I just wish to underline it—that the cathedrals themselves now have groups of experts and the commission itself has groups of experts, which are now probably greater in number than those that English Heritage has? Our expertise is being pitted against English Heritage and English Heritage then makes public statements about the worth of the decisions made by individual cathedrals and by the commission.

Robert Key: I am sure that that is absolutely right. Certainly, Michael Drury, the cathedral architect at Salisbury, is a well-known and greatly respected expert on stone conservation, as is Nicholas Durnan, who is the consultant conservator to Salisbury cathedral; he is not only a distinguished sculptor but has worked on many English cathedrals over the years. The accumulated wisdom of experts in cathedrals up and down the country is indeed very great.

The conference that the right hon. Gentleman mentioned will take place in London from 11 to 13 March, with the sponsorship of RIBA, English Heritage, *The Architects' Journal*, the Stone Federation and others. The Natural Stone Show 2008 is unmissable for the Minister and for anyone else who has a bent in that direction.

I have asked that the Minister facilitate a serious conference, which the cathedrals had asked for and hoped for, but the consultation processes had not been completed by English Heritage on the grant allocations, which is the burden of the complaint by Sir Hayden Phillips. I also ask the Minister, for the sake of future generations, to look at the problem that arises from having a lot of courses for stone masons in the UK while stone conservation training is very limited indeed. Most conservation training is now done on the job. There is a lack of recognised qualifications in stone conservation. The accreditation scheme for conservation in the UK, promoted by the Institute of Conservation, is a step in the right direction. Also, the institute's stone and wall paintings group is doing very great work. Nevertheless, there is a lot more to be done in this very important area.

I end where I started by saying that anyone who just looks at a great building, whether it is the Palace of Westminster, Westminster abbey, Salisbury cathedral, or the cathedrals of Durham, Canterbury, Lichfield or wherever, should understand that it is more than just a whole image; in the case of Salisbury cathedral, it is about 750 years of continuity. Minimum replacement of stone is always the objective. However, if we do not have a consistent policy in this area and if we insist on replacing only the most damaged stonework without consideration of that stone that is going to need replacing in the next 10 or 20 years, we will see our buildings deteriorating and remaining covered in scaffolding for generation after generation.

In Salisbury, we very much hope that by 2015—an important date in our history because 1215 is the date of the signing of Magna Carta of which Salisbury cathedral has the best surviving copy—the scaffolding that has been there since the late 1980s, being continually moved around the cathedral, will have been removed. For goodness' sake, today we have heard that after hundreds of years the Forth bridge will no longer be painted, but the scaffolding will not be taken down from English cathedrals and churches for many years to come if we do not have a sensible, consistent and agreed policy on stone conservation in this country.

12.46 pm

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): First, I congratulate the hon. Member for Salisbury (Robert Key) on securing this debate. I should also like to express a little envy that he has Salisbury cathedral within his constituency. I was privileged enough to visit the cathedral when I visited Stonehenge last summer and it is indeed one of the most magnificent buildings that we have in our cultural and heritage infrastructure, which is much valued and enjoyed by all who go there.

I should just like to say a little about churches and cathedrals in general, because they have a hugely important role to play in their communities, not only because they fulfil their primary purpose as places of worship but because they are storehouses for historic treasures. As the hon. Gentleman said, Salisbury cathedral is 750 years old this year. Many of our cathedrals also commission new works of art. Cathedrals host a range of cultural events, including exhibitions and concerts. They uphold all our fine choral traditions and they also help many vulnerable people in our communities. So cathedrals and churches contribute in a huge range of ways to the life of our nation, and they provide space for many community and cultural activities.

We should always bear in mind that cathedrals and churches are very important in terms of our children's education. They are often the scene of educational visits; many of them employ educational officers, and every year thousands of schoolchildren explore the wonders of art history, architecture and religion within the confines of these buildings. Finally, as the hon. Gentleman will know, we have plans to offer children more cultural opportunities, and I hope that the cathedrals and churches will play their part in that scheme.

I also recognise, particularly in Salisbury but also in many of our other cathedrals, how important cathedrals and churches are in benefiting local economies and local businesses, in the way that they attract visitors and tourists. We calculate that about £91 million a year of local expenditure is associated with visits to cathedrals.

Most importantly, of course, cathedrals cater for the spiritual needs of many people, whether it is in a formal service—I understand that the congregations for those services are increasing—or just by being places for people to sit quietly and contemplate.

I would like to say just a little about Government support generally for cathedrals and churches, because the hon. Gentleman was right to draw our attention to the fact that so many of our cathedrals are listed under grade I or grade II status. If one looks at the totality of the Government funding that is provided, either through the Government directly, through our non-departmental public bodies or through lottery programmes, it is more than £50 million a year, which goes to helping us to conserve and preserve these places of worship.

The current spending review settlement was very tight, as the hon. Gentleman will know, and I am pleased that we have managed to increase the grant to the Churches Conservation Trust. Even English Heritage, which has had a flat-rate settlement for many years, will also see an increase in its settlement from the Department over the period of the current spending review.

The Churches Conservation Trust, which, as I said, got more money, cares for the most significant redundant Church of England buildings. Some of that money will be used to help vulnerable congregations to fight off the possibility of buildings becoming redundant, which is hugely important, and to help redundant buildings to find new uses.

English Heritage is also looking at what more it can do to help congregations to prioritise their repairs, because money will always be tight. It will also help them to identify potential further uses of underused buildings and to seek new sources of support. All that is in line with the Inspire campaign, with which I am sure that the hon. Gentleman is familiar.

On the grants that we give out, both our listed places of worship grant scheme and the joint English Heritage and lottery fund church repair scheme have awarded many millions of pounds and helped many thousands of buildings. We will have an announcement soon on the latest round of grants offered under the joint scheme.

As the hon. Gentleman said, English Heritage made an announcement only two weeks ago about the latest awards that it will make under its grants for cathedrals scheme. Some 28 cathedrals have been offered a share of more than £2 million, and once the current round of grants has been taken up, the scheme will have given out nearly £50 million since 1991. We are of course grateful for the match funding from the Wolfson Foundation, to which the hon. Gentleman referred. That generous contribution is allowing the scheme to go much further.

The Heritage Lottery Fund also makes many millions of pounds available to cathedrals and churches. York minster received £10 million towards the huge project of restoring the great east window, and the church of St. Martin-in-the-Fields in London has received more than £40 million towards its ongoing work, as the hon. Gentleman will have seen.

As the hon. Gentleman said, Salisbury is one of the finest, if not the finest, of all our cathedrals. That is why it has received more English Heritage grant funding that any other cathedral and more from that body than almost any other building in the country. As he said, it has received well over £6 million since the start of the current cathedral grant programme; indeed, it has received £1 for every £8 given out by the scheme, under which there are 40 eligible buildings. Salisbury is also making use of the VAT relief grant scheme and has received £130,000 from it in the past few months.

Robert Key: That is absolutely true, but it is important to point out that that happened with the agreement of the Association of English Cathedrals, which agreed, as a body, that Lincoln and Salisbury were in the greatest need. It is not fair to say that Salisbury is being greedy, because it is not—it just has the biggest problems.

Margaret Hodge: I take the hon. Gentleman's point, but I hope that he will acknowledge that an appropriate response has been made to that need through the grants that have been awarded.

The hon. Gentleman raised several issues. First, he suggested that there had been a change in English Heritage's policy on stone repair, but my understanding is that there has been no such change. English Heritage had its established policy, and the confines of that

[Margaret Hodge]

policy meant that it could not support the specific works proposed in the latest application.

The hon. Gentleman suggested that the criteria of the grant scheme had changed. I must tell him, however, that the criteria attached to the grant scheme have been in place since 2003 and were reconfirmed to all cathedrals in summer 2007.

The hon. Gentleman alleged that there was a lack of national consistency, but there is no evidence of that. Guidelines and criteria are applied nationally, but each cathedral is different. Salisbury has been dealt with by English Heritage's south-west regional office for several years.

My right hon. Friend the Member for Birkenhead (Mr. Field), who has left the Chamber, raised the point that the failure of funding to come from one organisation might impact on funding from the another organisation. In this case, however, the Wolfson Foundation simply agreed with English Heritage's assessment of the works that were required. This is an issue of the judgment about an individual application, rather than a lack of funding from one organisation leading to a lack of funding from another.

I do not know whether the hon. Gentleman has met locally with English Heritage and the Church authorities. I see from my notes that there was a meeting between English Heritage and all the bodies concerned in the middle of last year, although I have not seen the minutes of that meeting. I do not know whether the hon. Gentleman has convened such a meeting to bring everyone together, but there is clearly an issue of judgment over the best way to deal with the damage to Salisbury cathedral's stonework, and judgments appear to differ.

Robert Key: To answer the Minister's question, I was not present at that meeting, although I would be delighted to convene such a meeting. The real problem, however, is the lack of a national agreed policy, and that is what we are asking for. There should be a meeting with all the English cathedrals and others concerned so that we can have a consistent policy.

Margaret Hodge: Indeed. We have also been informed of the meeting that is taking place in March to thrash out whether we can achieve a nationally agreed policy. I am not sure whether the hon. Gentleman or I could act as experts or judges in this instance, but my understanding, having discussed the matter in preparing for this debate, is that English Heritage does take expert advice. Common sense tells me that one would always go for conservation rather than the replacement of stone, and I am sure that the hon. Gentleman would endorse that attitude. However, a judgment must be made about what life the stone will have and whether conservation is a cost-effective way forward.

The hon. Gentleman asked two specific questions. First, he asked whether we would consider convening a conference. The sensible thing is probably to wait and see whether some agreement comes out of the conference that will be convened by all the interested bodies in March. If there still appears to be huge disagreement, however, it would be appropriate for the Government to see whether we could bring the parties together at that point.

The hon. Gentleman also asked whether I could look at the training of stone masons to see whether there were appropriate facilities. It struck me that we could look at our apprenticeship scheme, which we are trying to expand, to see whether we could provide more opportunities through apprenticeships for individuals. I do not know whether there are opportunities there, but I will take the issue away, look at it and write to the hon. Gentleman in due course.

English Heritage has explained its position in dialogue with the cathedral over many months, and what happened with the grant application this year was no surprise to anybody. Strenuous efforts have been made on both sides to reach agreement on the way forward, but not enough progress has been made to allow grant to be awarded in the current year. However, English Heritage is continuing to work with the cathedral to agree a new stone conservation policy.

Clearly, a compromise needs to be found to allow the work at Salisbury cathedral to continue, and I think that that is what we all want. Salisbury should apply again for a grant next year, and although English Heritage makes no guarantees, it will continue to work with the cathedral to give its application the best chance of succeeding. English Heritage will work with the cathedral, the Cathedral Fabric Commission and other groups to see whether they can share best practice, share views and come to a common understanding.

Again, I am grateful to the hon. Gentleman for raising this issue. I hope that the debate has moved us a little way forward and that we can work together to ensure that all the major works at Salisbury can progress.

Housing (Calderdale)

1 pm

Chris McCafferty (Calder Valley) (Lab): With your permission, Mr. Taylor, I should like my hon. Friend the Member for Halifax (Mrs. Riordan), whose constituency neighbours mine, to speak in the debate.

Calderdale is one of the five boroughs in West Yorkshire. The local authority is the sixth largest of the 36 metropolitan areas in terms of land area. It has a population of about 192,000 people, comprising 81,000 households. Calderdale itself is made up of many distinct and diverse communities. It is a multicultural area: people of Asian, Irish, Italian and eastern European origin have formed part of the community for many years, the largest group being the Pakistani community, which has a very young age profile.

Most social and economic indicators show Calderdale to be close to the national average for prosperity, but that can mask wide variations within the borough. Deprivation figures for 2007 published by the Department for Communities and Local Government showed that four wards contained areas ranked within the 10 most deprived in the country, and that poor quality of housing is a significant factor in those and several other wards of the district. Conversely, there are some very prosperous areas in the borough. Calderdale is equidistant from the regional centres of Manchester and Leeds, and good rail and road links have drawn commuters who wish to live in the area.

In recent years there has been an enormous spate of development of executive apartments, many of which are located in former mill buildings. Calderdale is therefore an area of great contrasts, with high house prices in areas that also accommodate deprived communities living in poor quality older properties. Although its mix is in many respects healthy, it has the effect of masking underlying problems. As a result, Calderdale has not always attracted significant public expenditure from national and European institutions and regeneration programmes of the kind enjoyed by its surrounding neighbours.

Calderdale's traditional economic base was founded on textiles and engineering, and those sectors still account for a quarter of local employment. In recent years, employment in the service industry has grown, particularly in the financial sector, HBOS being the largest single private sector employer. With local schools consistently performing well, and blue chip employers established in the borough, Calderdale has the potential significantly to contribute to strategies for the economic development of the region. However, if that potential is to be realised, it is vital not to neglect basic agendas that will attract and retain a skilled work force in the borough. In that respect, housing agendas are neglected at our peril.

In that context, I want to set out some of the challenges that are currently being faced in Calderdale as it attempts to implement a five-year housing strategy entitled "Decent and Affordable Homes in Safe and Sustainable Neighbourhoods". The council recently undertook a comprehensive survey of its private sector stock, which rightly drew attention to its condition. The key findings were that half the private sector stock was built before 1919. More than 8 per cent. of the stock was statutorily unfit for human habitation, which is 2 per cent. above the national average. The rate at which dwellings are becoming unfit is greater than the rate at which unfit dwellings are being improved. Almost one fifth of all private sector homes were classified as being in serious disrepair. There was a high level of damp, and private tenants are more than twice as likely to live in unfit properties as owner-occupiers.

The highest concentration of unfit housing and homes that are difficult to heat is among pre-1919 stock. Three quarters of the privately rented property in Calderdale was built before 1919. More than half of the unfit houses have an energy efficiency rating substantially below the level required to achieve affordable warmth among low-income groups. The study concluded that more than £300 million was required to remedy that level of unfitness and to bring the private sector stock up to an acceptable standard of general repair. It seems extraordinary that after decades of housing policy and investment, we can still paint such a picture.

I want to use the Harley Bank area of Todmorden as an example. The streets are stone-built terraces of a dozen or so properties. The stone building lends a certain charm, but it can mask poor conditions. Homes in Harley Bank, as indeed in most of Calderdale, are genuinely back-to-back properties. They literally back on to another property, and are bounded on either side by others in the same terrace. A typical arrangement would be a one-up, one-down house, perhaps with an attic room. Roofs are generally in poor condition and doors and windows usually need renewing. The properties are usually of a single leaf stone construction, with no cavity, so energy efficiency improvement is, to say the least, challenging. Kitchen areas are likely to be modest in scale, and there is often one precipitous winding staircase to the first floor. Despite those limitations, such properties can be, and are, made into attractive homes for single people and smaller families. They can be cheap and economical to run, but they need investment, if they are to be a useful part of our housing stock in the future.

The agenda that I am discussing concerns our commitment to the most vulnerable people, who are most likely to live in such homes, and to their most basic need, which is a warm, secure home in decent order. The Minister shares that commitment, and I am sure that she wants to honour it. Other agendas are germane not only to Calderdale but to West Yorkshire in general and places further afield. I know that it is believed in some quarters that the north of England is not affected by the problems of affordability and high house prices that are found elsewhere, but that is not true. House prices have perhaps not reached the dizzy heights in the south of the country, but the increase in house prices in recent years has been dramatic and has had a substantial impact on communities where wages are historically very low. In Calderdale, house prices have risen 24 per cent. since 2004. The highest average rise in the whole country between 2001 and 2004 took place in one town in my constituency, Brighouse.

In that context, I welcome the Government's commitment to a larger programme of investment in affordable homes. I am pleased that the social housing grant deployment in West Yorkshire is likely to rise by 32 per cent. in 2010-11, compared with the current financial year. The matter of most concern is the degree to which it may prove possible to deploy that resource usefully. I say that because I am concerned about the combined

[Chris McCafferty]

effect of well meant Government targets on housing density, high land prices and Housing Corporation policy on unit costs. All too often, we seem to emphasise the number of houses being built—the quantity of building—rather than housing need and building quality.

That echoes the market trend of developing apartments rather than family houses, which we now desperately need in Calderdale. I ask the Minister to consider the degree to which local authorities are being empowered and enabled to reject inappropriate applications for high density flat development, and instead, perhaps, enabled to insist on higher proportions of family houses, built to good space standards and at a reasonable density. I find it a cause for concern that in this day and age we still have no minimum space standards for dwellings. We seem to have gone backwards since the Parker Morris standards of the 1950s.

A knock-on effect of the points that I have raised is the growing number of empty homes, which is a curious and perplexing phenomenon at a time when we know that there is very high housing need in Calderdale. There are also problems of affordability given the natural desire for home ownership. In Calderdale, we now have nearly 4,000 empty homes, some 2,500 of which have been empty for more than six months. Some of those are older, poorer properties in need of just the sort of investment that I mentioned earlier, but others are small apartments, which are usually situated in older, converted mill premises although some of them are new builds. All are driven by high land prices, high density requirements in national planning guidance and a short-sighted housing market that seems to see housing as an alternative investment chip at a time when returns on investments elsewhere are perhaps low.

We are now seeing the results of that policy in Calderdale, where we are building too much of the wrong sort of housing, when we really need medium-density family homes. I call upon the Minister, therefore, to introduce legislation, guidance and assistance to local authorities to enable them summarily to reject such applications in favour of the kind of housing development needed in their communities, and, certainly in Calderdale, better to utilise section 106 agreements, which have an important place in the provision of affordable local housing. Furthermore, will the Minister look at the link between investment in private sector housing and the rural housing agenda, because two thirds of Calderdale is classified as rural?

Finally, I flag up the link between the need for investment in our older stock and the energy efficiency housing agenda. In my constituency, which has been subject to significant flooding over many years, the importance of thinking globally and acting locally is not lost upon the community. I welcome the Government's target of all newly-constructed homes being zero carbon by 2016, and I call for a similar commitment to a radical improvement in the existing stock in areas with a legacy of older housing.

1.12 pm

Mrs. Linda Riordan (Halifax) (Lab/Co-op): I congratulate my hon. Friend the Member for Calder Valley (Chris McCafferty) on securing this important debate, which raises a crucial issue in the area that I represent as well as in hers. The importance of additional, private sector housing money to take forward new schemes around Halifax cannot be underestimated.

So far, due to restrictions on finance, investment has been restricted to one or two areas with the most pressing housing needs. However, other parts of Halifax, such as Lee Mount, Boothtown, and Siddal, to name but three, would benefit from similar levels of investment. We need the Government to help secure that investment. Halifax needs not only a fair distribution of resources across different communities, but to be seen to have a fair distribution of money. To enable that to happen, and to support the work of Calderdale council, enough money will be needed over the next three years to take forward that work and to enable the necessary changes. To put it bluntly, more money is needed to help turn dreams into reality.

As my hon. Friend has touched upon, Calderdale has diverse housing needs. Halifax also has areas with high house prices, as well as many deprived communities living in poor quality older properties. That situation needs addressing. In recent years, money from central Government has helped to tackle key regeneration schemes in the Park ward area and Illingworth. We now need more of the same to tackle similar problems in other parts of Halifax.

Key pockets of deprivation often lie in more prosperous wards, which are not highlighted in the indices of deprivation. It is not good enough that, as my hon. Friend has stated, almost one fifth of all private sector homes are in serious disrepair, that there is a high level of disrepair and damp and that private sector tenants are more than twice as likely to live in unfit properties as owner-occupiers. It is incredible that, after decades of housing policy, investment and action plans, such a picture can still be painted. We need to start with a fresh canvas and ensure a new picture is created for this generation. That work needs to start in Calderdale today. I urge the Minister to come and see first hand the housing challenges that need addressing in Calderdale. At the risk of repeating a well-used mantra, much has been done, but there is certainly much to do.

I want to point out the good work being carried out by housing officers in Calderdale. The "links in the chain" concept has recently been developed, and it will build on some of the excellent inward investment in recent years. Exciting plans and regeneration schemes are in place, but in Halifax we do not want to rest on our laurels. As the local MP, I want much more done. The council has plans for post-18 education links between Calderdale council and local universities. However, in order to help build on that success, the council needs to develop further proposals for linked housing and economic investment.

The main message that I want to bring to this debate is the need to give the council the financial support that it needs and wants, so that the pieces in the jigsaw can be completed. The money will provide the momentum, so that positive work can begin. I urge the Government to listen to the message from me and my hon. Friend and to help kick-start some much needed investment in the borough's housing stock, which will benefit hundreds of my constituents.

1.17 pm

The Minister for Housing (Caroline Flint): I congratulate my hon. Friends the Members for Calder Valley (Chris McCafferty) and for Halifax (Mrs. Riordan) on speaking today about the problems faced in their areas and the initiatives in their constituencies for thinking creatively about tackling different housing needs. As a Yorkshire MP, I am pleased to be joined by two Yorkshire colleagues who are making the point that housing is not just an issue for London and the south-east; it is an issue throughout the English regions. My Parliamentary Private Secretary, my hon. Friend the Member for Vale of Clwyd (Chris Ruane), is in the Chamber and I know housing is an issue for our colleagues in Wales, Scotland and Northern Ireland, too.

It is important that the Government strike the right balance when identifying national challenges and problems. We must try as hard as possible to ensure that our planning guidance and legislation are in tune with a policy that sets challenges and targets while providing the flexibility for local authorities to work in partnership with others at local and regional level to identify and pinpoint more accurately the problems and needs of different communities. There is not necessarily a one-size-fits-all approach. However, it is fair to say that for decades house building has been insufficient, which has contributed to some of the price and affordability problems.

We are increasingly recognising the need to consider the changing demographics of our communities. We are all living longer—thank goodness—but that raises challenges about the type of homes we want. Furthermore, we recognise that for some young people relying on the bank of mum and dad is not enough for them to get on to the first step of the housing market. Within that is the need to secure quality as well as quantity in social housing provision both for those who rely on it entirely and for others who need it as a springboard to other forms of home ownership or housing. I am glad, therefore, to have the opportunity to discuss such matters today.

In areas such as Calderdale, in which my hon. Friends' constituencies lie, house prices rose by about 130 per cent. between 2001 and 2006 and one in nine families in the area are on the waiting list for social housing—far higher than the national average. Between 2004 and 2026, it is predicted that 526,000 new households will be formed in the region, and almost half are likely to be in West Yorkshire. Owing to that, and to the fact that what is happening in West Yorkshire is a challenge nationally, we have committed to deliver 3 million new homes by 2020. As my hon. Friends have said, the issue is not just a numbers game in terms of more homes, but crucially about building better homes—more sustainable, better designed and more suitable for the needs of communities—and examining existing stock, including where it fits into communities and how it will work and deliver for families. It is about delivering the homes that people need, including larger properties for families when appropriate, and affordable housing for first-time buyers and, most important, about giving a choice to older people to downsize and move into more appropriate accommodation as their needs change. As the experience of Calderdale shows, those homes are needed throughout the country, not just in the south-east.

It is really positive to see the commitment from people working on housing throughout the region—from all the partners and stakeholders who are helping to shape the regional housing strategy. I shall single out the work in Calderdale, which is an authority that has made housing a central priority. It is one of the few authorities in the country with an affordable housing stretch target in its local area agreement, and I congratulate it on that ambition, and others on supporting it. The authority is working to ensure that new homes better reflect the needs of local families, with bigger houses in more convenient locations.

We have changed some of our policies to strengthen people locally. Housing needs assessments deal much more with the types of accommodation required, and offer flexibility to tackle the issue. In the past, a site might have been allocated for certain housing, and one could not change it if the community's housing needs changed. I have been in communication with Councillor Grenville Horsfall—I think he is the planning committee chairman—who wrote to me regarding the concern about the flats that have been built. We hope that the new planning guidance strengthens people locally by using housing needs assessments to be much clearer about numbers, and by relating the guidance to the type and location of housing that is needed. There is nothing to gain in the commercial market from people building flats or houses that they cannot sell or let, but there is an opportunity locally to engage with local developers and say, "Look, you may have built these a few years ago, but they are lying empty, so isn't it time to look at how you might market them?"

One of our tasks is to consider how we can market apartments or flats to older people, and reassure them about the block. I know and have visited some of the mill houses in parts of Yorkshire. Housing presents a great opportunity to revitalise those wonderful structures, but there is a marketing challenge regarding older people and whether they think that such places could become a home, because they want to be reassured about safety and to know who will live there. Older people are concerned about those issues, as we all are as we grow older.

There is also the question about whether flats should be knocked through to create bigger properties, such as four-bedroom flats. Leeds charges full council tax on empty properties. I do not know whether that happens in Calderdale, but it might be one way of incentivising developers to sell properties or put them on the rental market. The issue is about delivery—people seeing our words, and our ambitions for housing; it is about being realistic, through something that people can reach out to and touch. We are in constant dialogue with all the people involved in the West Yorkshire partnership to ensure that the local strategy reflects the national agenda as well as local needs.

In 1997, housing investment for West Yorkshire was about £65 million. In the past two years, it has averaged more than £181 million, excluding four private finance initiative schemes that are under consideration. Some decisions about funding for West Yorkshire have still to be taken, but on the regional housing pot, we have announced overall investment of £559 million in the Yorkshire and Humber region, which by 2010-11 will represent an increase of 32 per cent. on the figures in 2007-08. I cannot say what that will mean for West Yorkshire, but my hon. Friends will agree that it is a significant amount. It is important to engage in a debate

[Caroline Flint]

about how best that money can be used, and to what end, to meet the challenges in local communities.

Building on that measure, we have invested a great deal through the Housing Corporation to deliver the affordable housing that is needed locally. With large numbers of people attracted to the new jobs that are being created in areas such as Leeds, there will be additional pressure on the housing market, and some people who live in the constituencies that my hon. Friends represent travel or commute to Leeds. That is why we expect the region to set its sights higher by providing about 2,500 affordable homes per year by 2010-11. The target is undoubtedly challenging, but given the funding available, it is realistic. If the West Yorkshire partnership can identify suitable sites, it is likely to benefit significantly from the available funding, so there is no question of resources being pared back. It is a question of examining strategically what one can deliver locally, and discussing the issue together.

Over the past two years, West Yorkshire has also benefited from funding through the housing market renewal programme, which, as my hon. Friends know, was set up to address the problem of severe market failure in some areas of the north and in the west midlands. There has been real progress across the areas chosen for intervention. As the National Audit Office found last year, all pathfinder areas have started to close the gap in prices in their regions, and there have been clear physical improvements in many neighbourhoods. We recently announced a further £1 billion investment in the programme over the next three years, but decisions have not been taken about the allocations to each pathfinder, and we will target areas with the strongest and most persistent need. We are considering all the available information, including the business plans and housing strategies for all areas concerned, and I hope that we can make an announcement in the not too distant future.

I hope that my hon. Friends feel from today's debate that we understand housing problems throughout the country, and certainly in their part of Yorkshire. As my hon. Friend the Member for Halifax said, the cup is half full, not half empty, but I realise how much more we must do. Local authorities can be empowered to do much more. Through their local development frameworks, they can assess and specify housing need. As planning authorities, they are fully empowered to reject inappropriate developments, and the new PPS3 also encourages use of section 106 agreements to deliver affordable housing. All those measures can be used with discretion as local tools. However, we must engage the commercial market and make it understand that there is no point in building if it cannot sell the houses. No one wants empty homes in our communities.

Although I cannot confirm today the total funding that West Yorkshire will receive over the next three years, I hope that it is recognised that our track record of investment demonstrates our commitment to change. The latest allocations through the regional housing pot alone will make a real difference to local residents.

On the points about warm and secure homes, our Warm Front programme has been important. We have ambitious zero-carbon targets for new-build homes by 2016, but again, in the few weeks that I have been in the post, I have realised that we must analyse existing stock, too. The issue is not just about numbers, but about quality and whether homes meet the needs of local communities.

I shall think about the points made about minimum space standards. The Department is examining overcrowding and suitable homes in the commercial and social housing sectors for larger families, and I take on board the point about the link with rural housing agendas. In my constituency, none of which includes Doncaster town, there are many rural villages, and there is a need for affordable and social housing in those communities, too. They are vital to keep schools and services open in rural communities. I look forward to working with colleagues from the Department for Environment, Food and Rural Affairs and other partners in that regard, because the lack of housing in those communities neither serves many people nor keeps families close together. I welcome today's debate and the contributions from both my hon. Friends, and I look forward to discussing the issue further at a later date.

Will Writing Industry

1.30 pm

Lorely Burt (Solihull) (LD): In the years between being selected to fight and winning my seat, to earn money in a flexible way that could fit in with campaigning I worked as a part-time, self-employed will writer with a company called, strangely enough, the Will Writing Company, which did what it said on the tin. I was not legally trained, but I was trained by the company and sat exams set by the Institute of Professional Willwriters, which were marked externally.

Will writing is a good job for a nosey person, because by the time one has left the client, one knows all about them—their means, family arrangements, property situation and so on. A will writer needs that information to be able to make their client aware of the viability of what they want to do with their will and the most tax-efficient way to do it. Once the instructions were taken, the wills went to our head office to be scrutinised by legal professionals to ensure that I had given the best advice, and to be written up in a watertight legal form.

To give proper advice takes time and training. Until the late 1980s, will writing was the sole province of solicitors, who were the only people who had access to training for the skills required, so they effectively retained the activity within their own regulated environment. That effective monopoly of solicitors was ended in the late 1980s, when Simon Francis Harris, a serial fraudster and undischarged bankrupt, was jailed at Liverpool Crown court. He served part of his sentence with Keith Best, a discredited Member of Parliament—he served for Anglesey from 1979 to 1987—and struck-off solicitor, who had written a book on will writing. On his release, Harris founded the Quill Group, a non-solicitor will-writing franchiser. It provided rudimentary training in basic will writing to its franchisees. By 1992 there were more than 400 franchisees, who had paid anything from £6,000 to £15,000 for their franchise areas. Quill Testamentary Services Ltd, the group company that sold the franchises, was wound up by the High Court on 5 May 1993 on a petition of the Department of Trade and Industry, as it was then. That came as a devastating blow to the franchisees, many of whom lost their life savings or had borrowed money to buy a franchise, but also left tens of thousands of clients without access to their wills.

The story continued. In the late 1990s, Gerald Barton founded JHD Associates and sold franchises in a manner similar to that of Quill Wills. It mounted a major national advertising campaign offering to write wills

"for a limited period for £19.50 + vat (Usual Fee £59)".

Despite that unviable yet permanent price, JHD promised its franchisees minimum incomes in excess of £20,000 per annum. It achieved that seemingly impossible feat by making additional charges for any variations required by clients' circumstances, which resulted in bills for up to £500 for a pair of so-called £19.50 wills.

In February 2001, *Which?* magazine highlighted the case of a couple who were charged a total of £287 for two wills, lifetime safe storage at

"Somerset House, The Nation's Will Storage Centre, probably the most secure storage system in the UK",

and legal advice for their executor. In 2000, the JHD offices closed and Gerald Barton was eventually traced to Gibraltar. Thereafter, 10,000 wills were discovered in boxes at a storage company in Wincanton, Somerset—hardly Somerset house. Barton subsequently returned to the UK and started an identical operation called Willmakers Ltd., offering "affordable peace of mind" for £23.44 including VAT. By 2002, Willmakers had become National Legal Services, from the same address and with the same freephone number. It was wound up on a petition of the DTI in late 2007. Evidence showed that, once again, it had been formed for the purpose of selling franchises rather than actually writing wills.

That is the state of the so-called professional will writing industry. Independent financial advisers are regulated and required to be qualified, and solicitors need to be qualified and closely controlled, but someone could be a convicted fraudster, set up as a will writer tomorrow with no qualifications, experience or professional indemnity insurance and proceed to dispense advice on tax, inheritance laws and so on. Most consumers are unable to judge the quality or value of the service that they are getting, so it is no exaggeration to say that will writing has become a happy hunting ground for the incompetent, the dishonest and the fly-by-night operator.

Of course, there are many ethical operators, and there are two professional bodies for will writers. I have mentioned the Institute of Professional Willwriters, and the other main body is the Society of Will Writers. The problem is not with them, or with the vast majority of their members, but with those who operate without proper training, professionalism and insurance.

Writing a will is probably unique, in that a defect will almost certainly not be found until after the person making it has died, by which time it can be too late to do anything about the problem. It is essential to get it right first time, otherwise there will be an ever-increasing number of invalid or ineffective wills. Many of those making wills with untrained writers will not die for another 20 or 30 years, and only then will the problems being created today come to light, when redress will be unavailable. History is littered with problems created by short-term sales of long-term products and services, whether endowments, pensions, equity release or wills.

Many consumers do not appreciate the difference between a will writer and a solicitor. In fact, many assume that a will, being a legal document, can be drafted only by a solicitor. A survey carried out for the Institute of Professional Willwriters by Taylor Nelson Sofres in March 2007 found that 92 per cent. of consumers did not know that someone with no training or regulatory provisions could offer a will-writing service. When asked whether they thought that that was wrong, 77 per cent. said yes. Customers trust the person who turns up to write their will. Those customers are often elderly and easy meat for the unscrupulous will writer.

The citizens advice bureau has provided me with several examples. An elderly couple from Nottinghamshire responded to an offer of will writing for £20 plus VAT. With joint assets below the inheritance tax threshold, they were charged more than £1,000 for services that they discovered that they had bought only when the paperwork arrived in the post. The irony was that they already had wills, which could easily and cheaply have been amended. CAB clients in Lincolnshire, who were receiving benefits, responded to an advertisement offering wills for £23.50. A representative came to their home

[Lorely Burt]

and charged them £705, including storage costs. Another worrying matter is what happens to wills that clients have paid to have stored when a company goes bust or ceases trading.

What are the Government doing, and what steps should they take? In March 2005, the then Lord Chancellor, Lord Falconer, announced that his Department would

"consider the case for regulation of Will writing and estate administration services."

Both the professional bodies that I have mentioned met officials of the then Department for Constitutional Affairs, and a White Paper, "The Future of Legal Services: Putting the Consumer First", was published in October 2005. It states, on page 79, that

"there does not appear to be a compelling argument for statutory regulation. However, the Government's view is that improvements must be made in the control of quality and standards of will writing and related services in order to protect consumers. This could be most effectively achieved by voluntary regulation, such as codes of conduct and consumer education schemes."

For the past 18 months, the IPW and the Society Of Will Writers and Estate Planning Practitioners have been drafting their own codes of practice that meet the requirements of the Office of Fair Trading's consumer codes approval scheme. That is all well and good, but the CCAS requirements do not lend themselves fully to will writing. For example, there is no requirement for competence: the CCAS accepts that failure is inevitable and requires a robust mechanism of redress. But how can consumers complain, given that defects will probably become apparent only after they are dead? I am hardly a great fan of regulation—indeed, I believe it should be avoided where possible—but I wonder whether there should be an approved code of practice incorporating a system of redress, professional indemnity insurance and minimum qualification.

Estate agents are bound by the OFT's estate agency guide and the Estate Agents Act 1979. Recently, a measure was introduced requiring them to belong to an independent, approved ombudsman scheme after voluntary regulation similar to that proposed for will writers conspicuously failed. I am a veteran of the Consumers, Estate Agents and Redress Act 2007, and in our debates on the Bill, I argued that a basic professional qualification should be a prerequisite to practise as an estate agent, but I failed to persuade the Government on that occasion. Here, we have an even stronger case for ensuring that services are right from the outset.

If a will is written badly and does not reflect the interests and desires of the person who made it, the fault might not be discovered for 20 or 30 years. Indeed, it might never be discovered by the person who made it, because they will be dead when the problem arises. Learning that a will has been badly drafted is a huge blow to bereaved relatives who are trying to work their way through the complex system of obtaining probate—if they ever find out. Can a voluntary regime be enforced? If not, the untrained and unethical will still provide will-writing services, and those who are trained and acting ethically will be at a commercial disadvantage as they will be subject to the costs of the regime.

Consumer awareness of the importance of making a will is incredibly low. Estimates indicate that only 30 per cent. of the population leave a valid will when they die. The Government have stated that their

"overriding aim is that consumers receive a better standard of service, which they have a right to expect and deserve."

I ask the Minister to respond to the following questions. How can we defuse the "ticking time bomb", as the National Consumer Council describes it, of the 27 million people who do not have a will, particularly given that those who are least likely to have one are those who need one the most? Consumer education will not be effective other than through major, high-profile and continuous promotion—that means Government promotion.

The will-writing profession is not in a position to fund such activity, given that it consists of only about 700 to 1,000 businesses, employing less than 2,000 practitioners. Indeed, we do not know how many will-writing companies there are, because there is no requirement for them to register. We need something like a CORGI register for will writers. CORGI is a trusted brand that delivers a guaranteed level of service, and someone, somewhere has promoted that brand so that everyone knows and trusts it. Do the Government have the political will to promote the needs of citizens and their loved ones after their death?

I also want to know how it is possible to bring the cowboys of the industry into line if there is no central register of firms that trade as will writers, and no requirement to adhere to a voluntary code of conduct? The majority of consumers who take the trouble to make wills believe that their wills are being written by someone who is legally qualified. Will writers do not need to be legally qualified as long as they are properly trained, but as things stand, customers are sitting ducks. The industry's reputation is going down the drain, and ethical companies can do nothing but put themselves at a competitive disadvantage by swallowing the additional cost of doing the right thing: providing proper training and continuous professional development, and having full insurance cover and an overriding concern for clients and their interests. The ethical part of the industry needs a helping hand.

1.46 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I am grateful to the hon. Member for Solihull (Lorely Burt) for this opportunity to discuss the will-writing sector. She has described her personal interest in the subject, and I know that she is, rightly, keen that consumers should be protected from unscrupulous will-writing organisations.

The crux of the matter is whether will writing should be a reserved legal activity. That question was debated at length during scrutiny of the Legal Services Bill last year. At that time, the Government's position was that there was insufficient evidence to make a compelling case for regulating will-writing services, and I must disappoint the hon. Lady by telling her that we still do not see a compelling case. I reiterated that position in a recent written answer to my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy).

Our position will disappoint some people in will-writing organisations, such as the IPW, as they recently wrote to MPs seeking support for regulation, but we do not rule out future regulation. We will regulate, if there is evidence that regulation is not only necessary, but the most effective way of increasing consumer protection. We are

committed to reducing regulatory burdens as far as possible, and we will not introduce regulation unless there is evidence of significant problems.

Lorely Burt: Will the Minister give an example of the sort of incident that would persuade her of the need for regulation? Would a compulsory code of practice constitute regulation?

Bridget Prentice: I hope that I will answer the hon. Lady's questions during the course of my remarks. If I do not, I am sure she will come back to me on those points.

There is always a possibility that mistakes will be made in will writing, but regulation would not necessarily rectify those problems, and there is no evidence that lack of regulation causes those mistakes. Solicitors, who are regulated, can often make mistakes in will writing, and we are concerned that the cost of regulation might restrict competition and impose unnecessary burdens on providers and costs on consumers. That was the view of the NCC in its report, "Finding the will", which was published in September 2007. The report, to which the hon. Lady has alluded, examined will-writing behaviour among adults in England and Wales.

Not everyone wants to go to a solicitor or even to a professional will writer. Some choose a do-it-yourself pack because of cost or accessibility. What is most important from the consumer's point of view is the need to know that, whatever option they choose, it is the right one for them. They need to be aware of the pros and cons of all the options available to them. For example, Which? provides advice. It makes it clear to consumers that while the do-it-yourself will is certainly cheaper, it is suitable only if a person's circumstances are straightforward. Which? advises consumers against using such wills if their circumstances are in any way complicated or if there are detailed requirements for passing on their assets. They are advised instead to consult a solicitor or a qualified will writer who is a member of a recognised trade body.

Just before the NCC published its report last year, the Probate Service published an internet leaflet that provides factual, unbiased information about the benefits of making a will and the consequences of not doing so. The Government want to encourage people to make a will. If, as the NCC found, two out of three people have not made a will, we need to find ways of encouraging them to do so. The hon. Lady has alluded to the point that the people who do not make wills include those from ethnic minorities, those from lower income groups and those with dependent children—all groups that would be more vulnerable if someone were to die intestate. We have a real job of work to do in educating the public at large about the importance of making a will. The NCC report specifically recommended that we defuse what it termed the "looming wills time bomb" and find new ways to encourage people to make wills. We are looking closely at its recommendations and hope to come to a conclusion before too long about how to take them forward.

The hon. Lady has made important points about protecting consumers. The best way to do that is to ensure that improvements are made in the quality and standards of will writing. In 2006, as part of our work to encourage that, we met with several interested groups to discuss more effective options such as the Office of Fair Trading's voluntary codes scheme. An OFT-approved code gives the consumer a high level of service and specifically addresses areas of concern and consumer detriment in a particular sector. The OFT's consumer code approval indicates to consumers the quality of service that they should get, and it would deliver real benefits without unnecessarily restricting the range of providers, which is crucial for consumer choice.

If will writers sign up to an approved code, they will be able to provide the consumer with the benefits that are outlined in it, including everything from clear pre-sale information, fair contracts and access to independent redress—all the key issues identified by the hon. Lady for improving will-writing services. Although an approved code cannot guarantee that all transactions with a business that complies with it will be trouble-free, it certainly provides a straightforward procedure for resolving complaints. If members fail to comply with the code, the code sponsors—in this case, the will-writing organisations—will be expected to discipline them or even expel them, if necessary.

The hon. Lady and others have suggested that a voluntary code may not be sufficient to raise standards as it would not be enforceable, and, obviously, not everyone would become a member of the organisation.

Lorely Burt: I am grateful to the Minister, who is being patient with me. I am trying hard to understand how the voluntary code will actually work. It is estimated that a good 25 per cent. of will writers are not members of either institution and can operate, as I have said, with no insurance, no code and no redress or complaints system. There is so much ignorance, and many people assume that the person who writes the will is a legally trained person. How will those people be covered by a voluntary code?

Bridget Prentice: The hon. Lady has made an important point. We are looking at that matter specifically. We want to put much of our effort into raising consumer awareness. If consumers are aware that there are a couple of reputable organisations whose members are signed up to the OFT's consumer code approval, they will have much more confidence in the individual will writer and that the overarching organisation that they represent will have some power in dealing with rogue members, if that becomes necessary. When the Government and consumer organisations launch the consumer awareness initiative, we must ensure that we give people detailed information about what to look for—the hon. Lady has mentioned the CORGI stamp of approval. They will want a brand in which they can have some confidence, just as they would if they were going to a solicitor for other forms of legal advice. We are keen to look at how we do that in following up the NCC's report.

The starting point in developing a proper picture of what we can do would be to find out what information is currently available. We need evidence of widespread detriment. The hon. Lady mentioned rogues and gave examples of how things can go badly wrong. We need to ensure that such behaviour is not widespread. As I have said, we will keep the question of regulation under review.

The new independent oversight regulator, the Legal Services Board, which was established under the Legal Services Act 2007, will have the power to advise the

[Bridget Prentice]

Government on unregulated gaps in the legal services market. Through secondary legislation, we will be able to bring those unregulated legal activities within the regulatory net. The LSB may investigate, and if it finds that there is a compelling argument for statutory regulation of will writing or any services in that area, and if it believes that that would better consumer protection, it would recommend to the Secretary of State that will writing become a reserved activity. I would expect it to act on any evidence of widespread misuse of the system.

By establishing the LSB, the Government have put in place arrangements that will allow us to act swiftly, if evidence of consumer detriment emerges in the future. Until then, I want to work with consumer organisations and others, including the will-writing associations, to ensure that consumers have sufficient information to make informed choices about the quality of service that they expect to receive. I am happy to keep the hon. Lady informed as we move forward.

Question put and agreed to.

Adjourned accordingly at one minute to Two o'clock.

Westminster Hall

Wednesday 20 February 2008

[MR. ROGER GALE *in the Chair*]

Working Neighbourhood Funding (Leeds)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. McCabe.]*

9.30 am

Mr. George Mudie (Leeds, East) (Lab): Once again, it is a pleasure to secure a debate under your benevolent and fair chairmanship, Mr. Gale. I am delighted to have obtained this debate and to see so many of my Leeds colleagues here, which indicates how important the matter is to Leeds. The matter affects the future of the local Leeds economy and, above all, the social cohesion of the city, which everyone has worked so hard for decades to improve and maintain and which is now threatened by the measure that we are discussing this morning.

In December, the Government announced the ending of the neighbourhood renewal fund. From April, a working neighbourhood fund will be in place. The Minister stated that the fund would

"provide resources to local authorities to tackle worklessness and low levels of skills and enterprise in their most deprived areas."

I am sure that nobody in the Chamber has any trouble with a change in emphasis. I have always been of the view that the way out of poverty is through work—if a person is physically able to undertake work—and not through the benefit system. The problems in doing that are immense, but the rewards are great for both the community and the individual. Work gives confidence, dignity and financial freedom to the individual and their family, and the knock-on effects on children are palpable to see. Therefore, I do not fall out with the change of emphasis.

The fund amounts to £1.5 billion over three years. As is usual with Government announcements, that sounds like a huge figure, but it is less than what was available in the renewal fund by quite a few million. With a new fund come new criteria, and Leeds now fails by the narrowest of margins to qualify for funds. The partnership arrangements between the Government and the city council, which aimed to deal with the problems of inner-city poverty, have been ended by a Labour Government. Those arrangements have been in place for more than 30 years under both Conservative and Labour Governments.

Mr. Mark Field (Cities of London and Westminster) (Con): I pay tribute to the hon. Gentleman for putting this debate in a non-partisan context. The problem that he has alluded to in relation to Leeds applies also to the City of Westminster, which has just missed out on funding. Does the hon. Gentleman agree with some local authorities that those decisions have come too late, not least because of the accumulation of different statistical values? In Westminster, and probably also in Leeds, various plans were made on the basis of continued funding for programmes. If the Minister cannot go back on the entirety of the proposals, we call on him to keep the funding for the next financial year for both Leeds and the City of Westminster.

Mr. Roger Gale (in the Chair): Before we proceed, may I remind hon. Members of the need for brevity? May I also draw attention to the fact that this is a localised debate. I am perfectly prepared to allow a slightly broader discussion about neighbourhood funding and, therefore, to allow the Minister to respond to any points, if he chooses to do so. However, a significant number of hon. Members are from the Leeds area, and it is only right that they should dominate the debate.

Mr. Mudie: You have made a fair point, Mr. Gale. However, I totally understand the point made by the hon. Member for Cities of London and Westminster (Mr. Field), to which I was going to refer. At the risk of repeating myself, what the hon. Gentleman has said is perfectly right. When the Minister made the rate support grant announcement a few weeks ago, he finished his speech by referring to a new partnership with Karen Dunnell from National Statistics. That decision was taken to take a closer look at the matter, because there are continuing questions and problems with the accuracy of statistics in the big cities, which is a problem that has been acknowledged and referred to.

The hon. Gentleman has made an important point, which I want to emphasise. Following the Minister's announcement of the figures, three authorities have been told that they are getting different results. The hon. Gentleman has referred to Westminster, which is being taken out of the list. Another authority has also been taken out of the list, and Waltham Forest is going into the list. All sorts of questions can rightly be raised about the statistics.

As my right hon. Friend the Member for Leeds, West (John Battle) has reminded me, a statistical blip means that Leeds has lost more than £40 million, which we expected to get to deal with problems over the next three years. The financial effects of that are stark. We expected to receive funds worth £54 million. I chided the Minister in the Chamber, because when he told me that we were going to lose £40 million, he used statistics to say, "Ah, but we will give you £60 million in the first year and £20 million in the next year." He omitted to say that in the third year, the funds went down to absolutely nothing, which is £12 million of the £54 million that we expected to receive. He also failed to refer to the money from the Department for Work and Pensions in the fund. Therefore, if an authority is not one of the 66 authorities that are part of the neighbourhood working fund grant list, they do not get the DWP money or any reward money. Some £50 million will be used to reward authorities for doing well on tackling poverty. I find it incredible that anyone should think that authorities need to be rewarded. Yet, that is exactly the amount of money that Leeds is losing, because we have been removed from the list.

The Minister for Local Government (John Healey): I listened very carefully to my hon. Friend when he made some of those points in our debate on 4 February. He said then that Leeds was losing £54 million that it expected to get. A little later, he said that Leeds was

[John Healey]

losing £52 million. I have been unable to work out exactly how he reached those figures. It would be incredibly helpful if my hon. Friend were to explain where his figures come from.

Mr. Mudie: I am sorry that the Minister has such bad civil servants that they cannot provide him with the figures. However, the good civil servants in Leeds will provide him with the details that he wants. We receive between £15 or £16 million a year in neighbourhood renewal.

John Healey *rose—*

Mr. Mudie: I will give way in a second, and then the Minister can challenge the figures. We are also in receipt of more than £700,000 in DWP money. On the basis of getting the same amount from the working neighbourhood fund, we expected to get £54 million from that fund alone. The Minister may say, "Oh, those are great expectations; the reality might have been different." If he were to consider giving Leeds what he has given other major cities in Britain, I would happily accept that amount.

John Healey: I am simply trying to understand the figures. For the current year, Leeds receives £14.9 million under the neighbourhood renewal fund. That is part of a total of £63 million under that fund between 2001 and 2008. Under the DWP disadvantaged areas fund, Leeds will receive £758,000 this year. For the life of me, I cannot make any extrapolation from any of those figures add up to either £54 million or £52 million over the forthcoming three-year period, so I am simply asking my hon. Friend where he gets his figures from when he talks about what Leeds expected to get over the next three years.

Mr. Mudie: I am happy to cross swords with the Minister, who has more resources than the city and I would ever dream of having. I am happy to discuss any discrepancy in the figures that he cares to argue about. Leeds has supplied, and backed up, the figure of £54 million. If there is a dispute about whether it should be £60-odd million, £50-odd million or £40-odd million, we will negotiate with the Minister, because we are reasonable people in Leeds. If the Minister is in financial difficulties, I am sure that we can reach agreement, but what we cannot do is accept a move from £50-odd million to £12 million and then, in the third year, to absolutely nothing.

John Battle (Leeds, West) (Lab): My hon. Friend has rightly championed this cause, and we in the city are grateful to him for doing so. The £14.9 million that we would lose from antisocial behaviour units, the drug intervention project, neighbourhood wardens and the burglary reduction projects levers in other money from other pots, and when we add the sums together, including money from other Government budgets, we are well up on the £43 million, as I think it was, at the baseline. Does my hon. Friend agree that we have to keep in mind the fact that the money in this fund accesses money in other funds, which will now be denied because we will not receive the basic money?

Mr. Mudie: My right hon. Friend is entirely correct, but if the Minister is having difficulty, let us not muck about with big figures; let us consider the schemes. This morning, I will supply him with a list of current schemes that face total cuts or 40 per cent. cuts next year down to oblivion in the third year. We are not discussing abstract figures. We are discussing schemes that work in all sorts of areas to deal with the problem of inner-city poverty, and those schemes will disappear because of this decision. That is what we are arguing about.

The social effects are alarming. We often refer to two-speed Leeds—it is openly described in that way. As is usual in every big western city, we have a posh, prosperous centre. We also have posh, more prosperous suburbs, but in between, as with every western city from America to Europe, we have the inner city, with all the problems that are identifiable no matter whether people are in Paris, Rome, Washington, New York or Leeds.

Mr. Fabian Hamilton (Leeds, North-East) (Lab): I thank my hon. Friend not only for introducing the debate but for the points that he has made. Following his point about western cities, does he agree that even within some of the more prosperous suburbs—for example, Alwoodley in my constituency, which is one of the richest in the country—there are pockets of deprivation that match anywhere in the poorest parts of the poorest areas of our country? On top of that, we have inner-city areas such as Chapeltown and Harehills, to which he has referred.

Mr. Mudie: My hon. Friend is exactly right. I may repeat myself, but it is worth making the point in case I forget it that the city council argues that if the old city boundaries were to apply, in which case the boundary ran around the urban, built-up areas, our figure would be not 19.96 per cent. but 36 per cent. That demonstrates the depth and the comprehensiveness of the poverty in all the areas within the inner city of Leeds.

What are the problems? I need not spell them out to colleagues, but the Minister should be aware of them. I am referring to high unemployment, bad health, indifferent education, crime, violence and vandalism. Those are all problems that the Government have targeted over their lifetime, but they are no longer visible to the Government. They do not exist now in the Government's eyes, and no resources will be coming into the city in three years' time to help with the objective of getting people skilled and into work and changing the nature of the inner city.

Mr. Mark Field: Will the hon. Gentleman accept that the statistical analysis by Governments of all colours in recent years no longer holds sway, for the following reason, which applies in London and, I am sure, in Leeds? In inner cities, the hypermobility and hyperdiversity of the population mean that many statistics are both unreliable and quickly out of date, which obviously has an enormous impact on much of this funding.

Mr. Mudie: Yes, the hon. Gentleman is absolutely right. We return to the question of how accurate statistics are. There is also the question of the base and the time. I need not remind my colleagues of how the

inner city has changed in the past five years, because of the influx of people seeking asylum who have been sent to Leeds by the Government. Those people have changed communities, but let us consider the issue in economic terms and how it has affected the statistics. We all know the numbers. Thousands have come into our inner-city constituencies. That is why I cannot trust the statistics, which are seriously out of date. If those people are being considered for asylum, they bring £35 a week into each household—£35—and they have replaced people who have moved to other parts of the city. I cannot think of any indigenous family who have made do on less than £35 a week. I submit that that is impossible, so the areas have become economically weaker.

Why have the Government concluded that Leeds no longer needs help? The technical answer is that to qualify, the council has to meet one of three criteria. The criterion that Leeds has the overwhelming argument about is that super-output areas have to be in the 10 per cent. most deprived on the index of multiple deprivation. Stand up anyone who understands that. Shoot the man who described them as super-output areas.

Colin Burgon (Elmet) (Lab): Or woman.

Mr. Mudie: Or woman, but I am sure that a woman would have more sensitivity. *[Interruption.]* Positively so.

Leeds has 476 of those areas, so mathematically it requires 96 of them to come within the relevant category to qualify. It actually has 95, so it has lost £40 million of grant because, as the Leeds finance and regeneration people tell me—the Minister will have to check this; it has not been challenged to date—that figure equates to 19.96 per cent. If it were 20 per cent., we would have received £50-odd million over three years. Because of 0.04 per cent., we will get nothing in three years and disappear from the list. Our poverty will disappear and our inner-city problem will disappear.

Justine Greening (Putney) (Con): As a London MP, I recognise many of the issues that the hon. Gentleman has outlined, and I have a lot of sympathy in that regard. Does he agree that it is intuitively wrong that an area that is classed as deprived on 31 March one year is literally the next day suddenly regarded as good enough to receive no investment?

Mr. Mudie: I could not have put it better—that is exactly the question I am asking. I shall depart from my script to say that I have had both public and private discussions with the Minister on the matter. The answer to the question is that a line has been drawn: it is lovely if one's city is above the line; but Leeds is below it. That puts tackling inner-city poverty to level of a television game show, like saying "Oops! You just missed and you are going home with no money!" That might make nice television, and it might be riveting for people of that mind, but it is scandalous when it comes to tackling poverty. What the Government are saying is that 149,000 people in Leeds, who are in the deepest poverty and deprivation and all that I described, and who represent the 95 SOAs, are suddenly of no interest to the Government. If there were 20 per cent., the Government would have been very interested in giving money. How can a Minister in a Labour Government, who owe their existence to attacking such problems, suddenly draw a line and say, "We do not recognise you"?

Leeds is the only major city in Britain not to be included in the list—Manchester, Birmingham, Liverpool, Sheffield and Newcastle are all included. I believe that it is the only major city in the western world not to have a partnership between the Government and the local authority to tackle inner-city problems, which we all have and work hard to deal with.

What has happened to Leeds? As the hon. Member for Putney (Justine Greening) has said, our poverty disappeared in the eyes of the Government on 31 March. How can a Labour Government call themselves a Labour Government if they decide to tackle poverty at a given level, but say that cities above that level do not need any money because the poverty does not exist? It is not acceptable—it is bizarre and grotesque. The Government cannot go to 149,000 people in Leeds who live in conditions that almost defy description—they have no ambition or hope and live in terrible conditions—and say that if there were 0.04 per cent. more people, we would help. That is how to decide game shows, not social policy. There cannot be such a cut-off.

If the Government do that, what will they say to people? What will MPs say to people when we visit them and they tell us about their genuine problems—they do not have to tell us about those problems, because we live among our constituents and see them every time we go home? We sense that things have not changed much, and we are angry about it. Things did not change that much when we received £50-odd million to help change things, so what on earth will happen to the city when the money disappears? Things will inevitably get worse.

John Healey *indicated dissent.*

Mr. Mudie: I see that I am amusing the Minister. That shows the gulf between some of us and the Government—I say that genuinely. I have some questions for the Minister.

John Healey: Will my hon. Friend give way?

Mr. Mudie: No. How can the Minister justify—

John Healey *rose–*

Mr. Roger Gale (in the Chair): Order. The hon. Gentleman is not giving way.

Mr. Mudie: I am certainly not, Mr. Gale. I shall give way, if the Minister answers my questions, which I hope he will, but he will have time later. How can he justify making Leeds the only western city to receive no Government help? How can a Labour Government refuse help to 149,000 people who live in deprived areas and 65,000 working-age people who are on benefits? We are supposed to be targeting those people, but Leeds has only 65,000 of them, so it is too small to target and to receive help.

It is no excuse to say that a line was drawn. Before the Government draw a line, they should look at the consequences—I hope that they would do that on a matter as important as inner-city poverty. They should

[Mr. Mudie]

have drawn the line and run it through the computer to see what might happen. They should not run it through the computer and say, "Tough! Leeds or whatever other authority is out". Should they not then say, "Get me the list, so I can see who's out" and query the list? Did the Minister know that Leeds was out by 0.04 per cent. on the criterion? If he did not know, why not? If he did, did he ask the Oxford people to check their figures? Will he tell us the margin of error that is permitted, expected or acknowledged in the statistics? Is there a margin of error? Even if the Minister did not do those things, why did he not rethink where he drew the line? Taking Leeds out is an insult, and it is an insensitive decision.

The effect is horrifying, as my colleagues will say. It is bad enough now, so what is going to happen when there is no money for the inner city? What will the decision do? At the last count, it will close 67 schemes within three years. The schemes work on antisocial behaviour orders, health, education, youths and drugs—they are designed to achieve the objectives of working neighbourhoods. Some of us know inner cities and understand the problems and the people and what they go through. There are generations of people from families who have never worked. There are youngsters in their 20s and 30s whose dads did not work, who have not worked themselves and whose children are growing up to believe that they will not work, too. Because of the ghettoised system and bad education, those people are unskilled and unable to get a job. There is no anger in them—they have low self-esteem and lack confidence. Some people do not understand the trauma of those things and do not want to do something about them.

The problem has to be dealt with on an individual basis. It is not like putting a shape into a box. It is clearly a business of consulting cities, building relationships and confidence and identifying the problems, be they drugs, health, bad education or even bad attitudes. Why should people not have bad attitudes? I have a bad attitude, because I lived on those estates. It is about finding the problems and carefully and sensitively building people up and getting them to contribute as a stakeholder. Amazingly, we sometimes find that that can lift a whole family's morale. We could work with children in schools, so that they understand the importance and see the sense of education and believe that they will go into a job. It is heartbreaking when I speak to youngsters in secondary or high school who ask me, "Why should I bother? I'm not going to get a job." That is how they think.

Mr. Paul Truswell (Pudsey) (Lab): My hon. Friend's point was recently reinforced by the fact that Leeds has come top of the league table—it is an onerous position—for the number of 16 to 18-year-olds who are not in education, employment or training. Is that not the type of generational problem at the younger end that we need the resources that he has discussed to tackle?

Mr. Mudie: Absolutely. That is true whichever age group we are talking about. The over-50s need help to build their confidence and to reskill, and the same is true of parents, youngsters and children. My hon. Friends the Members for Pudsey (Mr. Truswell) and for Leeds, North-East (Mr. Hamilton), and my right hon. Friend the Member for Leeds, West know about that from their work on the council—the latter worked hard as chairman of committees on housing and industry to bring those elements together. We need jobs for people in the communities.

The city produces 30,000 new jobs every 10 years. The aim has always been to skill the indigenous Leeds people to fight, compete for and gain their share of the growing number of jobs, and the city can do it if the political will is there.

Mr. Hamilton: Does my hon. Friend agree that for more than 20 years Leeds has been one of the most successful cities in the country in terms of growth in jobs, yet, as he has said, those jobs are not going to those who need them most in the inner-city areas, because those people do not have the necessary training or opportunities? Instead, the jobs have gone to people living outside the city in the more prosperous areas of West Yorkshire and North Yorkshire, who are flooding into the city as commuters, which causes further congestion and poverty for those who really need the jobs.

Mr. Mudie: That is exactly the point. On the motorways in the Leeds area in the morning and evening, one can see the number of people who take employment in Leeds and then spend their money elsewhere. It is galling for inner-city MPs, and for all Leeds Members, that so many of their constituents are unskilled, unemployed, poor and with bad lifestyles, because we have not been able to raise enough resources and because there has not been the political will to pull together and nurse them in back to mainstream jobs.

I finish with some questions for the Minister. I am cynical enough to know that when it comes to Adjournment debates, apart from a few hurried comments, Ministers' speeches are written beforehand. We are not going to change the Minister's mind—we are not going to get a decision today—but I speak for all hon. Members and certainly for all Leeds Members in asking the Minister to think again about drawing such a line. We cannot go from having a problem to not having a problem by 0.01 per cent. There is either a problem or there is not, and there really should be a gearing, so that less significant problems get less money, which has always been the way with inner-city money. This is a brave experiment, but it is in danger of blowing up in the Minister's face.

In view of the fact that three authorities had their figures changed within a month, will the Minister say whether he has asked the Oxford people if they stand by their figures? Has he asked them to check the figures? Has he asked them for the statistics? The Leeds authorities want to see the methodology, but it will apparently not be available for two months.

We want to work constructively with the Minister to see whether there is enough common ground—even within the criteria, although I think that the criteria are wrong—to see whether the figures are as accurate as has been suggested. We want the methodology and all the details to be given the Leeds authorities. Will the Minister assure us that the statistics on asylum seekers have been taken into consideration? Will he say when the statistics date from? What does he suggest should happen, given

that the statistics are already two or three years out of date, when we see the effects in the inner city over the next six years?

I am sorry that conversations between myself and the Minister, who is usually calm, patient and tolerant, were so cross. I am sorry if my language was extreme, but the problem in Leeds is extreme. A Labour Government should not operate social policy in that way. We cannot face the people of Leeds and say that poverty, which will still exist on 31 March, has disappeared.

Several hon. Members *rose—*

Mr. Roger Gale (in the Chair): Order. A considerable number of Members still wish to speak. I propose calling the two Opposition Front-Bench speakers no later than 10.30 am. I would be grateful if hon. Members were to take recognisance of the time available, but it should be possible to accommodate everybody. I intend to give some priority to Leeds Members, but the hon. Member for Putney (Justine Greening) has been good enough to indicate her interest, and if I can call her, I will.

10.5 am

Greg Mulholland (Leeds, North-West) (LD): I congratulate the hon. Member for Leeds, East (Mr. Mudie) on securing the debate and on leading on this important subject. It is a pleasure to follow him. He should not apologise for his forthright language and certainly not for his passion, which is shared across the political divide. He is doing his job, which is to stand up for our city.

As we heard, everyone is extremely proud of our wonderful city and its achievements and the fact that, economically, it has been doing very well over recent years. The hon. Gentleman spoke of the city centre, and we are all aware that there are areas of deprivation. That has to be a focus for us, for the city council and for the Government.

The neighbourhood renewal fund has contributed £63.421 million over the past seven years. The hon. Gentleman mentioned some projects, and I shall highlight a few. Leeds Voice, an interfaith project that works with groups and empowers local communities through a variety of schemes and initiatives, last year received 57 per cent. of its funding from the NRF. The "all relative" project works with parents of 8 to 13-year-olds at risk of antisocial behaviour—something else mentioned by the hon. Gentleman. The sports academy received £35,000 from the NRF last year; a sexual health link project received £109,000; and the Connexions youth project received £232,000. However, because of the change to the working neighbourhood fund, Leeds no longer qualifies for that money. All those projects will be at risk without that funding stream. None of the work done by those wonderful projects will be able to continue. That is of real concern to us all.

The hon. Member for Leeds, North-East (Mr. Hamilton), who is not in his seat at the moment, made the important point that, although some areas of Leeds are a particular focus, there is relative deprivation across the whole metropolitan area, something that is a little unusual compared with other core cities. One of the problems is that Leeds is to some extent a victim of its own success.

The hon. Member for Leeds, East and I share a dislike of the awful phrase "super output area", but we have to use it. We are talking about the fact that one super output area has led to us missing out on such a vital source of funding by the extraordinary margin of 0.04 per cent. We are talking about an arbitrary line. The message is clear. The Minister and the Government must reconsider how the funding is to be allocated, because at the moment it does not acknowledge the reality of the situation in Leeds. The scale and extent of deprivation in some parts of the city is clear and visible to all who visit.

Twenty-four authorities eligible for the new working neighbourhood fund have a total population smaller than the number of people living in the 10 per cent. most deprived areas in the country. It seems perverse that with a total of 149,000 people living in the most deprived communities, Leeds should be excluded. Surely, that cannot be right. Moreover, the city has more than 63,000 workless people, the fourth highest figure in the country, and worklessness is one of the criteria for the new fund. Despite the city's economic success, of which we are all extremely proud, there has been insufficient movement in the number of people living in deprivation—and the number of people on benefits—since 2001. The figure has remained largely similar, despite the emphasis on worklessness.

Leeds has a very good track record in delivering effective schemes through neighbourhood renewal funding. The partnership between the Government, the city council and the other organisations in the third sector has used that money in a way that is a model of how that type of essential regeneration funding can be spent extremely effectively.

Justine Greening: I think that the hon. Gentleman is hitting upon one of the reasons why this funding allocation is inherently flawed. It is the fact that it takes no account of the return on investment—in other words, how valuable the projects that the money is going to support actually are.

Greg Mulholland: The hon. Lady makes an extremely valid contribution. This essential money has been focusing on the 3 per cent. most deprived areas in Leeds and it has delivered the type of returns that we have seen through the projects that have already been mentioned.

The wider problem is that the working neighbourhood fund that is being introduced is part of a wider financial situation in Leeds. As well as losing the neighbourhood renewal funding, Leeds will not receive any income from the local authority business growth incentive scheme. On top of that, of course, Leeds has this year received an extremely tight financial settlement, which has been acknowledged by the Minister.

We need to look at the comparison with other core cities. Next year, on average, the core cities will receive a 3.7 per cent. funding increase and Leeds will receive only a 2.8 per cent. funding increase. Indeed, the gap between Leeds and other West Yorkshire districts is even wider, with those other districts receiving a funding increase of 4.6 per cent.

However, it is when we look at the working neighbourhood renewal fund that the contrast is most extreme. Over the next three years, Leeds will receive

[Greg Mulholland]

£12.5 million before the funding peters out over that period, as has been explained. Meanwhile, Manchester will receive £85.6 million; Liverpool will receive £98.6 million, and Birmingham will receive a huge £114.4 million. Quite simply, the reality of Leeds and the deprivation that we face is not reflected in the funding that we will receive, and that is a real concern. It is something that those of us in Leeds from across the political spectrum, both MPs and those at local government level, simply will not sit down and accept. Overall, the net effect of these three funding issues is that next year Leeds will receive £8 million less than this year, which will undoubtedly have an effect on services.

I will wrap up my comments, because I know that there are other hon. Members who wish to speak. There is a strong and unified message coming from Leeds at all levels of political representation and that message was put in an extremely passionate and eloquent way by the hon. Member for Leeds, East. All of us in Leeds are saying to the Government that the arbitrary line that we appear to have just slipped over cannot be a sensible way to allocate essential sources of funding that we need to regenerate the parts of our city that need to catch up with the other parts that are doing better. We simply ask that the Government look at that issue again and come up with a way of allocating the new fund that is fair, commonsensical and, above all, based on reality, because I am afraid that this arbitrary line is not based on reality. The Government must look at the issue again.

10.13 am

John Battle (Leeds, West) (Lab): May I congratulate my hon. Friend the Member for Leeds, East (Mr. Mudie) and say that the city is grateful to him for championing this cause, because it is an absolutely crucial one? He speaks with passion, with experience and also with knowledge. He might not recall this, but he taught me a good deal about politics years ago when we were together in the council. One of his watchwords was that politics is about the arithmetic and justice is in the detail of the arithmetic. I know that he has examined carefully the impact of this particular decision on some 200,000 people in Leeds.

In following the hon. Member for Leeds, North-West (Greg Mulholland), I am tempted to say that I completely agree with him and that, in a sense, we suffer because Leeds is too big. Perhaps we should take what might now be described as the Kosovo option and make a unilateral declaration of independence in all our urban villages. Some of our urban villages, such as Seacroft, Armley, Wortley and Kirkstall, are larger than some of the towns that are now receiving renewal funds. So perhaps we should atomise the city, localise and apply separately as urban villages. That is the irony of our current position.

I would just say to the Minister that statistics are significant and statistical differences are sometimes minimal to statisticians, but they have a massive impact on people's lives. That is the gap in this debate. Perhaps in contrast to the hon. Member for Leeds, North-West, I want to say that I can remember the days when there were cuts of 10 or 15 per cent. in budgets to Leeds every year. At least under this Government the overall budget for Leeds is increasing and that should be acknowledged.

We are talking about a particular pocket of funding, which has been renamed the working neighbourhoods fund to focus on getting people into work. The irony is that that budget, which has been cut, is precisely the budget that needs to be supported if we are to avoid having what I would describe as a dividing city—it is an active process; it is not over. The city centre has an 8 per cent. growth rate, with new jobs being created, but not everyone is joining in that growth. People without skills and training in my neighbourhood, which has the lowest number of people going into further and higher education of any constituency in the country, still need support in education and training.

My neighbourhood is that cake slice going out from the city centre that makes up Armley, Bramley, Wortley and Kirkstall, out towards the ring road in Bramley. It starts with the terraced streets with the washing outside; it extends through the council estates; then there a few semi-detached houses; and then it is life beyond the ring road. In terms of output and deprivation, I would describe those four neighbourhoods as Nos. 12, 13, 14 and 16 in the overall needs pattern of the city. If we were to take a compass and draw an arc at the bridge at Kirkstall, those inner neighbourhoods would come No. 1, No. 1 and No. 1—two of those super-output areas are the highest in the whole country.

Let me explain what happens in relation to boundaries. The super-output areas still have high unemployment in the terraced houses. According to Dr. Susan Lawrence, schizophrenia rates around Leeds prison are 10 times higher than the national average. The Government are now saying, "Of course we want to get people off incapacity benefit and into work and we passionately want to do that because it's good for those people." But how can we achieve that if the very resources to help us to get people off incapacity benefit and into training and work are taken away?

I am trying to become an expert on super-output areas. Why? It is because everything depends on where the boundary is drawn. We know that as politicians, from drawing up polling areas and the rest of it. That line across a street can be crucial. Let me give an example of what happens to the figures. I will find that 0.04 per cent. for the Minister, and I will tell him why.

New Wortley was moved from the constituency of my right hon. Friend the Member for Leeds, Central (Hilary Benn), where it was in Holbeck ward, which is a high-output area. Its removal lowered the output in his area, but it was put into the better neighbourhood in my area of Armley and Wortley. The figures were therefore submerged by life out towards the ring road. Overnight, that super-output area went from being the top target neighbourhood to being one of the lowest. Did the people move? No, but one person moved, from Heeley in Sheffield, and said, "I have come to a neighbourhood that's worse. If I had remained in Sheffield, I would have been in the super-output area that got access to the money. So I have moved away from the money and come into a poorer neighbourhood." I simply make the point that, with increasing mobility, it cannot be right that people either do not move and end up with nothing or do move and end up even worse off.

Let me say to the Minister something about that shift, that redrawing of the boundary for New Wortley. It is welcome and the councillors have worked with that neighbourhood to build up a community centre, and to

try to get training there. But what do they find? The very budget that supports that community centre and that training to get people into work is now being taken away. That cannot be right. I will just draw on this one example, but there is little point in other Ministers telling us that people on council estates ought to be given training and put into jobs, and suggesting that training is provided in community centres in the neighbourhood, if the resources to do that are not there or are even being taken away.

Leeds, West had the West Leeds Family Learning Centre, which was built up when my hon. Friend the Member for Leeds, East was Leeds council leader, from the germ of an idea to help people in a neighbourhood of high unemployment and low skills and training. We have the lowest aspiration in the city, with many single parents, especially women, and many unemployed people. That training centre provided by the council used the new deal of the Labour Government well: 293 people a year were training there to gain skills, and people ended up going in the direction of university or running Sure Start projects as a result of that training.

But what happened? Only a year and a half ago, the Government decided to put the training centres out to tender. Unfortunately, the council did not win the tender; it was won by a company in Bradford, and the consequence was that the only training centre in my whole constituency was closed down. Yes, a centre has opened in another part of town, but people cannot get to it on the bus, and when I checked how many young men and women from Leeds, West are now being trained, I found that it was two a year, not 293.

There is no training facility in my neighbourhood. Where will the money come from to rebuild it? I agree with the Minister for Housing that we should put training back in the New Wortley and Fairfield community centres, where the people are. We should do what those centres were doing, line up local employers, and make them family-friendly so that people can take their kids to school and walk to work. We were doing all that work before, but it has been dismantled. We should put it back in those centres, but which programme do we look to? We look to the new working neighbourhoods fund. Why? It is more flexible than Jobcentre Plus and can deliver locally to local communities. It can work with local employers in the way that I described. But what has happened? We now have no access to it at all.

Leeds now has 63,000 people without skills and training, and the numbers are increasing. My constituency has moved up the table, and Leeds, Central, Leeds, East and Leeds, West have some of the highest figures in the country for people without skills and training. Of course we have done something on low pay, and of course we have more people in employment, but we are still miles behind on skills and training, and the working neighbourhoods fund is precisely what we need.

The irony of the situation is that the fund is called the working neighbourhoods fund. If we take away that money, there will not be more work, and people will be condemned to live on benefits. We will have more difficulties getting people off incapacity benefit and getting them into training schemes or suggesting further and higher education. As it is, we have an almighty struggle to get facilities in the neighbourhood that people can get to. The city is clogged up by transport problems, so people cannot cross the city to go to jobs elsewhere; they are physically locked out and cannot get down the dual carriageway from Stanningley or down Tong road into the city centre in the morning. Getting into work is not doable without a two-hour daily journey.

Providing work in the neighbourhood means providing training in the neighbourhood and working with local people, and that means providing the budget to back things up. This is a small budget in terms of the overall city budget. Although the settlement is tough, it is better than what we had under the Conservative Governments, and it is at least increasing. The piece of the jigsaw that we are talking about is vital to tackling poverty in the round. The key to tackling poverty is getting people into work and training and supporting them. Without that, we will go backwards, not further forwards.

In that context, I hope that the Minister will think again. It is a sick irony that we now have a new working neighbourhoods fund to replace the neighbourhood renewal fund. Yes, there is a good focus on work, and there needs to be a focus on work, but, sadly, the means to introduce change are not there. If such means are not put back, we will go backwards.

10.23 am

Justine Greening (Putney) (Con): I thank you, Mr. Gale, for giving me the chance to take part in the debate. I am not a Leeds MP, so I shall be brief because I do not want to eat into the time available to MPs from the area.

I recognise many of the issues that have been raised, because we face them in my part of London. We, too, have seen the withdrawal of the neighbourhood renewal fund and the deprived areas fund, and I recognise the absolute frustration felt by local MPs. They know that, with support, there are opportunities to achieve something for particularly deprived parts of their constituencies, but they will simply not get that support because there is no access to the necessary money.

I want to make two brief points. The first relates to the neighbourhood renewal fund and the deprived areas fund, which have now been combined into the working neighbourhood fund, with a collective fall in funding of £88 million. If it is believed that such funding works and that such investment achieves a positive return for the communities that it goes into, why is it being cut? How can that be a sensible decision?

My other point is that, although it is appropriate to start with the statistics for deprivation in areas where the Government want to target the money, they must surely look at the quality of the proposed investment projects and at what the money will be spent on. My frustration relates to the fact that investment can take two forms. We can have projects that are already up and running and which local people feel are valuable, as Leeds MPs have effectively articulated. However, regeneration opportunities could also be coming down the track, and careful Government support could make the most of them for local communities. There is a lack of thought on the supply side about what employment prospects there are and about the projects that are being supported by such money.

To conclude, local authorities seem to drop off a cliff and to get everything or nothing. That is not a sensible way of looking at how to apportion funds.

10.25 am

Colin Burgon (Elmet) (Lab): Although my constituency is called Elmet, it lies entirely within the Leeds boundary. I pay tribute to my hon. Friend the Member for Leeds, East (Mr. Mudie) for raising the issue and particularly for arguing his case with passion and conviction. In that, he was echoed by my right hon. Friend the Member for Leeds, West (John Battle).

My right hon. Friend and my hon. Friend enjoy many advantages over me, including the fact that they used to be Leeds councillors. The only advantage that I enjoy over them is that I was born in Leeds and have lived my whole life there. I have watched with interest the development of the Leeds economy, and it is something about which I feel very committed. The trend in Leeds is summed up by the collapse of manufacturing industry. Up until about the 1970s, clothing, textiles, engineering and, in my constituency, mining offered good, well paid, secure jobs to the vast majority of people in Leeds. The collapse of manufacturing in the 1970s brought about a dramatic change in the city's social structure and the beginnings of what has since become a fundamental generational issue. We now have neighbourhoods that have never seen permanent, good, relatively well paid employment, and that is a tough nut to crack.

On the other hand, there is the picture of Leeds as a booming city, which has a financial sector with banking, insurance and so on. However, huge areas of the city do not benefit from such developments, and although that does not include my constituency, I am still committed to tackling such issues as a Leeds person. In effect, we have developed an hourglass economy, and the market will not address that structural problem, which is why the role of local and national Government is so important.

I do not want to go on too long, because I am conscious of your decision to call the Front-Bench speakers shortly, Mr. Gale. However, the key factor arising out of the debate, as has been mentioned, is that 149,000 people in Leeds are designated as deprived. Some 63,000 workless people live within the Leeds boundary, giving the city the fourth-highest concentration of workless people in the country.

We have talked about lower super output areas, which is a real mouthful, and we have been told that Leeds misses out under that criterion by 0.04 per cent. I have a number of questions to which I hope that the Minister will apply himself, because, as my hon. Friend said, the Government's decision means that Leeds and Leeds citizens will lose £42 million over the next three years.

I know the Minister to be a sensible, caring and intelligent individual and I ask him whether there is not a case for building a margin of error into the Government's calculations, or for rounding figures up when they are so close to the 20 per cent. Could there not be a banding system? In this clash of the titans between the Minister and my hon. Friend, that might be the sensible middle ground, around which we can all gather, reach a deal and move things forward for Leeds.

What consultation did the Government undertake when they decided how the funding would be allocated? How did that compare with the consultations that took place on the allocation of the NRF funding? The key question, which has been raised by my comrades and by other Leeds Members, is why we are the only major city that does not get working neighbourhood funding.

I want to finish by saying that we are not paranoid in Leeds. Often people in the rest of Yorkshire feel envious of us. It may well be that there is a certain quality about Leeds people that puts us ahead of others. The point is that we are arguing today for fair funding for Leeds people. The Minister should address that, and I hope he will.

Mr. Roger Gale (in the Chair): I thank all those hon. Members who have participated for adhering to my request for brevity. We should now have adequate time for the Minister to offer a full response to an important debate, as long as the Opposition Front-Bench Members exercise similar restraint.

10.30 am

Lembit Öpik (Montgomeryshire) (LD): I shall certainly accord with your exhortation to brevity, Mr. Gale.

At the heart of the debate, it seems, is a discussion of the fashion for formulae. I think that that is something that has eroded the quality of Government in recent times. The issue is over-reliance on those formulae, and under-reliance on the responsibility that every Government should embrace for decision making that takes an empathic view of the consequences that the formulae would impose. I love formulae. I am really a physicist at heart, and I have no doubt that mathematics and the formulae that it provides are very important for Government. However, we are dogged by bad formulae at the moment. The Barnett formula for allocating funds to Scotland, Wales and Northern Ireland is so bad that Joel Barnett, its progenitor, says that it should be abolished and changed. Objective 1 funding has displayed the same kind of catastrophic failure to think about the consequences of minuscule percentage changes in local circumstances. Indeed, my own constituency lost, by a tiny percentage, tens of millions of pounds, very much as Leeds seems to be suffering now.

The formula that is under discussion today may again be wonderfully precise mathematically, but it completely fails to consider the human consequences of that precision. The victims of that mathematical fluke are the people of Leeds. We heard from the hon. Member for Leeds, East (Mr. Mudie) that 95 areas qualify, but the bar is 96. As the hon. Member for Elmet (Colin Burgon) said, 0.04 per cent. is a rounding error that in any normal circumstances would be considered to be zero. Yet that small change will affect 63,000 workless people in Leeds, and 149,000 people who are considered to be in a deprived circumstance.

We have heard already that that will lead to the exacerbation of serious social problems, through the shutting down of many projects. My hon. Friend the Member for Leeds, North-West (Greg Mulholland) made it clear that a huge number of specific and well intentioned projects, which make a difference, will be lost for the sake of that rounding error. In a passionate and considered speech, the right hon. Member for Leeds, West (John Battle) again pointed out the ludicrous nature of the mathematical formula being used to make the cut. He suggested that by atomising the city into urban villages one could play the same game—and indeed one could. We might as well accept that if the mechanics of social policy are no more complex than a Rubik's cube we should move the boxes around until we find exactly the

out-turn that would mean falling within the terms of the imposed formula. That is how I see the difficulty before us.

The challenge for the Government is not mathematical; it is political. If we are really so sure that formulae work, we may as well do away with Ministers and leave the government of the country to accountants. However, I believe that that is not the Government's intention, and I have to believe that the Minister will be able to assure us that he empathises, to the extent of being able to agree that what has happened is a ludicrously random, arbitrary and unfair way to determine the future of the inner-city elements of Leeds.

Let us consider again what the hon. Member for Elmet said: the decision can quite legitimately be considered as a rounding error. I wait to see why the Minister is so sure that the figures are so precise that he can know the figure of 0.04 per cent. is reliable within the bounds of variation. I joined the Liberal Democrats in 1990, when the papers said that our poll rating was 3 per cent., with a statistical variation of plus or minus 4 per cent., so I have been pretty sceptical about statistics ever since I joined a party that was in theory at minus 1 per cent. in the polls. I want the Minister to explain why he is so sure that the precision of the figures being used now is better than that of those polling calculations, or other calculations that are open to doubt.

I want to add my own questions for the Minister. First, does he feel that the Government are imposing a common-sense situation on Leeds with the loss of all the money? Secondly, does he recognise that the anger that has been described by Leeds Members of Parliament is not necessarily anger with the Government, but comes from a pride that those colleagues obviously feel, and frustration that the Government seem to be failing in their duty to exercise political judgment in simply depending on a mathematical formula? Thirdly, why does the Minister think that it is reasonable for finance to be switched off like a light, even though it is obvious that the deprivation is real and present, and pretty much at the same level that it was at when the millions were being handed out?

Lastly, is the Minister willing to reconsider the matter, perhaps by meeting with the Leeds Members? I would not need to attend that meeting, because I am speaking now on behalf of my party, against what I believe to be an injustice. At the very least, I hope that the Minister will say that on consideration he will have a non-confrontational meeting with the Members of Parliament for Leeds constituencies who want to make their points clear, and that it will be a worthwhile meeting—a genuine consultation, and not another opportunity to explain to the Members why the decision is "clearly right". If the Minister does that, there is hope for progress, but let us recognise that the decision that has been made is based on a rounding error. If the Minister does not reconsider, the cost, beyond the loss of good will, hope and opportunity, will in all probability be economically greater than the saving that he thinks he will make.

10.37 am

Mr. Stewart Jackson (Peterborough) (Con): I congratulate the hon. Member for Leeds, East (Mr. Mudie) on securing the debate and on his sincerity and the heartfelt case that he made. He and his colleagues are a credit to the city that they represent. They are obviously concerned about the fact that the city will not continue to receive working neighbourhood funding.

Clearly, the work that has been undertaken in the past in the areas that have been mentioned, such as jobstart schemes, the work of neighbourhood wardens, and burglary reduction has made an impact on the quality of life of the hon. Gentleman's constituents. Few would argue about whether that work was needed. I noted that his constituency has the 47th highest rate of unemployment in the United Kingdom, and that in Gipton and Harehills ward 47 per cent. of children were living in households on benefits and only 31 per cent. of pupils left school with five or more GCSEs in 2005. However, that is not an issue that affects only West Yorkshire. My hon. Friend the Member for Welwyn Hatfield (Grant Shapps) recently discovered, through a parliamentary question, that there are no fewer than 21 local authorities in the same situation as Leeds: that is, having received neighbourhood renewal funding previously, they will not now receive working neighbourhood funding. In fairness, not all of those will have transitional funding at the level that Leeds will.

Far be it from me to help the Minister, although I know that he had a late night last night—half-past 1 I think—but the hon. Member for Leeds, East could be accused of gilding the lily slightly by focusing on just one of the criteria, which was the 20 per cent. figure for lower super output areas. He will know that two other criteria are used in allocations. However, it might be, of course, that he was taking issue with the wider problem of the methodology used by the Office for National Statistics. We could be here all day discussing that matter, on which I think that there is consensus, as was mentioned by, among others, the hon. Member for Leeds, North-West (Greg Mulholland) and my hon. Friend the Member for Putney (Justine Greening).

In fairness, as was explained in a parliamentary answer last year, between 2001 and 2007, Leeds, East received £1.95 million of discrete funding via Yorkshire Forward, and that does not include the single regeneration budget sums allocated to Leeds, East. That said, Leeds residents are entitled to feel aggrieved by the Government's high-handed attitude. The revenue support grant increase of 2.8 per cent. this year threatens a serious cash shortfall, according to the city council's deputy leader, Councillor Richard Brett. Inevitably, that will mean service reductions and above inflation rate council tax rises. In addition to the loss of neighbourhood renewal funding, the local authority business growth incentive scheme has also been axed, removing £10 million of funding from council coffers.

Yesterday, we read in the *Yorkshire Evening Post* how the hon. Member for Leeds, East felt moved to comment on the duplicity of the Department for Transport in recommending only small-scale transport infrastructure for Leeds while putting forward a massively costly project in Manchester, which even the hon. Member for Manchester, Blackley (Graham Stringer) called a "hugely expensive white elephant". No wonder the hon. Member for Leeds, East felt moved to say:

> "Manchester has been treated better than Leeds in terms of everything. I do not understand it. I am cross about it really - transport is just another example."

Time and again, with this Government, we find ourselves in a situation where funding is hailed in a great fanfare

[Mr. Stewart Jackson]

one year, only to be ripped out of a community the next after yet another departmental rethink. When will the Government learn that continuity and stability are keys to community development and renewal across the country? Irrespective of the merits of the arguments for the neighbourhood renewal funding and the working neighbourhood funding criteria, I would be interested to hear from the Minister what the administrative costs were of migrating from the old funding stream to the new.

The Government are well known for their five and 10-year plans and for their insistence that local authorities should plan for the long term, yet it appears that authorities do not know, from one year to the next, how much funding they are to receive. That point was touched on by other hon. Members. How are large metropolitan areas such as Leeds supposed to plan for the long term if they are constantly susceptible to the year-on-year, see-sawing of ring-fenced grants?

Hon Members in West Yorkshire will be familiar with the sorry saga of the Leeds supertram project, cancelled in favour of a bus rapid transport system, which seems to sum up the Government's casual waste and complacent attitude to taxpayers' money. Both the National Audit Office and the *Yorkshire Post*, with its admirable road to ruin campaign, have highlighted the £3 million of taxpayer-funded money wasted on this project for seemingly dubious reasons.

Along with my concerns about the incessant changing of funding streams and allocations by this Government, I would like to draw hon. Members' attention to what I would describe as the overcomplicated interconnections between funding streams, which was brought out by the hon. Member for Leeds, East. We are often told, "You have missed out on y funding, because it is connected to x funding". He made the point earlier about how significant additional funding streams appear on the surface to be directly linked to working neighbourhood funding in respect of issues such as migration and funding from the Department for Work and Pensions. Something surely must be done to simplify this convoluted system or we will end up with permanent and entrenched winners and losers where it is literally "winner takes all".

Conservatives believe that regeneration is a social responsibility and want radical reform of regeneration funding and a clear rationalisation of the vastly inflated and unnecessary number of funds. However, that must be done through a systematic and sensitive programme. We will reduce the number of delivery vehicles causing delays and confusion of direction and accountability and, as I alluded to earlier, provide a stronger role for elected local councils. We will radically overhaul the flawed pathfinder scheme, which is resulting in the unnecessary demolition of Victorian terraces in North-East and East Yorkshire and profits for speculators, reinvesting the funds in genuine locally led regeneration schemes. Furthermore, we will allow local communities to introduce new social enterprise zones to promote social enterprises and to help disadvantaged communities.

Over the last 10 years, and certainly the last 20, there has been a great opportunity for places such as Leeds to do something systematic and profound about welfare dependency. Instead, owing to unfettered migration, as alluded to by hon. Members, we have entrenched welfare dependency for short-term benefit. That has been felt across the country.

The final report from the Cities Task Force on urban regeneration, under the chairmanship of Lord Heseltine, is eagerly awaited by hon. Members on both sides of the House. Without wishing to pre-empt its findings, it is well known that the Opposition want a great deal more money collected and spent locally. Local authorities need to be given the freedom and responsibility to raise and spend how and when they see fit. They must not be forced into short-term, ring-fenced spending that benefits no one. That is not a view shared by Opposition politicians only. Even the opposition Labour leader on Leeds city council, Councillor Keith Wakefield, has argued that his Labour colleagues need to rethink their business rates policy and to look at returning locally raised money to local councils.

The real issue is welfare dependency, which, after all, is at the hub of much of the requirement for urban renewal. Here Government failure is rife: child poverty rose by 200,000, after housing costs, in 2006.

Colin Challen (Morley and Rothwell) (Lab): I would be interested to hear whether the hon. Gentleman has any influence in Leeds city council, which is a Conservative-led body. It recently raised tens of millions of pounds through the sale of Leeds Bradford airport. It should spend that money tackling deprivation by providing better transport throughout the city and, perhaps, even a bus station in Morley, which we do not have, despite being a town of 25,000 people. That would help to get people into work with more mobility. Will he write to his colleagues on the council and urge them to do that?

Mr. Jackson: I would be delighted to visit and speak with my colleagues on Leeds city council. The Leeds administration is a breath of fresh air. In the spirit of consensus, I find it refreshing that it is sticking up for Leeds in the way that it sees fit, as are hon. Members today, without fear or favour of the party in power.

Some 2.8 million people are claiming out of work benefits and 15 per cent. more young people are not in work or full-time education than was the case in 1997. The number of people in severe poverty increased between 1997 and 2005. The Government should be concentrating on upskilling the population to allow people to escape the trap of welfare dependency, to become home owners, to participate in the democratic process and to make a worthwhile contribution to their local community. Rather than funding following the problem, it should be going to the root of the issue.

Investigation must also take place into the possibility of competitive bidding for funds. Failing authorities—of course I do not include Leeds in that category—should not always be propped up by Government money. Good money should not always follow bad. Some local authorities, just like some Governments, use public funds in much more efficient ways than others and they should be rewarded with more funding and flexibility.

I commend the hon. Member for Leeds, East, who is an experienced and well respected parliamentarian, for putting the interests of his constituents before the need to toe the party line. It is for him to have a debate with his party colleagues during the time that they have left

in government. It is not for me to comment on the merits of whether Leeds or any other local authority should receive local neighbourhood funding; there will always be winners and losers in such an exercise, and it would be inappropriate, when the criteria have been set, for me to comment. However, the bigger, strategic issue is whether the Government's horrendously complex and convoluted funding process is fit for purpose. Members will not be surprised to hear that I believe that it is not. Under a Conservative Government, it will be simplified, and we will end ring-fencing and the regionalisation of local government. The renaissance of cities such as Leeds will be about restoring authority, autonomy and civic pride to local government, and it will have their people at its heart.

10.50 am

The Minister for Local Government (John Healey): I follow the hon. Member for Peterborough (Mr. Jackson), although I have less time than he took. I shall do my best to respond to my hon. Friend the Member for Leeds, East (Mr. Mudie), whom I congratulate on securing today's debate, and to the points raised in today's debate. He has been strongly supported by my right hon. Friend the Member for Leeds, West (John Battle) and my hon. Friend the Member for Elmet (Colin Burgon). The Leeds MPs tend to hunt in a pack, and my hon. Friends the Members for Pudsey (Mr. Truswell) and for Morley and Rothwell (Colin Challen) are also present.

I understand completely the strength of their pride in Leeds as their city, and how strongly they feel about its prospects and the problems that it still needs to tackle. I am ready to discuss in detail the working neighbourhoods fund decisions that I have taken, and the potential for a range of other funding sources that will go into Leeds to help deal with regeneration in the next few years. However, I am prepared to do so only on the basis of the facts, to which I shall return in a moment.

My hon. Friend the Member for Leeds, East knows that we published the sub-national review of economic development and regeneration in July 2007, which was followed by extensive discussions. We set out the view that there has been massive progress in dealing with areas of disadvantage and deprivation over the past 10 years, but that there are deeply entrenched and persistent pockets of deprivation and that the future of any regeneration funding that followed the neighbourhood renewal fund would need to be more intensively focused on fewer areas, distributed on the basis of neighbourhood-level analysis, which is more finely tuned than ward level, and more sharply focused on the factors that help drive and regenerate the economy, in particular worklessness and enterprise, which my right hon. Friend has recognised.

John Battle: Will my hon. Friend give way?

John Healey: I shall just finish this point.

My hon. Friend the Member for Leeds, East has rightly said that work is the main way out of poverty for people, because it provides greater dignity and independence not only for the person who gets and stays in the job, but for the whole family and the wider community. I shall give way to my right hon. Friend the Member for Leeds, West, and then I shall deal with the points that have been raised in the debate.

John Battle: I want to pick up on the word "pockets", because I do not want the Minister to be seduced by the idea that there are just tiny pockets of deprivation. My hon. Friend the Member for Leeds, East has introduced a way of examining areas in detail through the benefit system to show that a lack of training, skills and jobs is increasing, not decreasing, in substantial areas of the inner city under this Government. That is the problem, and simply to say "pockets" suggests that there is just a bit of mopping up to do. The situation in the inner cities is getting much worse.

John Healey: I do not mean to imply anything by saying "pockets". I want to say—I mean this, because I have studied the figures—that there are areas of disadvantage that we have not shifted in the past 10 years, despite successful and massive investment, so we must do things in a more concentrated way and a bit differently. In particular, we must concentrate on worklessness and skills in the local economy, and I shall come on to that issue.

There are at least four points on which I must set my hon. Friend the Member for Leeds, East straight. He has said that the partnership arrangement between central Government and the city, which has been in place for more than 30 years, has been ended by that decision. That is not true, and I do not accept it. He said that the working neighbourhoods fund was the only investment in regeneration—especially through work—that would have gone to Leeds. That is not true, and I do not accept it. He said that no resources will go to the city in the next three years to help people become skilled and get into work. That is not true, and I do not accept it. Finally, he said that people in the remaining deprived wards are of no interest to the Government. That is not true, and I do not accept it.

I shall examine the expectations in Leeds on future funding for regeneration with my hon. Friend, but it is important that he understands that I cannot accept the council's expectation of either £54 million or £52 million under the working neighbourhoods fund, if the council had been eligible. I shall also examine with him in detail whether the figures that we have used as the basis for decisions on the working neighbourhoods fund and the methodology for eligibility are accurate. I have checked and re-checked those figures, and I have had independent figures check the Oxford figures. I shall let him and the council have the figures and the detail of the methodology by the end of the week.

I understand that my right hon. Friend and hon. Friends are upset that Leeds has lost out by failing so closely to meet one of the three eligibility criteria, but my hon. Friend will understand that when taking any decisions, there must be a consistent basis for allocating funding. Once that basis, threshold or formula is set, it must be applied consistently, which is what I have done in the case under discussion. Leeds, like 21 other local authorities, including my own in Rotherham, has not qualified for the working neighbourhoods fund as it did for the neighbourhood renewal fund. In many ways, however, despite the remaining regeneration challenges and deprivation in Leeds, that is testament to the success of the city and some regeneration efforts.

Leeds has fewer neighbourhood areas—the lower super-output areas—among the most deprived 20 per cent. areas in England. In 2004, it had 151 such areas;

[John Healey]

last year, the figure was down to 131. At the same time, there has been an increase in the number of areas in Leeds among the top 20 per cent. least deprived areas: the figure was 56 in 2004, and 75 in 2007. The number of children in workless households over the past three years has reduced at a faster rate than throughout the country. It is still higher than the average throughout England, but it has reduced at a faster rate than the rest of the country, which is testament to some of the efforts and success in Leeds locally. The working neighbourhoods fund situation is not a product of statistical blips.

On the neighbourhood renewal fund, we were clear from the outset that it was time limited and coming to an end. My hon. Friend's city authority received £63 million from that fund from 2001 to 2008. As a former Minister, who was responsible for setting up the Learning and Skills Council, he will appreciate the following point better than most: we have always said that in the end, the key issue is about the way in which one mainstreams funding programmes and the work of mainstream agencies to one's regeneration efforts; the issue is not simply about the funds that are invested.

In order to avoid the cliff to which the hon. Member for Putney (Justine Greening) has referred, we are providing transitional funding, including some for Leeds and the other 21 areas that qualified for neighbourhood renewal funds but not for working neighbourhoods funds. There are several areas where funding not only has gone in, as my hon. Friend has rightly pointed out, but will go in over the next three years.

Justine Greening: Will the Minister give way?

John Healey: No. I have less than a minute. The hon. Lady should talk to the hon. Member for Peterborough about that.

The area-based grant has no strings attached, and it is worth £49 million to Leeds next year. Leeds is one of only 29 areas that receive local enterprise initiative funding—£15 million. There are also Jobcentre Plus, special programmes including the new three-year pathways to work programme for Leeds, European funding, single regeneration budget funding, regional development agency funding and new local authority business-growth-incentive funding for next year. Furthermore, through the local area and multi-area agreements, there will be a chance to pull those measures together, and put pressure and a duty to co-operate on other agencies, which has not been possible before. Those measures potentially put the council in the driving seat, and I hope that it will work with me to ensure that the priorities of worklessness, skills and regeneration are tackled in Leeds.

Development Aid and Oil Extraction

11 am

Mr. Andrew Smith (Oxford, East) (Lab): I welcome this opportunity to raise important issues about development programmes being used for oil extraction and the need for an alternative approach that prioritises poverty reduction and combating climate change.

The matter was originally drawn to my attention by the "Ditch Dirty Development" campaign led by People and Planet. With its national headquarters in my constituency, and engaging many university and school students throughout the country, People and Planet is one of the principal agencies through which young people are engaging with environmental and development issues. It is to be commended for helping to build wider active involvement and commitment, which is essential in sustaining pressure to carry forward the drive to combat global poverty and its causes, on which Labour in government has a good record but on which we always want to do more. I am grateful to People and Planet and to Oxfam, which I am happy to say is also based in my constituency, for their helpful briefings for the debate.

The "Ditch Dirty Development" campaign has engaged some 20,000 mainly young people across the country in 32 university, college and school groups, collected thousands of signatures on petitions, met MPs and put points to the Government. I was pleased that last month, my hon. Friend the Minister's ministerial colleague, the Under-Secretary of State for International Development, my hon. Friend the Member for Harrow, West (Mr. Thomas), visited Oxford directly to discuss with local school and university students the issues raised in the campaign. I know that that was not the first such meeting that he has held. There is a helpful dialogue in which young people engage with Government on some of the most vital issues affecting the planet.

It is right that those issues are also brought here to Parliament. The case that the campaign has been pressing is that because of climate change and the adverse impact that fossil fuel extraction projects often have on local people and the environment, the presumption should be against aid for such projects. At the very least, a stringent assessment should be undertaken of such projects' impact on poverty reduction, economic development and carbon emissions, including the extent to which they increase dependence on fossil fuels.

My purpose today is not to knock the oil industry. Getting the stuff out of the ground all round the world and into cars and boilers on demand is a formidable economic and logistic achievement, which is often hazardous. As we now know, however, it is not sustainable for the future. Oil companies examining alternative renewable and environmentally sustainable energy sources is greatly to be welcomed, but we must remember that whatever ethical and environmental responsibilities they acknowledge or are forced to acknowledge, their core purpose is to maximise shareholder value by running profitable businesses and not to reduce poverty or to develop sustainable energy sources to meet local need.

More than 80 per cent. of the extraction projects funded by the World Bank provide fuel for markets in industrialised and developed countries. Although there

are, of course, some local jobs and export earnings, the overall economic, social and environmental impact on poor countries is often negative. Investigations into the west African pipeline and the Baku-Ceyhan pipeline show the sort of social and environmental damage that is often inflicted. The recent debacle about the Chad-Cameroon pipeline just what a fraught area of World Bank investment such projects are. That makes it crucial that the framework for assessing aid or other support for such projects is robust and focused on poverty reduction and that it takes full account of the opportunity cost of alternative support for renewable energy, energy efficiency and energy conservation.

In its published response to the "Ditch Dirty Development" campaign, I was pleased to see the Department for International Development agree with the overall purpose of the campaign—the need for faster progress on tackling climate change and its impact on the world's poorest people. I was also pleased to see the emphasis on working with developing countries to invest in renewable energy and higher energy efficiency. However, I have questions about the shape and pace of the initiatives to carry forward that commitment.

As the Minister will be aware, the World Bank and regional development banks' clean energy investment framework has come under fire from international and environmental non-governmental organisations, which have questioned its effectiveness in tackling climate change and improving poor people's access to energy. A report by the Bretton Woods Project and others last September stated that the World Bank framework includes raising $10 billion for conventional energy technologies and investing in coal-fired, nuclear and large hydroelectric schemes, while not doing nearly enough for renewable and smaller-scale projects. The report criticised the fact that as much as 77 per cent. of the World Bank's greatly expanded energy commitments are going on oil, gas and power sector projects, while only 5 per cent. are earmarked for so-called new renewables. Will the Minister say how far the Government share those concerns and what they are doing, through the World Bank and in other ways, to shift priorities to much more attention being given to renewables and energy conservation?

As the Minister will be aware, there are also real and valid concerns about what happens to the oil revenues that are remitted to producer countries and their Governments. Nigeria's oil revenues have increased tenfold in value since 1965, but the country's per capita real gross domestic product has not increased at all. One must ask where all that money has gone. In too many cases, it has gone to military spending or padding the offshore accounts of the oligarchs, rather than helping the poor.

I know that DFID supports the extractive industries transparency initiative, which seeks greater openness and accountability about revenues to Governments from extraction in resource-rich countries. Such greater openness would, of course, be a good thing. The Department has already spent £6.9 million in support of EITI work. A parliamentary answer to me on 24 January stated that the initiative's impact had so far been measured by the number of countries signing up to it. It also stated:

"Evidence of EITI's success is currently anecdotal."

I think that that means that there is precious little hard evidence as yet. It continued:

"The new independent EITI Secretariat will conduct impact reviews and qualitative evaluation work as part of their annual review. These will be presented at the next EITI Conference which will take place in the autumn."—[*Official Report*, 24 January 2008; Vol. 470, c. 2211W.]

Will my hon. Friend the Minister assure me that her Department will give close and proactive scrutiny to those reviews and that we will get not only qualitative impressions, but some meaningful numbers?

The initiative has a long way to go to deliver results. If the Minister looks on the EITI website, she will see under the heading "Implementing Countries" the number of compliant countries listed as "None". I do not wish to belittle the progress that the initiative may be making—if it can really deliver, it will be an important step forward—but let us remember that transparency is only the first step.

We need revenues to be spent on reducing poverty and on providing health care, clean water, housing, education and basic infrastructure. We must ask why the international community is putting so much into fossil fuel extraction, when there is so little evidence of poor people benefiting at the other end and when the imperative of tackling climate change points in other directions altogether.

An important and welcome part of the UK's response is the international element of the environmental transformation fund. Over the next three years, the fund will commit £800 million to projects that support development and poverty reduction through environmental protection, as well as helping poor countries to tackle climate change. Will the Minister give an update on how plans for the use of that money are progressing? Will she also give an update on what governance and accountability arrangements are in place, particularly the criteria that must be met to gain support for clean energy and energy efficiency projects? The criteria must include climate change impact, and I should like to know how that will be assessed.

Will the Minister also say what progress is being made on assessing the carbon footprint of all DFID's programmes and related areas of Government responsibility, such as export credit guarantees? That is an essential element of having proper evaluation, transparency and accountability in the formulation and implementation of policy. Comprehensive carbon auditing, along with poverty reduction, could provide the basis of a framework against which all multilateral and bilateral aid and programmes could be assessed, making explicit the environmental, social and economic impact of projects and the trade-offs between those elements. That would gear programmes and aid more effectively towards meeting our social and environmental responsibilities and would, indeed, ditch dirty development.

11.12 am

The Parliamentary Under-Secretary of State for International Development (Gillian Merron): I congratulate my right hon. Friend on securing this debate on an issue that is important across the world, including in his constituency. I am sure that organisations such as People and Planet and Oxfam have every reason to be grateful to him for bringing their key concerns to the heart of Parliament today.

It might help if I outline the Government's position on development aid and oil extraction and what we are doing to address some of the challenges that my right

[Gillian Merron]

hon. Friend has rightly brought to the attention of the House, including promoting energy efficiency and the use of renewable energy. This area is of great interest to the Government, developing countries, industry, affected communities, non-governmental organisations, donors and others. I agree that there is tremendous potential for oil to contribute towards development. Unfortunately, however, in developing countries it is often associated with poverty, conflict and corruption, which is not what any of us want.

My right hon. Friend made it absolutely clear that oil use contributes to one of the greatest challenges we face: climate change. This issue is particularly topical given that world oil and mineral prices are at an all-time high and that major oil companies are reporting ever greater profits. However, there have been great changes in the past 10 years: oil, gas and mining companies and the extractive industries are all better placed to support development. My right hon. Friend has outlined the problems that remain, and I agree that more must be done. It is helpful to focus on the damage that may be done to the environment. This is a particular challenge as exploration moves to ever remoter parts of the world, which are often pristine and home to minority indigenous people.

There is a less localised environmental issue: some have called for a moratorium on fossil fuel extraction. My right hon. Friend talked about the very active "Ditch Dirty Development" campaign by People and Planet in his constituency, which calls for an end to support for fossil fuel projects by international financial institutions such as the World Bank. We do not support that campaign's position, but we very much welcome the debate that it raises and the fact that concerns are being expressed. I am happy to continue to consider closely the points that it raises. Fossil fuels have played an important role in our development and it would not be right or fair to deny that opportunity to developing nations. If we went down that road, those countries would be denied the opportunity to support their own development.

Mr. Smith: Does my hon. Friend agree that there are important questions to be asked about whether support and subsidies from the international community, particularly the World Bank, for fossil fuel extraction projects, are a better use of money to alleviate poverty than alternative methods? Does she agree that it would make sense to have searching criteria against which both multilateral and bilateral support for projects should be assessed? Even if she will not accept an immediate moratorium, does she agree that we should set targets for the reduction of support for fossil fuel extraction?

Gillian Merron: I certainly accept that those searching questions need to be asked and answered. My right hon. Friend asked earlier why the international community is putting so much effort into fossil fuel extraction. It is important to step back and consider that fuel extraction is funded mainly by private sector finance, especially in the case of oil and gas. As a result, developing countries, which need energy to develop, also benefit. Access to electricity in developing countries is low—less than 25 per cent. in Africa—so we do need to ask questions about the issue.

I agree that we need to do more with institutions such as the World Bank. More should and will be done to press it to raise its ambitions by focusing more on renewables. That is something that my right hon. Friend seeks.

Mr. Smith: I am glad that the Minister raises the question of renewables. Returning to the important point about access for the world's poor to electricity, does she accept that it would be better to invest public money, bilaterally and multilaterally, in projects that actually get electricity to the poorest people in the poorest countries? Investment in oil extraction and pipelines is a rather convoluted way of generating export earnings, which might end up being used for electricity projects, if not spent on weaponry or sent to some offshore account. Why not target the aid where it can have the most impact in transforming the life chances of the poor?

Gillian Merron: As always, my right hon. Friend makes a robust argument and important points. I put it back to him that those are the questions. The answers depend on the countries, on the resources available and on the challenges. This is where I part company with the campaign: I feel that it is important to view extraction as part of the contribution to developing countries. The debate is not just about aid, as my right hon. Friend understands, but about developing countries moving out of that world and into the developed world. They must be able to grow in a way that is sustainable, and that deals with the many challenges of poverty and, obviously, of being a developing country.

Perhaps I can give my right hon. Friend another assurance. Much of the work of the Department for International Development on behalf of the UK Government is directed at the promotion of renewable energy and improved energy use efficiency. Even in the work that we do directly, we are conscious of the important points that he makes. If I had to summarise my answer, I would say that there is no either/or: the aim is to support the country to grow in the interests of its people.

I put to my right hon. Friend that it is quite possible to view oil as a blessing to developing countries. The challenge for us is how to make it a real blessing and not a curse, as it has been portrayed. Oil, gas and mineral resources are major natural benefits for any developing country. In many cases, they are the major natural asset. It is not surprising that developing countries want to exploit commercially viable deposits to help support their economic growth and to encourage poverty reduction.

High prices in oil, gas and mineral commodities have been driving Africa's higher growth rates since 2000. Three countries have growth rates above 7 per cent., largely fuelled by extractives exploitation. Seven per cent. per annum growth is, of course, what is required for sub-Saharan Africa to achieve the millennium development goal of halving the number of people who live on $1 a day or less.

Perhaps I can reassure my right hon. Friend and his constituents by saying that the role of the international community should be to help countries, as appropriate, to exploit their resources productively for the benefit of their people. The primary benefit would be the revenues

that accrue to Governments through royalties, special petroleum taxes and so on. Wider sustainable economic benefits can accrue, including local procurement of materials and services by companies, and, perhaps, jobs and the establishment of businesses linked to the processing of crude oil into petrol and other products. Those in turn generate income and tax. Earlier this month, Ghana published a long list of benefits that it expects to derive from its recent oil discoveries. Companies can also contribute by building necessary new infrastructure and by providing benefits such as skills and productivity transfer.

What are the UK Government doing to help? The first thing to make clear is that the UK aid programme does not invest directly in the oil and gas industry, but we do work to help Governments maximise the value of oil and mineral deposits. A few examples of our work might be helpful.

First, the UK Government expect all companies to operate to appropriate social, economic and environmental standards in their work. We promote adherence to the OECD guidelines for multinational enterprises and the related risk awareness tool, which set standards for good corporate behaviour. The UK has a national contact point that involves three Departments—DFID, the Department for Business, Enterprise and Regulatory Reform and the Foreign and Commonwealth Office—through which complaints of poor conduct can be brought and investigated.

Secondly, the UK Government established and supports the extractive industries transparency initiative, to which my right hon. Friend referred. I was glad to hear that he agrees that it is of great importance. I believe that it represents a groundbreaking way of bringing business, Governments and civil society together to tackle some of the negative impacts of extractive industries.

Mr. Smith: The Minister is being very generous in accepting my interventions. Will she act on my suggestion that ahead of this autumn's annual meeting the Government need to be proactive in getting real, clear evidence of progress on the reviews that the EITI is committed to completing?

Gillian Merron: I certainly agree with my right hon. Friend's comments and concerns. Tangible evidence is indeed required—I hope that that will be an assurance. I can add that the EITI is driving the debate about how revenues are spent in Ghana, Nigeria, Côte d'Ivoire, Azerbaijan and other places. That, too, is an area of concern that my right hon. Friend rightly raised. Yes, we will be pushing for the more tangible evidence that he has requested.

However, the level of disclosure that exists now was unprecedented just five years ago. The EITI has achieved a change in the way that extractives revenues are viewed, and transparency is becoming an international norm. Furthermore, DFID works through country programmes to support Governments in respect of their oil exploitation. The Government of Ghana, for example, are committed to using their oil revenues productively, and DFID, along with several other donors, is supporting them in organising a major week-long series of events at the end of this month that will allow them to access international expertise on mineral wealth management. We work with other donors on such issues.

My right hon. Friend discussed the need to promote development, the use of renewable energy and improved energy efficiency. Perhaps I could briefly refer to some examples of what we are doing in that respect. He referred to the clean energy investment framework. As part of that framework and to take forward plans, the UK Government, through DFID, provide money to fund new posts in the World Bank.

Secondly, the UK Government have committed £800 million for the environmental transformation fund, and we are working with others—the G8, the World Bank and so on—on its development. On funding for renewable energy in low-income countries, we are pressing the World Bank and other financial institutions to step up their efforts, and we are funding the Global Village Energy Partnership to increase access to modern energy services in developing countries.

My right hon. Friend rightly referred to the tension between climate change and energy access. I very much share his concerns about that. The clean energy investment framework is one of the most important instruments for tackling the problem, and its focus will be on large countries such as China and India, which have high future emissions potential. Of course, all countries can take steps towards low-carbon energy development, including countries in Africa, where clean hydropower opportunities remain to be exploited.

This is an important issue, and one that we take seriously. We consider that the UK Government, through DFID, have a major role to play. It is true that poor management of oil, gas and mineral reserves can lead to poverty, conflict and corruption, and that oil consumption poses significant environmental challenges, but effective management of oil revenues, coupled with moves towards greater energy efficiency and the use of new technologies, must be the solution, rather than removing from developing countries the right to use their own natural resources. We will continue our work in this area, and I am grateful to my right hon. Friend for his interest.

11.30 am

Sitting suspended until half-past Two o'clock.

Policing (Peterborough and Cambridgeshire)

2.30 pm

Mr. Stewart Jackson (Peterborough) (Con): It is a pleasure to serve under your benign chairmanship for the second time today, Mr. Gale. I am delighted to have the opportunity to debate this issue, which is of significant concern to not only my constituents in Peterborough, but local residents and taxpayers across Cambridgeshire, who are represented by my hon. Friends the Members for Huntingdon (Mr. Djanogly) and for North-West Cambridgeshire (Mr. Vara) and the hon. Member for Cambridge (David Howarth). I am grateful that those hon. Members are here today.

I pay tribute to the men and women of Cambridgeshire constabulary, who serve and protect us in the county so ably, given the resources at their disposal, which is the kernel of today's debate. In particular, I pay tribute to the northern divisional commander, Chief Superintendent Paul Phillipson, and the men and women who serve every day in the city of Peterborough and put duty above personal risk and the ever-increasing danger of injury and even death.

It would be remiss of me to overlook the leadership shown by the chief constable of Cambridgeshire, Julie Spence, who has shown guts and determination in waging her campaign for a fairer deal for my area. She has been strongly supported in speaking out by the chairman of the police authority, Councillor Keith Walters—leadership is about speaking out and sometimes making oneself unpopular, sustained in the knowledge that one's cause is just. The arguments made in the excellent paper, "The changing demography of Cambridgeshire: implications for policing", published last September, are unanswerable, and Mrs. Spence would have been derelict in her duty not to have raised those arguments so forthrightly.

Both the Home Secretary and the Minister for Security, Counter-Terrorism, Crime and Policing have met Cambridgeshire constabulary and the police authority in the past six months to discuss funding, and I thank them for their courtesy in making themselves available. According to robust and independent data, Cambridgeshire is the worst-funded police force in England and Wales. It has been disproportionately affected by the current funding formula for at least the past five years and, as a result of a unique set of factors, should be regarded as a special case. Ministers should, in the light of that, consider reviewing Cambridgeshire's grant settlement this year and up to 2012.

It is important to put Cambridgeshire's current and ongoing fiscal position in the national context fully to understand its severity and the likely impact on the delivery of front-line policing. The Minister will be familiar with the national picture of a tight 2.7 per cent. grant increase this year through until 2012 as part of the three-year comprehensive spending review settlement. As we know, with the exception of counter-terrorism funding, there will be no real-terms increase in funding to police authorities.

The Association of Police Authorities and the Association of Chief Police Officers have a police expenditure forecasting group, which has identified a substantial funding gap at this level of grant allocation, even allowing for council tax increases up to 5 per cent. It is as well to remember that, because of the historical restriction of the council tax precept and grant allocation, some police authorities, including in Cambridgeshire, are forced to consider higher tax rises, not least due to the gearing of the police precept against total Home Office funding. In other words, a big precept rise is necessary to deliver even a modest expenditure increase.

The police service is also affected by general inflationary pressures, to the extent that any increase in funding in this and subsequent years may well be absorbed by pay increases and other factors. In addition, as recognised by Her Majesty's inspectorate of constabulary three years ago, funding for protective services—those in respect of serious criminal activity—is not specifically covered by generic grant funding and relies instead on collaboration between forces under the redeployment of existing limited resources. On top of that, police forces have been committed to significant efficiency savings over the past eight years. The 9.3 per cent. in savings over the comprehensive spending review period will inevitably mean cuts in front-line police numbers, which will certainly be the case in Cambridgeshire, as the one-off nature of some savings will diminish leeway for further savings over time.

That is the national context in which Cambridgeshire constabulary finds itself. It is appropriate to consider Cambridgeshire's situation in detail. The first and most important issue is the changing demography of the county and the impact of that on policing. We are not a leafy rural idyll, and the cultural predisposition of the Home Office on that point must be faced down, because it is simply not the case. The forecasted increase in migration across the United Kingdom over the next 10 years will have a disproportionate effect on Cambridgeshire. The population of Cambridgeshire is set to grow by 12.5 per cent. by 2016, which is twice the UK average, compared with 12 per cent. by 2031 across the country as a whole. Cambridgeshire will have the highest forecast growth rates in the east of England. Among similar forces, only Warwickshire exceeds Cambridgeshire for projected population growth, according to the Office for National Statistics. Net migration is expected to account for 64 per cent. of Peterborough's growth and 73 per cent. of Cambridgeshire's growth by 2016.

The growth of residential housing developments, such as Hampton near Peterborough and Cambourne and Northstowe near Cambridge, and migration by eastern European migrants in particular, has had and will have a major impact on population growth. According to statistics prepared by Anglia Ruskin university for Cambridgeshire county council, by 2016 there will be 25,200 more people in Cambridgeshire just as a result of natural growth, including people moving in from other parts of the UK, in addition to the 69,000 people predicted to come from outside the UK, mainly from the European Union.

Before I move on to discuss migration and immigration, it is as well to touch on the sheer scale of residential developments in the county in future years, because I have time only briefly to illustrate the implications of demographic changes on Cambridgeshire constabulary. In short, the Northstowe development at Longstanton and Oakington in south Cambridgeshire will mean 10,000 extra homes and 13,000 extra people by 2016. In Teversham, 10,000 new homes will be constructed as

part of Cambridgeshire's east area plan, and 3,000 new homes will be built in north-west Cambridge. No fewer than 25,000 new properties will be built in Greater Peterborough by 2021. However, that is only a partial list of proposals for residential development.

The primary cause of concern, however, is migration. Since May 2004, population pressures have had a major effect on the delivery of policing as well as other public services. The eastern region hosts a high proportion of the country's new migrant population—indeed, it is the second highest after Greater London—and approximately 50 per cent. of that cohort has settled in Peterborough and Cambridgeshire. Research by the East of England Development Agency in its 2005 paper, "Migrant workers in the East of England", indicates that the number of migrant workers resident in the region is somewhere between 50,000 and 80,000 at the peak of seasonal periods. Figures produced by the Office for National Statistics last year in its paper, "Migrants from central and eastern Europe: local geographies", indicates that out of 410 local authorities in England, Scotland and Wales, as at December 2006, three local authorities in the top 10 for A8 registered workers were in Cambridgeshire—Peterborough, with 7,110, Fenland, with 3,441 and East Cambridgeshire, with 3,072, which, of course, has major financial consequences.

The constabulary's translation costs for dealing with incidents and crime are almost £1 million in this financial year, which is up from £805,000 in 2006-07, compared with just £224,000 in 2002-03. That increase would have been even greater had the constabulary not appointed 29 multilingual support officers, funded by the mainstream police authority budget.

Demographic changes have led to non-UK offenders becoming associated with certain types of crime, such as drink-driving and knife crime, necessitating the routing of resources into tactical work, particularly in the Peterborough area, to tackle those trends. Intelligence from the northern basic command unit suggests a link between immigration, illegal immigration and criminal activity and the development of an international dimension to crime in offences such as the establishment of cannabis factories, credit-card skimming and human trafficking. My neighbour, my hon. Friend the Member for North-West Cambridgeshire, has taken a particular interest in human trafficking, and he may touch on that later.

The Times recently reported an authoritative assessment by Cambridgeshire constabulary that the number of brothels in Peterborough alone increased from three in May 2004 to more than 40 at the end of 2007. A practical example is that, between 2003 and 2006, the number of non-UK nationality detainees passing through the custody block in Peterborough increased from 894 to 2,435. The number of detainees arrested for drink-driving saw a 437 per cent. increase in the same period from 57 to 306 cases. For a small police force, that is a significant increase in work load. Overall, the number of non-UK nationals arrested in the northern basic command unit—the area covering the city of Peterborough—increased from 894 to 2,435. The figures are bound to be higher in 2007.

In 2005, the research consultancy IBIX Insight published "Policing Peterborough", which identified the implications for policing large-scale migration in my constituency, particularly in respect of houses in multiple occupation. Issues identified were, inter alia, fire safety issues, petty robbery, disputes within households, violence and sexual assault towards women in mixed households, neighbourhood tension about lifestyle and noise issues and car usage and parking issues. In practical terms, that has massive resource implications.

An anecdotal example from a briefing note published last month by Cambridgeshire county council for the migration impacts forum stated:

> "A Police Inspector in Wisbech who recently reviewed the detention of a Latvian national who spoke no English took over an hour on a task that would normally take 10 minutes. In this instance, the Inspector had to locate a translator, explain the process to them and once that had been completed actually do the review. This issue with detained persons, languages and translators is repeated countless times throughout the County on a daily basis."

Yet, astonishingly, the Minister for Borders and Immigration confirmed in a recent written answer that there is no formal system for assessing the impact of migration on public services, including policing.

Other hon. Members may wish to focus on alternative demographic issues that are pertinent to the county, such as the likelihood of an increase in the number of Gypsies and Travellers from an already high base—Cambridgeshire is now home to more of the community than any other county in England—the pressures exerted on policing as a result of the high student population in the county, which currently numbers more than 25,000 full-time students according to a paper written last year, or tourism, given that Cambridgeshire has the largest visitor numbers in the eastern region. I would like to say that the tourism is a result of Peterborough's attractions, but it is in fact largely due to the city of Cambridge. Nevertheless, the point has ramifications for policing.

That is the environment in which the police service serves my constituents. The Government's funding regime militates against Cambridgeshire on two levels. First, there is a lag between the population and population estimates, and Cambridgeshire will and has been short-changed. For 2008-09, the Home Office will use the 2005 population estimates by the Office for National Statistics, amounting to a difference of 24,493 people. Were Cambridgeshire to receive the correct funding in 2008-09, based on the more accurate and up-to-date statistics, it would be granted an additional £2,678,152 in its formula grant allocation.

Secondly, the floors-and-ceilings funding formula, which has been in place since 2002, has consistently and unfairly impacted on the grant allocation made available to the county, which has hit the ceiling every year since April 2002, to the extent that the police authority has said that the sum withheld cumulatively during that period is £14.769 million.

In her excellent letter dated 18 February—just last Monday—to the Minister, Mrs. Spence made this compelling point:

> "We find it difficult to understand why the Department for Communities and Local Government is giving some relief over the next three years to Peterborough, Fenland and Huntingdon Councils to offset some of the costs of dealing with the consequences of migrant workers, whereas the Home Office has given us nothing and we face similar, and often more acute problems. For the Record, we have no way of accessing any of those funds."

As a result of that iniquitous situation, not only are there many fewer police officers on the beat—I shall say more about that later—but a far greater burden of

[Mr. Stewart Jackson]

revenue funding consequently falls on council tax payers and the constituents of my hon. Friend the Member for Cambridge.

According to the Chartered Institute of Public Finance and Accountancy, 34.1 per cent. of the police budget in Cambridgeshire was funded by council tax precept, against an average throughout England of 26.8 per cent. My constituents are forced to cope with the results of migration policies and development policies over which they have no control. They are short-changed by out-of-date statistics, and they are on the receiving end of a funding formula that is flawed and unfair. Consequently, to add insult to injury, they are grievously under-provisioned in respect of beat officers.

An independent report last year by KPMG concluded that, based on the current work load of the constabulary, the county requires an additional 100 police officers. The northern division, which covers my constituency, is currently served by 287 full-time police officers, as the Minister confirmed in a written answer on Monday. In comparison, the London borough of Lewisham, where I am proud to say my younger brother is a beat officer, boasts around 600 police officers to deal with a population and crime patterns that are comparable to those of Peterborough.

Indeed, in the Peterborough city council area, for the year ended March 2007 per capita crime rates for violence against the person, burglary from dwellings and theft from motor vehicles were substantially above the English average. Even allowing for the redeployment in 2004 of some resource to central functions, unbelievably, we have fewer officers now than in March 2003, when we had 360. The number fell to 356 in March 2004 and to 308 in March 2005. Police numbers have fallen in the Peterborough area.

According to the Library, between 2002 and 2007 the percentage change in full-time equivalent officers in Cambridgeshire was an anaemic 1.4 per cent. compared with, for example, an 18.9 per cent. rise in the Home Secretary's police force area. In precise terms, that means that we have had 19 extra officers in five years. Only Surrey constabulary has fared worse.

Based on the number of full-time equivalent posts, Cambridgeshire has the lowest number of police officers per 100,000 head of population compared with not only the most similar force, but every other force. That fact was contained in a written answer to my hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) on 14 January at column 1059W. Given that the average number of full-time equivalent police in English shire counties in 2007 was 212 per 100,000 of the population, the authority needs an extra 230 extra officers just to catch up. Allowing for the cost of employing a police constable who has completed their initial training, that would have meant at least another £5.4 million on the grant allocation.

Instead, we have seen a cumulative reduction in funding of more than £16 million over the past six years. The current funding regime means that Cambridgeshire had to take £7 million out of its budget this year just to balance its books. The floor mechanism is costing £2.7 million this year, and there is no review mechanism—the gearing means that after council tax precept capping there will inevitably be a reduction in officer numbers for the period 2008-2012. While the police authority must stick to national efficiency savings targets and deliver a police service with fewer resources, central Government collect tax revenue across a growing county without recycling or ring-fencing fair, up-to-date and transparent funding. The situation is iniquitous and unsustainable. It is unfair to all those who work for the constabulary, and it is an affront to my constituents, who pay their taxes in good faith and are being short-changed.

On 14 January, the Minister for Security, Counter-Terrorism, Crime and Policing told me in the House that he was

"happy to talk...about the time delay between growth in population and the formula for police grant, and I am happy to extend that invitation to Cambridgeshire."—[*Official Report*, 14 January 2008; Vol. 470, c. 645.]

I am sorry that he is not here today to continue that convivial mood. However, knowing the Minister, the Under-Secretary of State for the Home Department, the hon. Member for Gedling (Mr. Coaker) will probably be more convivial.

I want the Minister to address all my issues. I do not want to hear a cherry-picked list of existing operational initiatives, such as e-cops, customer contact officers, core-handling services and the rest of the list that we get from Ministers. We do not want a polite peroration around the Flanagan review or the benefits of employing more police community support officers. I hope that I have shown with fact, and not merely anecdote, that Cambridgeshire constabulary is a special case. At the very least, it merits a proper review of its funding to 2012. The artificial cap needs to be lifted, and funding needs to be restored proportionately back to 2002. Accurate demographic data and forecasting needs to linked closely to methodology in the allocation of grant moneys, and a one-off payment needs to be considered to recruit at least 25 new officers for the county this year.

This has been a good opportunity to raise a local issue of grave concern that cuts across party political divides. I know that my hon. Friends will contribute well to the debate and will have a different perspective. We all represent constituents, who have been unjustly and unfairly treated. The gravity of the situation should not be underestimated, and I hope and expect the Minister to rise to the challenge.

2.53 pm

David Howarth (Cambridge) (LD): I congratulate the hon. Member for Peterborough (Mr. Jackson) on securing this debate. The situation in Cambridgeshire is on the edge of intolerable. Cambridgeshire has 183 police officers, the third lowest number of police officers per 100,000 of population. It is the lowest of the comparable forces for similar areas. That situation will get worse as the population grows. At present trends, the figure will fall to as low as 170 officers per 100,000 of population by 2016. The funding crisis, however, is not in 2016, but now. As the hon. Gentleman mentioned, we are already seeing reductions in the number of officers. We are also seeing reductions in support staff. If one goes to police stations around Cambridgeshire, one will see that there

are already unfilled vacancies on each shift because the commanders cannot fill the full quota of officers who are needed every day.

The average number of crimes per 1,000 of population per year across England and Wales is 61. At 57, Cambridgeshire is slightly below that average. However, it is not very far below the average. There are 20 forces that deal with lower crime rates than Cambridgeshire. Nearly all of them are better funded than Cambridgeshire.

The hon. Gentleman mentioned the crime situation in Peterborough, so I had better mention the situation in Cambridge. As I said, the average figure is 61 crimes per 1,000 of population. In the county, the figure is 57. The relevant figure for Cambridge is 72. Therefore, there is above average crime in Cambridge. However, when it comes to violent crime, Cambridge is below the national average. The crimes that take Cambridge above the national average are shoplifting—because Cambridge is a retail and tourist centre—and bicycle theft, for which Cambridge holds the national record. That point illustrates why it is important to have local determination of police priorities.

There is nowhere else in the country where bicycle theft would be as important a matter. In Cambridge, one quarter of the population goes to work by bike. It is extremely annoying to have one's method of going to work taken away by criminal action. Nevertheless, if we look at the crime pattern across the county, Cambridgeshire is not a high crime area, but it is not a low crime area either. That was the point that the hon. Gentleman was trying to make. He said that there was an image of Cambridgeshire as some sort of rural idyll in which nothing ever goes wrong. That is not true. The effect of years of underfunding on council tax payers in Cambridgeshire is clear. Council tax bills are higher than the national average for a lower level of service. That is what people complain about.

Last Monday, the police authority increased the council tax precept by 5 per cent, which was the maximum that it could do. That will not be enough to fund some of the Government's new national requirements, including requirements on sexual offences, and on custody and detention. It would have cost another £1.4 million to fund the whole range of new Government requirements. That would be another 3.6 per cent. on the tax, which would blast through the capping limit.

I am not going to pretend that Cambridgeshire police are perfect or that it is the best force in the country. There have been problems, but those problems are being addressed by the chief constable and her commanders. For example, there was a problem in Cambridge about matching police resources and shift patterns to when people expected and needed police officers to be available. That did not quite work, but the problem was addressed and the situation is improving. As the hon. Gentleman mentioned, the key to the funding problem is the lag between funding and the increase in population. The population is expected to increase by 12.5 per cent. by 2016. Cambridgeshire is already one of the country's fastest growing areas. That comes about through a combination of factors, but one factor is Government policy. The Government are telling Cambridgeshire that it needs to grow at that pace—that it needs population increases and housing to match. The question is: are the Government putting in the funding to match the growth that they are requiring of Cambridgeshire?

There is a long history to this. Economically, the Cambridge area grew immensely through high-tech industry throughout the 1970s, '80s and 90s, but very little of that was planned by any of the Governments of the time. It just happened, in a way that national Government sometimes seemed indifferent or even hostile to, and the needs of the area were never effectively matched by funding from national Government. That has been added to by changes in the labour market in the rural part of the county, in the north of the county, which are producing in-migration from other parts of Europe.

Those two factors combined have caused an extraordinary mismatch between the funding that is offered and the funding that is required. That problem does not affect only the police in Cambridgeshire. It also affects the district councils in terms of housing costs. There will be a debate tomorrow in Cambridge city council about the fact that the Housing Corporation will not pay the proper amount towards building houses in the Cambridge area. It affects the health service. We have had debates in this very place about the funding of mental health services in Cambridgeshire. Again, that is affected by this problem. It has even affected Cambridge regional college, and further education funding. It is the same point over and again: the Government are not fully prepared to back the economic success of Cambridgeshire. They ask for more from Cambridgeshire, but are not prepared to put in more to help that success to continue.

I shall finish by talking about migration. My perspective on that issue is somewhat different from that of the hon. Gentleman. I would not want to give the impression at all that immigration by itself is a cause of crime. There is no evidence that immigrants commit more or, admittedly, less crime than anyone else.

Mr. Jackson: For the avoidance of doubt, I should point out that I was not saying that migrants commit crime per se. I was merely quoting from an operational note whose provenance was the northern basic command unit. Far be it from me to make any sort of assertion that people who wish to come to this country and make a better life for their family are therefore de facto criminals. I have used data provided by my local police in Peterborough.

David Howarth: I am very glad to accept that clarification, but it should also be said, on behalf of the chief constable, that the chief constable was saying not that migrants cause more crime, but that there is an extra cost for the authorities in dealing with incidents involving them, both as accused people and as victims—it is important to stress that—and those costs in terms of interpretation and the translation of documents are important.

For me, the issue is more about the division of finance between national and local government. The hon. Gentleman mentioned that in passing, but for me it is a very important point. Overall, migration into this country has an economic benefit for this country. The question is where that benefit goes in terms of levels of government and who bears the costs associated with a rising population. On the whole, the tax revenues from income tax, national insurance, profits of companies and VAT come to national Government. Some, in the form of council tax, comes to local government, but not much, especially if not many new dwellings are built in the process and it is just that the use of existing dwellings is being intensified.

[David Howarth]

The revenues, the benefits from migration and population growth, tend to go to national Government. Population growth or migration mainly involves young, active, employed people, who do not cost national Government very much. They do not use the health service much. They do not claim much in the way of benefits and they are not pensioners. What costs there are tend to fall on local services, including, in this case, the police. That is the core of the problem. It is not just about sorting out which bits of local government get which funding. It is about the balance of funding, the balance of cost and benefit, between national and local government. That is at the heart of the problem and that is what the Government have to sort out.

3.5 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): I congratulate my hon. Friend the Member for Peterborough (Mr. Jackson) on securing this important and timely debate on the funding for Cambridgeshire constabulary. I join him in recognising the skill and effectiveness of our local police force and I commend him on what he had to say, all of which I agree with.

My hon. Friend's area is urban whereas mine is more rural, but the variety of our constituencies and the differing requirements of urban and rural crime fighting make the lack of resources, if anything, more acute. As hon. Members will appreciate, the police grant and local government finance reports for 2008-09 were debated in the House on 4 February. That has raised a number of problems in Cambridgeshire. Admittedly, the grant settlement for 2008 and 2009 provides for a 3 per cent. increase, which is an improvement on last year's 2.5 per cent., although I understand from the police that above-inflation growth in policing costs has eroded any benefit in that regard.

In particular, the settlement does not take into account the fact that the police service is already a victim of cumulative significant underfunding in recent years. Indeed, Cambridgeshire is now the third most underfunded force per capita in the country, following the Government's introduction of the new funding formula in 2002. That is because when applying the formula as of 2002, the Government used out-of-date population figures. Had the correct figures been applied to the formula, Cambridgeshire constabulary would have been some £15 million better off over the previous five years.

That situation is compounded by the requirement to achieve efficiency savings equivalent to 3 per cent. a year over the next three years. As other hon. Members have said, the staffing position is very lean—there is no more fat to be shed. I have written to the Home Secretary asking when there will be a full and fair application of the funding formula.

The settlement also fails to take into account the needs of a rural area such as Cambridgeshire. Indeed, it proceeds on the very basic assumption that a rural area does not need as many policemen as a city because there will be less crime in the countryside. Unfortunately, as other hon. Members have said, that analysis is all too superficial.

In the past 25 years, the county of Cambridgeshire has changed considerably. It is prosperous and in full economic growth. It is expected to continue growing significantly. Projections include increasing migration and huge housing programmes—that is, new county towns and thousands more homes in existing towns such as the market towns in my constituency. That will accelerate the transformation in both the density of the population and its cultural mix. Of course, most people in Huntingdon welcome migration if it is controlled and supported by infrastructure, and appreciate that it has contributed significantly to the economic development of the county. However, it has also had a significant impact on policing and law and order, and the Government simply do not seem to be aware of that or to appreciate it.

Cambridgeshire constabulary is already disadvantaged because it currently has only 187 police officers per 100,000 people when the national average is 266. As other hon. Members have said, that proportion will decrease further because Cambridgeshire's communities are growing in size. Importantly, we need to appreciate that it is Government who are forcing huge house building, which will have consequences, not least the need for more police. That places an even greater strain on the police and other agencies. My hon. Friend the Member for Peterborough referred to the chief constable's letter of 18 February, in which she stated:

> "We have, currently, no opportunity to expand the infrastructure to deliver for the growing county. This will result in a continual stretch of already stretched resources. The impact of this stretch should not be underestimated, with officers already indicating a reason for going to the Metropolitan Police is more money and an easier life."

It is important to note that Cambridgeshire's changing demography is partly the result of international migration, and that has been touched on by previous speakers. Migration has increased particularly since EU expansion in 2004, with a large proportion of migrants coming from eastern Europe. Cambridgeshire has absorbed 50 per cent. of the migrants who have come to live in the eastern region, and that has contributed to the county's economic growth, but it has also raised a number of issues that simply cannot be ignored. Incidentally, there has been significant EU migration not only into Peterborough and Cambridge, but into Huntingdonshire market towns.

To address the point made by the hon. Member for Cambridge (David Howarth), migration has changed the nature of the offences that are committed in Cambridgeshire, and that has put pressure on police resources. For instance, hostility towards EU migrants and towards asylum seekers in the cities has led to tensions in the communities where such people live and work. If such incidents are not managed carefully, they could escalate into violence and require more work by the police force. At the moment, community cohesion is being well managed, not least by the police, but the result is that people in Whitehall seem to be believe that it is not a problem, so resources are not directed towards it. However, resources are being sapped by the need to manage and control such issues.

Large families and large numbers of migrant workers sharing the same house have rapidly increased the number of people living in certain communities. That has raised several issues for local service providers, such as dangers in relation to fire safety, petty robbery, disputes in households, summary eviction and temporary homelessness, and all those issues require an efficient and available police force. There have also been increases in offences

linked to different cultural values, particularly offences relating to knife crime and vehicle-related offences such as drink driving, which my hon. Friend the Member for Peterborough mentioned. All of that will inevitably have an impact on resources.

However, the Government's response is to reduce the proportion of funding for policing, and Government grant has fallen by more than £15 million since 2002. Worryingly, the independent report by analysts from KPMG, to which my hon. Friend referred, concluded that the county requires an additional 100 police officers, based on the constabulary's current work load. So where are those officers going to come from?

Mrs. Spence, the chief constable, made another important, but slightly wider point when she said:

> "If the answer to Cambridgeshire's future lies in cross government discussion as clearly housing growth, infrastructure development, inward migration and policing are not the remit of the Home Office alone, how does one county start that discussion and how do we make our case to ensure the complex intertwined range of issues we face are properly understood and taken account of quickly?"

I do not see how the Government can answer that question, but it is surely the key issue for rapidly developing areas such as Huntingdon and Cambridgeshire.

Cambridgeshire is suffering from the results of an outdated funding scheme that fails to take into account the reality of the county's position. That is a dangerous situation, which could hamper the growth of my constituency, in a part of the country that is leading the way on job creation and wealth creation—developments that benefit not only the local population, but the whole country. I therefore look forward to hearing from the Minister how the situation can be resolved as soon as possible.

3.13 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): May I say what a pleasure it is to take part in a debate with you in the Chair, Mr. Gale? May I also say what a pleasure and privilege it is to follow my hon. Friend the Member for Huntingdon (Mr. Djanogly), who is my neighbour? I also thank the hon. Member for Cambridge (David Howarth) and my hon. Friend the Member for Peterborough (Mr. Jackson). I commend my hon. Friend the Member for Peterborough on securing this important debate on policing in Cambridgeshire. It has been an issue for a considerable time, and it is right that we have a Minister here to take our concerns on board.

I must tell the Minister that this issue will not go away. Cambridgeshire Members of Parliament, the local police and other vested interest groups will not remain silent until the imbalance in the funding of Cambridgeshire police is properly resolved. I hope that the Minister does not intend to sum up with warm, supportive words that will not lead in practice to additional funding, because if he does, we and others will continue to raise this important issue. While I am talking about others who are dealing with this issue, let me pay tribute to Cambridgeshire's chief constable, Julie Spence, to Councillor Keith Walters, who is chairman of Cambridgeshire police authority, and to their entire teams, which do sterling work throughout the county, despite their limited resources and the difficulties that they face.

The funding for Cambridgeshire police is flawed. Over the period 2002-03 to 2008-09, the shortfall will be £17.5 million, and it will continue to rise and to impact on the local community. The problem has arisen entirely because the funding system relies on out-of-date population statistics and uses ceilings that prevent Cambridgeshire from receiving the additional funds that it rightly deserves.

As other hon. Members have said, we must recognise that Cambridgeshire is one of the fastest-growing counties in the country, and I hope that the Minister and the Home Office will recognise that. There are two reasons for that growth. First, additional housing is rapidly appearing throughout the county. My constituency contains the southern third of Peterborough and 80 villages on the way down to, but not including, Huntingdon. The Peterborough part of my constituency includes a massive development called the Hamptons—it is one of the largest developments in western Europe—which is having a massive impact on the entire infrastructure of the area. Pockets of new housing are also cropping up all over the rural parts of my constituency.

Secondly, my constituency contains additional people from the migrant community. For the sake of good order and the avoidance of doubt, let me make it absolutely clear that neither I nor anyone else in the debate is talking about a race issue; the issue is about people management and recognising that more people are coming to Cambridgeshire, which is why local people want additional funding, including, in the context of this debate, funding for the police. I emphasise that, because I do not want the media or individuals either here or outside this place to take a different stance. The issue must be addressed sensitively and carefully, but it must be addressed. We must recognise that the migrant community creates different pressures, which perhaps do not exist in other areas, and I will return to that later.

The northern part of my constituency experiences all the issues that one could attribute to urban areas, such as antisocial behaviour, theft and assault. In such urban confines, the police do not have a lot of distance to cover, but they nevertheless struggle to deal as effectively as they would like to with all that occurs in their areas. What is more, however, there is, as has been said, a presumption among some decision-makers in Whitehall that all is well and good in villages such as mine in rural Cambridgeshire and, indeed, anywhere rural—the view is that everything is peaceful and quiet.

If any civil service mandarin in the Home Office takes that view, I suggest that they be seconded for just half a day to any hon. Member who has a rural patch in their constituency. We would be more than happy to take them to a rural village, where we could easily identify instances of serious crime. It is impossible for the police to give attention to some villages in my constituency, because of the distances that must be covered. I shall not repeat the points about the acute difficulties that arise in a mixed county with acute urban pressures as well as rural areas.

I want to outline the types of crimes that lead to extra pressure on infrastructure and the police, because the migrant community brings an international aspect. I have been particularly involved in campaigning on human trafficking. The Minister's approach to the issue is welcome, and I acknowledge all the hard work that he does and will, I am sure, continue to do to combat that evil, barbaric trade in human beings in the 21st century.

[Mr. Shailesh Vara]

Last year, Cambridgeshire police undertook Operation Radium, which identified a number of brothels and instances of trafficking throughout Cambridgeshire, and the template for that operation is now being used by other police forces throughout the country. Cambridgeshire did all the hard work and homework without additional resources, and so other police forces will take up a ready-made solution to the question how to deal with that difficult problem. I am not saying that that solution will deal with it as effectively as we would like, but it has gone further than has been done before.

When people are found in the course of that work, it adds to the need for translation. The sum of £1 million in costs for a year has already been mentioned. Every year, additional translation costs of £1 million are required to deal with the migrant community. It is imperative that everyone in this country should have proper justice, but with that goes additional time. An issue that might normally take 10 minutes to deal with, as my hon. Friend the Member for Peterborough has said, can easily take an hour, because of the need to wait for translators and deal with the different language.

There is also a cultural aspect, which was also mentioned earlier. Among some east European communities, there is a different attitude towards, for example, carrying knives, drink-driving or fishing. In Britain, anglers go fishing and, if they have a successful catch, they put the fish back in the river. Some of the new communities here take the view that that fish will be their dinner for the evening. We must get used to that cultural change, and additional manpower, both in the police and generally, is needed to deal with those cultural aspects.

Some of the civil servants are smiling at what I am saying, but perhaps they should come to some of our rural areas, in which case we might not need a debate such as this. It is precisely those issues, which we see every day on the ground, that are not being fully understood by civil servants and the Home Office. I hope that the Home Office will not do what it has done in the past, when the Home Secretary promised a summit and we were promised a forum. Today, I hope that the Minister says that action will be taken to recognise that the people of Cambridgeshire are not getting a police service that is as effective as the one that they deserve, because of the unique circumstances articulated in this debate. We need action, and I hope that the Minister will go some way towards alleviating our concerns.

3.20 pm

Alistair Burt (North-East Bedfordshire) (Con): The reason for my appearance in the debate, Mr. Gale, is that my constituency shares a lengthy border with Cambridgeshire, from St. Neots in the north all the way down the eastern side through Wrestlingworth, Gamlingay, Edworth and Dunton to the Hertfordshire border. The two counties are identical in character. Today, I want to raise some cross-border issues on which Cambridgeshire's resourcing affects my constituents. Cross-border issues do not always get much time or attention, so, although I do not expect the Minister to answer my points in detail, I feel it important to raise them for communities that often feel caught between two stools. I thank my hon. Friend the Member for Peterborough (Mr. Jackson) for raising the issue and my hon. Friends and the hon. Member for Cambridge (David Howarth) for taking the debate forward. Of course, many of the issues that have been raised would be raised in Bedfordshire—the pressures in relation to rural crime and resources—but I do not want to spend too long on them, for obvious reasons.

I want to raise some of the difficulties that are caused by being in a cross-border area. First, postcodes are not always an accurate location finder in a county, because someone who lives in one county may have a postcode that refers to another. In that case, a call centre will sometimes misdirect a call and tell a resident who is waiting for assistance that they have phoned the wrong force, which causes immense frustration and upset. The Alington road industrial estate in Little Barford, which my hon. Friend the Member for Huntingdon (Mr. Djanogly) will know well because it is adjacent to his constituency, has had such problems. People have called the police, and it has taken a long time for the force from the right place to be sent. That lack of certainty is an issue for those people.

A second issue is the availability of resources to deal with partnership work on the borders. Naturally, forces with constrained resources will concentrate, first, on the Home Office targets set by the Government, and, secondly, on urban areas or areas of high-volume crime. Rural crime will never be high volume compared with urban areas within or just outside our constituencies, so if resources are tight in Cambridgeshire—my hon. Friends have made it clear they are—how much attention will be given to the cross-border partnership that is necessary to ensure some degree of protection for those who live close to a border between constituency forces? What time and effort can be spent on ensuring that there is more partnership work, that scarce resources are shared, and that when police are not available in one area it will be easy to call another force on the other side of the border, which may have officers available to deal with the problem?

Lastly, I want to raise an issue on behalf of my local National Farmers Union and its chairman Charlie Porter, who has been in touch with me on the impact of crime in some outlying rural areas. Rural constituents in cross-border areas feel not only that they are relegated to minor importance because they live in a low-crime area, but that their location on the border, whether it is the Bedfordshire or the Cambridgeshire side, makes their position even more precarious.

There has been a significant increase in the eastern region in recent months in thefts of metal, because the worldwide price for scrap has gone up very much. There is a travelling community in the eastern region that has in the past been able to pick up on thefts of metal, and there is concern about how those criminals are tracked from whatever source that might be. Again, if resources in the counties are tight, who will put time and effort into cases that cross borders and involve thieves who know what they are doing as they move through an area and how to resist attention, so that they can concentrate on their crime? There are stories of farmers in outlying areas who have been threatened and bullied, or whose wives were told when they put their heads out of the window, "Just get back inside, love. Leave us to do what we are going to do, and no one will get hurt," when there is no one else in the farmhouse to protect them. People are very frightened.

I raise those issues on behalf of the cross-border areas, where those pressures exist. I hope that the Minister will take account of cross-border issues when he gets a chance to respond, either today or in writing in due course.

Mr. Roger Gale (in the Chair): Order. I have the power to limit the Opposition Front-Bench spokesmen to five minutes each, as the debate is a local one, but I do not propose to do that. However, I would be grateful if both Front-Bench spokesmen were to bear in mind that the Minister will probably need at least 15 minutes to reply.

3.29 pm

Tom Brake (Carshalton and Wallington) (LD): Thank you, Mr. Gale, for that guidance—I shall attempt to stay within those limits.

I congratulate the hon. Member for Peterborough (Mr. Jackson) on securing this debate and for eloquently setting out the reasons why we expect the Minister to respond positively. The contributions from all parties demonstrate that there is a cross-party consensus on the matter; indeed, if a Labour MP represented the area that we are talking about, I am sure that they would speak in favour of the points that many hon. Members have made.

Clearly, it is an understatement to say that police funding is an important issue. People obviously need their local police to work effectively and efficiently, and for them to provide value for money. However, the bottom line is that if there is not enough money going in, there will not be enough crime-fighting resources at the other end. That is what the debate is about.

I do not profess to be an expert on policing in the area that we are talking about. Hon. Members have made detailed and pertinent points to which the Minister needs to respond, but there are clearly some significant, pertinent issues that are specific to Cambridgeshire and Peterborough, principally those to do with migration. My hon. Friend the Member for Cambridge (David Howarth) also asked where the Government's tax revenues go. I am sure that the Flanagan review will provide some of the answers regarding additional limited resource from within Cambridgeshire and Peterborough's existing resources, but the outcomes of the review will provide only a small component of Cambridgeshire's needs. As a number of hon. Members said, there is a declining trend in the number of officers per 100,000 population. I checked with Cambridgeshire police whether there was any good news at their budget meeting on Monday but, of course, there was not, and they are in the same position and are being told that there will be no quick fixes.

As well as facing national challenges such as the issue of police pay and people's rising expectations of police forces, Cambridgeshire faces the specific challenges to which hon. Members referred. The force has responded positively to the challenge of managing its own resources, which, as my hon. Friend the Member for Cambridge (David Howarth) said, was perhaps of its own making. The latest Audit Commission report shows that it has made a significant improvement in how it manages its affairs while other similar forces' performance has declined. Hon. Members are worried about what chief constable Julie Spence and the police authority chairman say about their ability to do the job. They are the people in the front line; they know what resources they need to do the job; and they are telling the Government that they do not have sufficient resources to do the job properly.

The issue of population growth has been taken up by my hon. Friend and others with Ministers previously. The responses on the necessary changes to funding formulas and the time over which those take place have been somewhat disappointing. I would have thought that, given the Home Secretary's statement today, we would get a positive response from the Minister. The Green Paper says that the Government

> "recognise that occasionally there can be transitional impacts on the provision of public services in communities which might be subject to particularly rapid change at the local level".

Will the Minister say whether police force funding might be useful for Cambridgeshire and Peterborough? Will he also say whether any assessment of the community infrastructure levy has been made? The Government are of course putting that forward as a way to get additional resources into local communities on the back of local developers' proposals. That might have a role to play and I hope that the Minister will say that he expects that it will make a contribution.

Other hon. Members have listed significant statistics on the scale of the impact of migration—I do not intend to go over those again. By deploying those statistics, and with their much more detailed and specific knowledge of policing in their areas, hon. Members were able to make a convincing case for the unique situation of Cambridgeshire and Peterborough. The debate is not about calling for additional resources across the board to help all police forces up and down the country to meet challenges. Rather, hon. Members have identified some specific challenges in a particular area, to which the Government must respond. It is about hard facts and special circumstances, which are linked particularly to high levels of migration. For that reason, the Minister must respond positively, given the Green Paper's reference to the "transitional impacts" of migration and the funding that should be made available to manage them. I hope that he will be able to demonstrate that formulas are capable of flexibility, and that they are not always straitjackets.

3.35 pm

James Brokenshire (Hornchurch) (Con): It is a pleasure to serve under your chairmanship, Mr. Gale. The hon. Member for Peterborough (Mr. Jackson) has done a very effective job of setting out the case for Cambridgeshire and Peterborough: the police force faces challenges associated with population growth and the pressures and costs that a more diverse community can create.

A number of other interesting issues have come out of the debate. I learned this afternoon that Cambridge has the highest number of bicycle thefts in the country, which I had not appreciated before—I am grateful to the hon. Member for Cambridge (David Howarth) for telling me that. He also made an effective point on the need to ensure that we have local priorities and that discretion is applied to local forces, and said that top-down targets from the centre cannot possibly reflect the needs and aspirations of local communities.

[James Brokenshire]

My hon. Friend the Member for Huntingdon (Mr. Djanogly) made the important point that we should not look at the matter in isolation—there are so many other interconnecting factors, such as economic and social ones, and those related to housing. A cross-cutting approach is necessary if we are to get the right solutions. We are discussing policing this afternoon, but I am well aware of how things such as education are acutely affected by the population growth in the Cambridgeshire area and some of the challenges associated with it.

My hon. Friend the Member for North-West Cambridgeshire (Mr. Vara) rightly highlighted some of the frustration in rural communities where people feel that their issues are not being properly addressed, which was followed up by my hon. Friend the Member for North-East Bedfordshire (Alistair Burt). A lot of rural communities feel and fear a sense of isolation, not only in relation to policing but other services. That message is repeated time after time, but the Government do not appear to have been listening. When I talk to people in rural areas, I find that they feel that their voice is not being heard as clearly as it should.

Some specific points have come out of the debate. Obviously, it is taking place in the context of the Government's funding settlement and the police grant, which averages 2.7 per cent. throughout the whole country. Cambridgeshire will receive a 3 per cent. increase over the period, but it is clearly a tight financial settlement. In areas such as Cambridgeshire, certain factors draw into question the effectiveness and appropriateness of the current structure. There is the issue of policing needs and the different patterns of offending in migrant populations. That does not mean that there is a higher propensity towards crime in those communities, but that there are different patterns of offending, which might be related to drink driving or the carrying of weapons. Police forces will have to modulate how they respond to those things.

Tom Brake *rose—*

James Brokenshire: I will not give way because we are tight on time, and I am conscious, Mr. Gale, that you might pick me up on it.

The cost implications for policing have come through very clearly in the debate. I respect a number of the initiatives that have been undertaken in Cambridgeshire. In a positive effort to engage communities and provide community cohesion, a newcomer's guide to policing and the law has been published. Various other councils in the county are taking steps to ensure that that sense of togetherness and an understanding of common norms and so on are developed and strengthened. I pay tribute to the work being undertaken by so many people.

We must also consider the cost of things such as translation services. We heard of figures showing the increase in costs that Cambridgeshire has had to bear. From the Freedom of Information Act requests that I have made, I know that that is reflected across the country. From 2003-04 to the end of the last financial year, there was an increase of about £9.3 million in the cost of translation and interpreter services. It certainly puts into context the scale of the problems that we are having to face. The Home Secretary spoke today about levying charges; tens of millions—I do not know how many tens of millions—are proposed to be raised by the new levy, but clearly that sort of sum could be used up rapidly for such services in policing alone.

Another issue is the lag in population numbers—they are not being picked up effectively under the formula. However, it is important to recognise that the Government have fastened on to the problem. During the police grant debate, the Minister for Security, Counter-Terrorism, Crime and Policing said:

> "However, there are genuine concerns about increasing levels of population and about how the Government formula allocations can be quite tardy in picking them up."—[*Official Report*, 4 February 2008; Vol. 471, c.674.]

Those concerns have certainly been amplified during this afternoon's debate.

The question is how those concerns are to be taken forward, and how those factors are to be addressed and considered. I hope that the Minister will be able to provide an explanation for the recently announced migrant impact forum. Will it advise Ministers on such questions, and what sort of programme and what sort of time scale can we work towards in order to ensure that those factors are properly assessed when considering grant allocations? I understand from the Minister for Security, Counter-Terrorism, Crime and Policing that although the budget for the next financial year is now set, the indicative figures for the following two years are still open for discussion and debate, so I hope that that will provide an opportunity for such factors to be addressed.

The final point I raise is that of police numbers. The funding settlement is obviously very tight, as I indicated earlier, and that has led to some concerns about what that might mean for policing numbers. We heard earlier how policing numbers in Cambridgeshire have reduced in any event during preceding years, and what the new settlement might mean. However, the Flanagan report states that

> "maintaining police numbers at their current level is not sustainable over the course of the next three years...we would not be making the most effective use of the resources dedicated to the police if police officer numbers were sustained at their current level."

That suggests that we might be looking at more cuts in police numbers; rather than the emphasis being on cutting red tape, as we had thought, we might find that the thin blue line is being cut even further. What will that mean for places such as Cambridgeshire? What does the Minister think is a sustainable level of policing for the county?

Real and genuine concerns have been expressed this afternoon. There will always be winners and losers in any system, however well intended, however well constructed and however well considered; but at a time of real concern over growing levels of violence, with violent crime having doubled in the last 10 years, it is imperative that public safety does not suffer. The public, in Cambridgeshire and elsewhere, should receive the policing that they require and rightly demand.

3.44 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I am delighted to serve under your chairmanship, Mr. Gale. I congratulate the hon. Member for Peterborough

(Mr. Jackson) on securing the debate and thank him for his kind comments—I appreciate what he has said. However, I hope that my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing does not read the comments made about him.

I start by making what I believe to be an extremely important point. Migration and its effect has been mentioned by a number of hon. Members, but no one did so in a derogatory sense. It was mentioned by the hon. Member for North-West Cambridgeshire (Mr. Vara), but certainly not in a racist way. We have heard that migration has an adverse impact on crime; it may have an impact on types of crime, but it does not have an impact in that sense. The debate was very good tempered and well measured, and it important to reiterate the fact that no hon. Member here today spoke in a derogatory way.

I assure all hon. Members who have participated in the debate that the Government are aware of the issues with respect to Cambridgeshire. As hon. Members know, I do not necessarily deal with those issues myself, but my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing is aware of them. As has been said, the Home Secretary met the chief constable of Cambridgeshire and the chair of the police authority in November last year, and my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing recently met others from Cambridgeshire. I join hon. Members in congratulating the police on their work in the county—I have not heard anyone denigrate their work. We often say such things in order to get our retaliation in first, but everyone has been most complimentary. I will take back all the points that have been made today to my right hon. Friend, and I hope that that will be useful.

I shall answer a couple of specific questions that I will not cover in my later remarks. The hon. Member for Peterborough has mentioned population figures, but he knows that police funding is not based purely on population and that the funding formula takes account of a range of other factors. I note that the ACPO lead on finance, the chief constable of Gloucestershire, has said that the funding assessment was a

"genuine attempt at finding a balance between competing priorities"

and that it was

"broadly in line with anticipated rises in core costs".

Perhaps the hon. Gentleman and I can talk about that point after the debate, but I would be interested to know where he found a 24,000 discrepancy between the ONS figures and the anticipated population figures. The figures that I have for 2008-09 and 2009-10—I appreciate that after then we have only projected increases—show a difference of about 6,000. The ONS figure for 2008-09 was 767,325; Cambridgeshire police's estimated population was 773,084. As I have said, we can talk about that after the debate.

The hon. Member for Huntingdon (Mr. Djanogly) has discussed 3 per cent. efficiency savings. Police forces are required to make efficiency savings of 3 per cent., but that money does not go back to the centre; it remains with forces, which can use it in whatever way they think appropriate.

The hon. Member for North-West Cambridgeshire has raised the issue of trafficking. He was kind enough to congratulate me on my work in that respect, and I know that he is involved, as are a number of other hon. Members here today. The hon. Gentleman will know that we are looking at what more we should do to support the work of police forces in tackling trafficking—Cambridgeshire will have issues in that respect. I know of the force's good practice, and others forces wish to learn from it. The hon. Gentleman will also know that Pentameter 2 is ongoing, and forces throughout the United Kingdom are involved in that work.

The hon. Member for North-East Bedfordshire made an extremely important point about cross-border collaboration, which is collaboration between Cambridgeshire and Bedfordshire in the case of his area. I am not sure about the geography of the areas represented by other hon. Members, but this is an issue that affects everyone, and we have allocated £35 million over the next three years for cross-border collaboration and cross-border work. Either Bedfordshire or Cambridgeshire could bid for some of that money to help with their cross-border work. Again, I hope that is helpful to the hon. Member.

The hon. Member for Carshalton and Wallington (Tom Brake) and the hon. Member for Hornchurch (James Brokenshire) have both raised the issue of the British trust fund, which was announced today by the Home Secretary. Of course, it could well be that money raised from that fund, irrespective of the charges for it and how much they will be, is used by the police force in Cambridgeshire and by other forces across the country to pay for certain services.

The hon. Member for Carshalton and Wallington also mentioned the community infrastructure levy, which, as he knows, will replace section 106. The details of that levy are still being worked on. However, the levy is the type of new development that one would expect to contribute to public services in a particular area.

Mr. Stewart Jackson: First, the Minister will be aware that section 106 money is being used in parts of Cambridgeshire to build police stations, although there is no revenue public funding to put police officers in them. Secondly, we are in a situation where, two days ago, the budget was set but, because of Government policy, the authority had no option but to recruit police community support officers on a standstill budget. That is a crazy situation, too. Will the Minister address those two key issues?

Mr. Coaker: I will come on to revenue funding. Section 106 funding, which may be replaced by funding from the community infrastructure levy, has been used not only in Cambridgeshire but across the country to support the provision of public services. I will come on to the revenue implications in a moment.

I would just like to mention the migration impacts forum, which the hon. Member for Hornchurch has referred to. The July meeting of that forum will be dedicated to crime and policing. Other hon. Members asked what effect the forum will have. As I have said, the July meeting will consider crime and policing. The ACPO representative in that forum is the chief constable of North Yorkshire police, Grahame Maxwell. Of course, as hon. Members will appreciate, North Yorkshire police is a rural force and no doubt the chief constable will be able to bring some of his knowledge to the work of the

[Mr. Coaker]

forum. Indeed, the Home Secretary has recently asked all the chief constables, including the chief constable of Cambridgeshire, Julie Spence, to contribute to the work of that forum in July.

Tom Brake: Will the Minister confirm that when that forum examines crime, it will also examine the crimes that migrant communities are often the victims of? I have personal experience of Kent and the farming communities there that rely very heavily on migrant workers, who themselves are either victims or at risk of becoming victims of trafficking within the UK, for example.

Mr. Coaker: It seems to be a perfectly reasonable suggestion to ask that forum meeting in July to look at that issue. What may be appropriate is for each hon. Member here today to talk to the chief constable in their area—in particular, Cambridgeshire Members should talk to the chief constable of Cambridgeshire, Julie Spence—and ask them whether they feel that it is appropriate to make particular contributions to the forum. I suggest that the hon. Member for Carshalton and Wallington makes a suggestion to his chief constable to see whether they will take that issue to the forum.

I want to go through a few other issues. First, I want to discuss funding for Cambridgeshire. Total Government grants to Cambridgeshire increased by more than £30 million between 1997-98 and 2007-08, which is a cash rise of 52 per cent. or a rise of 19 per cent. in real terms. Having said that, I know that the hon. Members here will be keen to look to the future. Under the terms of the provisional funding settlement, which my right hon. Friend the Home Secretary announced on 6 December last year, Cambridgeshire's general grant will increase, as hon. Members will know, by 3 per cent. next year and for each of the next two years.

I know that Cambridgeshire still has concerns about the fact that the funding formula is still not fully implemented. Of course, in an ideal world we would make all payments strictly in accordance with the needs-based formula, but that would leave some forces in dire financial straits. In the most extreme case, one force would lose 10 per cent. of its budget. Although hon. Members are keen to secure additional resources for their own forces, including Cambridgeshire, we would not want to be in a position where other parts of the country experienced dramatic cuts in policing provision. If that happened, we would be in a situation where other hon. Members would be arguing against changes that were having an adverse effect on their own forces. Indeed, I understand this argument very well, since Nottinghamshire, which is the force for my local area, suffers from exactly the same problem as Cambridgeshire with regard to the application of the funding formula.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): I apologise for my late arrival, but I was in the Foreign Affairs Committee, which is producing an important report. Otherwise, I would have liked to have spoken in this debate.

The key issue is that the Government seem to be making some allowance for migrant workers and the growth in population by giving additional moneys to local authorities with problems associated with migration, and yet on the police side there is not the same recognition of the problem. As Cambridgeshire Members, we cannot understand why the same kind of approach cannot be made towards policing, so that additional money could be provided both for local authorities and for the policing of what are real problems on the ground.

Mr. Coaker: The chief constable of Cambridgeshire pointed out in her letter that the Department for Communities and Local Government is making certain funds available for policing. Certainly, that is another issue that the migration impacts forum will need to examine. Again, I suggest that that is the type of point that needs to be made at the forum, which will consider how best to address it.

I would like to say something about the strength of Cambridgeshire's performance. It is clear that the increased investment in Cambridgeshire has been put to good use. There are now more police officers in Cambridgeshire than there were in 1997. There are 288 more support staff who, of course, help to release uniformed staff for front-line duties, and there are also 180 community support officers. If one adds all those extra staff together, 500 more people are working in the police family in Cambridgeshire compared with 1997.

I know that hon. Members have made points similar to this, but it is important to recognise when we congratulate the police that overall recorded crime in Cambridgeshire fell by more than 18 per cent. from 2002-03 to 2006-07. Burglary was down by 31 per cent., and violent crime was down by 6 per cent. In the authority of the hon. Member for Peterborough, crime fell in the same period by 24 per cent., and crime was also down in other basic command units. Of course, there are challenges for police forces. However, in the same way that we have tried to put this debate into a wider context, it is also important to recognise the falls in crime in the past few years.

I would like to say a little more about migration. A number of chief constables, including the chief constable of Cambridgeshire, Julie Spence, have expressed concern. As was said at the beginning, they have generally been at pains to say that migrants have not caused a crime wave. Instead, they having been trying to make the point that when people whose first language is not English come into contact with the police, perhaps as victims—as the hon. Member for Carshalton and Wallington has said is sometimes the case—or as witnesses, there may be extra costs involved for services such as interpretation.

I want to make three more points. First, the Government recognise that there is an issue here, and Ministers have made that clear in our meetings with Cambridgeshire constabulary and other forces that have been affected. When I return to the Department, I will relay the points made in this debate to my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing.

Secondly, population is a key factor in the police funding formula. In calculating the comprehensive spending review funding settlement for the police, we used the best available ONS data from September 2007. The data incorporate recent methodological improvements, principally an improved estimation of international migration nationally and of the distribution of migrant numbers to local areas.

Finally, as I have already said, the Government have set up the migration impacts forum and we hope that people everywhere will contribute to that forum.

In the short time that I have left—less than a minute—I want to say that this has been an important debate. Hon. Members have been very measured in the way in which they have made their points. I also reiterate my belief that such debates are important and worthwhile only if we try to learn from them. As I have said, I will take back to the Department the points that have been made by hon. Members today, particularly those made by the hon. Member for Peterborough. Hon. Members have raised what they feel is a real issue in Cambridgeshire, and they have represented their constituents' concerns. I hope that some of my earlier points in response to specific questions about collaboration and other issues have helped hon. Members. I will write to the hon. Member for Peterborough in due course, once I have discussed those points with my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing.

Flooding (Rochdale)

4 pm

Mr. Roger Gale (in the Chair): I indicated to the hon. Member for Rochdale (Paul Rowen) and to the Minister that there is likely to be a Division on the Floor of the House at 4.28 pm. I suspect that neither hon. Member will wish to return for two minutes, so they may wish to pace their remarks accordingly.

Paul Rowen (Rochdale) (LD): Thank you very much, Mr. Gale. I am sure that we can manage that between us. I am grateful for the opportunity to raise issues surrounding the heavy rainfall and flooding that occurred in Rochdale on 21 January and it is good to see my near neighbour, the Minister responsible for flood policy, responding to the debate.

Having just returned from Bangladesh, I appreciate that the problems in Rochdale and the UK pale into insignificance when compared with the flooding that occurs on a regular basis in Bangladesh. Nevertheless, the flooding in Rochdale in January, and the other floods that occurred during the summer of 2007, offer us valuable lessons, locally and nationally, that we need to learn. That was illustrated by Sir Michael Pitt, in his interim report, when he stated that

"flood risk is here to stay".

I have had discussions with the Environment Agency, Rochdale council and some of the local people affected by the flooding, and all were positive and indicated that important lessons both locally and nationally can be learned from this and similar incidents. Flooding in Rochdale occurred in the following areas: first, at the bottom of Bury road and on the Mellor street junction, due to a non-main river culverted under the road. That drains into the River Spodden, but because of the volume it gushed up through a manhole cover. I was told by businesses at the bottom of Bury road that that area has flooded eight times this year. Clearly there is an urgent need to resolve that problem.

Secondly, in the Littleborough area, seven houses in the Whalley avenue and Calder avenue areas were flooded. The cause of that problem is well known. Houses built higher up on land that formerly had a mill lodge have caused a culvert to collapse. Up to 50,000 gallons a minute were gushing down the remaining sewer, which cannot cope with such volume and regularly floods. Again, I have had discussions with Rochdale council, which has proposed a solution, although in my view building additional pipes just moves the problem further down river. The company that built the original houses ought to be tackled for causing the additional flooding. The third instance of flooding occurred when the River Roch burst its banks around Keller street and Heybrook, flooding cellars and allotments. Several horses had to be rescued from the allotments by the fire service, but regrettably other livestock on the allotments were drowned.

There are clear implications for the location of future house building and for whether insurance will still be available for houses built on river flood plains. Indeed, there are plans to build more houses in the areas of Rochdale that I have just mentioned. The Association of British Insurers said that a third of the 3 million new homes that the Government plan to build will be on flood plains. If that remains the case, there is a real

[Paul Rowen]

concern that flood insurance might not remain available, which would have severe implications for home owners.

In the town centre, the college car park was flooded, threatening an electricity sub-station, which could have lost electricity supply for a large part of the town. Staff in town centre offices and the town hall, and students at the college, were evacuated as a precaution. I have with me a photograph of the Lviv bridge, taken from the *Rochdale Observer* that shows how the River Roch came dangerously close to flooding the whole town centre. I am sure that the Minister is aware of a further incident of flooding in the Milnrow area.

That incident, and those from last summer, were considered by the Environment Agency's report and the interim report by Sir Michael Pitt. They illustrate the following points that need to be looked at. The first is the lack of co-ordination between the Environment Agency, the council, the Highways Agency and United Utilities about who is doing what. For example, people ringing the council were given three different phone numbers for officers to deal with the flooding problems. Secondly, the Mellor street and Bury road junction has been flooding for years with both the council and United Utilities saying that it was not their responsibility. A recent letter from United Utilities to me stated:

"We are not responsible for this flooding, and may I suggest you contact Rochdale Council."

I am not bothered who is responsible, but I wish to see a solution. That sort of attitude illustrates the lack of co-ordination and the fact that no one is ultimately responsible for ensuring that work is carried out.

Thirdly, there is the lack of a flood disaster plan detailing who does what. For example, shopkeepers in the town centre were questioning why they were not warned when the council decided to close its offices. Fourthly, flood levels forecasted for Rochdale and Littleborough were below the flood warning trigger level. If the Minister looks at the photograph that I have with me, he will see that Rochdale town centre would have been dangerously close to flooding, if the River Roch had breached its banks at that point. Clearly there is a need to review the trigger level and therefore the warnings given to people about the possibility of flooding.

The majority of flooding was the result of surface water flooding, for which no warning is in place despite drainage systems being overwhelmed. As a result of such incidents, I am pleased to say that the council has agreed that over the next 12 months every gully in the borough will be cleared. That is to be welcomed. However, there remains an urgent need to consider better co-ordination between United Utilities and the council, particularly on the capacity of the drainage system to cope with rainfall that, as a result of climate change, is becoming the norm.

Rochdale suffered a near miss. Unless we act now, we might not be so lucky again. What happened there was nearly as bad as what happened in Doncaster and Hull. If the town centre had flooded, the cost might not have been as great as in the latter places, but it could have run into many millions of pounds. We were very lucky. I do not want to see a repeat of the situation, which is why I believe that urgent action is necessary. The River Roch was inches from bursting its banks and flooding our town centre.

In light of that, I would like to ask the Minister to consider introducing the following so that we learn the lessons both locally and nationally: first, a new floods Act giving the Environment Agency strategic overview of all forms of flooding, including surface water flooding, and setting out clear responsibilities for emergency planning, clear long-term planning, warnings and so on to be taken by councils, highways authorities, water companies and house builders when going about their business. Secondly, will he consider requiring providers of critical services, including electricity and water, to consider steps that they should take to protect vital power and water supplies? We know what happened in Gloucestershire where a whole power station was nearly engulfed. Had the sub-station in the centre of Rochdale been inundated when the Roch broke its banks, that could have caused a similarly severe loss of power.

Thirdly, the Minister should consider requiring house builders and infrastructure providers to take action to reduce flood risk. Such measures could be included in the current Planning Bill and in the forthcoming climate change Bill. Houses built on flood plains must have adequate flood defences, and if they are not built into the plans, the Department should have the power to require the builder to do so. If we do not do so, as the ABI has warned, many people who have flood risk insurance will no longer have it. If the Government are to meet their house building target and more than 1 million homes are to be on the flood plain, we need to see action on that issue. We also need to ensure that infrastructure organisations provide adequate defences for rail and roads, so that they are not cut off, if and when flooding occurs.

Fourthly, there is a need to make more information available. The Environment Agency's floodwatch text messages provide valuable warnings, and many people at risk know about them, but they are not known by everyone. For example, in Rochdale town centre, the council and the college decided to close, but there was no mechanism in place to warn others of possible danger, which shows that not only locally, but nationally, we must review our system for issuing flood warnings.

Fifthly, we need to continue with short and long-term investment to strengthen our flood defences. Over the past five years and earlier this year, the Environment Agency has spent a considerable amount of money strengthening the River Roch's flood defences, which has helped in Littleborough, where flooding is nowhere near as great as it has been. However, in view of what happened in Rochdale town centre, we must examine the issue.

The issue is not unique to Rochdale. Its implications in an era of global climate change affect us all and have important implications for public policy. I strongly believe that we can develop the policies to resolve those problems, and that the good will exists on all sides to make it happen. I look forward to hearing the Minister's response.

4.12 pm

The Minister for the Environment (Mr. Phil Woolas): I congratulate the hon. Member for Rochdale (Paul Rowen) on securing the debate. He has made a number

of intelligent points, and I am glad to be able to report that I agree with the main thrust of his comments. I shall respond to his five points before I set out the Government's policy.

The hon. Gentleman suggested a new floods Act, and that was a recommendation of the interim report from the Pitt review. Giving the Environment Agency strategic overview and responsibilities is something that we are doing anyway: we have already done so for coastal protection, and we are considering it for inland flooding. There are other measures that a new floods Act might introduce, but he would not expect me to make any revelations; indeed, it is not within my power to do so.

On requiring providers of critical infrastructure to examine the protection that they afford, again, that has been taken on board, and the experience in Rochdale highlights its importance, because there was a combination of river flooding and, as the hon. Gentleman said, surface water flooding, which is much more difficult to deal with, particularly as it occurs in areas where people are not used to flooding.

On requiring builders to take action on protection, planning policy statement 25, which has been in place for about a year, gives the Environment Agency the opportunity to make objections and to call in proposals if the planning authority does not meet the agency's requirements satisfactorily. It is early days for that policy, and local authorities are still learning, but the hon. Gentleman is right that if one is going to build in a flood risk area, it must be protected by flood defence schemes and/or by resilience measures.

The hon. Gentleman is also right about information. We can always do more, and he cited a good example from his constituency. My hon. Friend the Member for Heywood and Middleton (Jim Dobbin), who has just assumed his place, has always made that point. The hon. Member for Rochdale called for continuing investment, and I am happy to report that the comprehensive spending review provided the Department, and through it, the Environment Agency, with additional capital resources.

I shall turn to the important point that the hon. Gentleman raised. He was gracious enough to acknowledge—for which I thank him—that the flood defences that were put in place in his area by the Environment Agency in 2005 improved the situation, which would have been a great deal worse otherwise. Nevertheless, the river over-topped, and as he said, the flood warning mechanisms did not indicate the level of water that eventually came about. The Roch scheme overview followed two successive floods in 1992, which flooded more than 100 residential and industrial properties in Littleborough and Rochdale, and led to the construction of the flood alleviation scheme.

On risk, the chance of flooding in Rochdale and Littleborough before the scheme was estimated to be between 10 per cent., one in 10 years, and 40 per cent., one in 25 years, in any given year. The scheme included strengthening and raising existing walls, new flood walls and embankments, and ramps to improve access to the river channel to make maintenance easier and safer. The construction works cost some £6 million and were completed within four years. In that scheme, it was agreed that the level of protection would be raised to one in 100 years, which meant that Rochdale and Littleborough had a 1 per cent. chance of flooding in any given year. As the hon. Gentleman knows, the formal opening of the scheme was held in July 2005. His points are therefore important. Measures have been put in place, and flooding occurred on different parts of the river. That indicates the issue that our country and others face.

I shall outline the Government's activities with the Environment Agency to improve the situation by reducing risk, by improving preparedness, warnings and emergency response. I point the House towards three documents. First, there is the cross-Government strategy, "Making Space for Water: Environment Agency strategic overview", which was published in 2005. That strategy development programme was the most thorough review of flood risk management policy for many years. I say that, because the accusation is sometimes made that it took last summer's floods to make the Government sit up and take notice. That is unfair. The hon. Gentleman did not make the accusation, but in case others did, I put that statement on the record.

The second document was Sir Michael Pitt's review, and we published the third document on 7 February, just last week. The new water strategy, "Future Water", included a range of announcements on surface water drainage management and other aspects of water policy. It confirms our aim to clarify and improve management of the risk nationally by giving the Environment Agency a strategic overview of all forms of flooding in order to address exactly the situation that Rochdale met in microcosm just three weeks ago, when the responsibilities of United Utilities, the local authority and the Environment Agency were not clear.

Paul Rowen: Earlier, the Minister quoted the figures on risk. Does he intend to ask the Environment Agency to reconsider the risk? There are lessons. On investment, he rightly said that there are still areas at risk of flooding. Can we have a review, and will it happen nationally?

Mr. Woolas: Indeed. In the case of Rochdale, as I have said, the risk assessment following the new scheme meant that the risk was put up to one in 100—much less of a chance—yet we nevertheless had floods. We are considering the situation. Whether it was due to climate change is a moot point, but we face the likelihood of increasing rainfall as a result of climate change.

I shall make some more specific points in addition to my clarification of the management of the risk nationally by the Environment Agency. As with the coastal protection overview role, the inland changes will be informed by public consultation. They will also take into account the results of the 15 projects that we are currently funding to help to identify improvements in surface water drainage. The hon. Gentleman mentioned the capacity of drains, which is important. Surface water drainage has a complex interaction of systems, with different responsibilities in different boroughs or sometimes within boroughs, districts and counties. We made a range of announcements on that point in the water strategy document to which I referred.

The partnership between the Environment Agency, local authorities and the water companies, and inland drainage boards in other parts of the country, is crucial. It involves long-term planning as well as the risk management decisions to which the hon. Gentleman

[Mr. Woolas]

referred. We are also encouraging better resilience and resistance of buildings themselves, and he and I have mentioned the emergency infrastructure. We have a £500,000 project in partnership with local authorities in six areas, which is exploring the feasibility of providing financial assistance to households in areas where community defences cannot be justified, to make their homes more flood-resilient. We are also working with the insurance industry to consider ways to encourage the public to make greater use of flood resilience in their homes, and the level of premiums is important.

As for the recent event in Rochdale, we understand that last summer, about two thirds of the flooding was caused by surface water rather than over-topping or the breaching of river defences. We are therefore developing flood risk maps for surface water similar to those for fluvial overflow such as happened in Rochdale. Surface water flooding is difficult to predict and often a result of sudden, localised rainfall events of the type that the hon. Gentleman, my hon. Friend the Member for Heywood and Middleton and I are used to in our part of the country. Such events occur across the United Kingdom.

Often, small variations in the built environment can have significant effects on how water flows. The hon. Member for Rochdale gave examples of buildings in Rochdale that are not themselves at risk of flooding but can cause flooding elsewhere in the drainage or river systems. In his area, the river travels mostly through built-up areas and has done for hundreds of years, which affects how surface water interacts with river water.

We know that we can never prevent all flooding. Flood warning and emergency planning are therefore key, and the Environment Agency is engaged in a £200 million programme to improve its flood forecasting and warning systems, which warn of potential flooding from rivers and the sea. We are looking into developing a warning system for surface water, although, as I have said, there are significant technical challenges.

I reassure the hon. Gentleman that the lessons learned from Rochdale will be important not just for Rochdale but for the rest of the country. It is important to understand why the system there was not as had been predicted. He said that all that requires funding. We have increased the funding significantly within the context of a long-term investment plan, so the whole country knows what it has at the moment, what it can expect and what the risk base is.

The important thing about public consultation is not just to have warm words from a middle-ranking Minister. It is important that we understand the drainage and river systems, and local people understand them best—in my experience, down to street level. The hon. Gentleman was kind enough to mention my constituency, and I declare an interest: Railway street, in the fabulous village of Newhey, was subjected to flooding. I know the reasons for that flooding from talking to residents there, who can point out to me exactly where it will occur. The Environment Agency does a fantastic job—the hon. Gentleman has made that point publicly. I thank its officials and employees for the work that they did in Rochdale, but even they, with their expertise, cannot replace that local knowledge. I give the hon. Gentleman that reassurance.

We will increase expenditure to £800 million by 2010-11. Is that enough? I do not know; nobody knows. It is more than the Association of British Insurers suggested before last summer's events, which is important. I have mentioned the strengthening of policy for planning authorities, whereby the Environment Agency is now a statutory consultee on planning applications in relation to flood risk. Powers have been established under the new policy for call-in by the Government.

We all need to take responsibility. I echo the hon. Gentleman's words about the flood warning systems and appeal to the public to play their part in the preparations. Those who have not already signed up for flood warning systems should do so, and not just in areas that have experienced river flooding, because as we have seen, other areas can suffer from surface water flooding and the interaction of that with other water. The agency provides useful information. I know that not everybody has access to the website, but increasingly people do, and it is a useful source of information. There is also the floodline phone service.

I congratulate the hon. Gentleman and take his points seriously. I confirm that in response to his points two, three, four and five, the answer is yes. On point one, we are already doing it but have not ruled out the need for new legislation. I assure him that I take the matter seriously. He gave the example of Rochdale, but flooding has happened in other places and will happen elsewhere. We have to put plans in place. He says that it is not clear where responsibility lies. At the end of the day, it lies here. That is why I give him those undertakings. Thank you, Mr. Gale, for chairing the debate.

4.28 pm

Sitting suspended for Divisions in the House.

Scams

4.52 pm

Miss Anne Begg (Aberdeen, South) (Lab): Thank you, Mr. Gale, it is a pleasure to be here under your chairmanship.

I am pleased to have secured a short debate on an issue that has a devastating effect on the lives of people throughout the United Kingdom. I am sure that, like me, all Members of Parliament have been contacted by constituents because either they or a relative have been the victim of a scam of one sort or another, be it a mail scam, an internet scam, a door-to-door salesman scam or a get-rich-quick scheme that seems too good to be true. There is even an internet dating scan, which was exposed just last week on "Tonight with Trevor McDonald". It is a sad reflection of life today that large numbers of fraudsters are constantly trying to trick people—often elderly and vulnerable people—out of money that they usually cannot afford to pay.

Few people will not have received a scam letter or e-mail. Most of us recognise those for what they are: clever ways of pretending that if people send a cheque for £20, for example, they will win £5,000, or if they phone a number they will hear that they have definitely won a prize. Of course, that phone number is for a premium line and by the time that people have learnt that they have not won the phone call has cost £10. I am sure that even you, Mr. Gale, have received such communications.

Most of us immediately bin such letters and e-mails, but some are sufficiently convinced that if they send the money or make the phone call they will receive money, but they never get anything back and even when the evidence of their own experience should be telling them that this is a scam, they continue to be taken in. We know that that is so, because if there were no return for the fraudsters they would stop. However, instead, they produce even more elaborate letters and become even more sophisticated.

I shall confine my remarks to mail scams and I shall explain why I asked for this debate today. Over the years, a number of constituents have come to me with sacks of mail all demanding money in return for a promise, a gift or a poor-quality item. My advice has always been to put any further letters of that kind in the bin and never to send any money. One lady asked if I could get her money back and I had to say no. One gentleman went to the police with the catalogues for cheap, sub-standard goods that he had bought, but they told him that there was nothing that they could do because the goods originated from outside the United Kingdom. I was not able to help that man get his money back, no matter what bad value the goods were.

My constituents knew that they had been taken for a ride, but they did not want to admit that they had been so gullible as to believe the promises. They just wanted the mail to stop. However, ironically, as long as the mail kept coming, they were constantly tempted to reply because they could not distinguish what might be real from what was part of the scam.

Towards the end of last year, a constituent of mine, Gordon Lennox, came to see me because he was concerned about what had happened to his father-in-law, who had died in the summer. Mr. Lennox and his wife only became fully aware that her father, Robert Somerville, had been the victim of multiple scams after he died. At that stage, his mail was redirected to their house and they got control of his bank accounts.

They had suspected that something was going on, because when he was in hospital he used to get very agitated about not being able to pick up his mail. He even went so far as to take taxis from hospital to his home to pick up his mail because no one else would bring it in. Even so, Mr. and Mrs. Lennox were flabbergasted when a deluge of mail arrived addressed to Mr. Somerville. I have one week's worth of his mail in front of me. When they saw how much he had been paying out, they were even more amazed. In three weeks in May last year, he had sent £650 to fraudsters, trying to claim prizes that they said he had won. Mr. and Mrs. Lennox think that he must have spent between £6,000 and £7,000 during the last year of his life. That was all the money he had, because he was an 87-year-old pensioner who lived on the basic pension and only had attendance allowance as a supplement. He even incurred £240 of bank charges while in hospital because he was still sending money, but had not been able to get to the bank to pay money in.

Mr. Lennox says that his father-in-law was like a gambler and had become obsessed. But he was also of a generation that believed what was written in the letters it received. Why would he not believe that? The letters were addressed to him personally; they were emphatic in their promises; some of them looked like real invoices and real cheques; and sometimes they contained gifts that he felt obliged to pay for, especially when they appeared to have come from a charity. He was also of a generation that believed that it was only polite to reply to mail. However, he did not realise that the more money he sent, the more scam letters he received. By this time, he was on the suckers list, so his name and address were a saleable commodity.

Much of the mail that Mr. Lennox's father-in-law received was in envelopes with a Royal Mail stamp, even though many of the return addresses were abroad. When he came to me, Mr. Lennox told me that he felt that there was a moral obligation on Royal Mail and that by accepting such bulk postings it was profiting from illegal activity. In his view, that should be illegal, too. He also felt that, as a public company, Royal Mail had a responsibility not to aid and abet people who were making money by deception.

In November 2007, I wrote to Royal Mail expressing Mr. Lennox's view that it had a responsibility not to take money from people who were clearly fraudsters. The reply that I received said that there was little that Royal Mail could do:

"We are prevented by the Postal Services Act 2000 from opening or interfering with post. The Act requires that Royal Mail as the Universal Service Provider delivers the mail to the intended recipient as set out on the address/letter.

We are also governed by our licence to ensure (Condition 8 - integrity of the mail) that we take steps to ensure that the mail is not interfered with between the sender and the intended recipient. It therefore is not possible for Royal Mail to intervene in mail as the carrier.

This issue is also covered under the Act where statute 83 states that, 'A person who is engaged in the business of a postal operator commits an offence if, contrary to his duty and without reasonable excuse he intentionally delays or opens a postal packet in the course of its transmission by post or intentionally opens a mail bag'.

[Miss Anne Begg]

The letter continues:

"there are prohibitions within the Act"—

such as on sending creatures, something that "is likely to injure" someone else, or "indecent photographs". So there was no joy from Royal Mail; it appeared that it was not going to accept any responsibility for what was in the envelopes that it took money for delivering. The only part of the reply that gave any hope was a paragraph that stated:

"Royal Mail will cancel the contract of a company if it is proved that its mailings are fraudulent or misleading."

Who is the judge of whether the contents of the letters were fraudulent or misleading? It is the Office of Fair Trading.

I received that reply in November, and I had intended to apply for an Adjournment debate in December or January, but had not got round to it, so I was delighted when I came across a press release from the Office of Fair Trading saying that it had designated February as scams awareness month. That was music to my ears, because it meant that someone was taking the issue seriously, and I was pleased to hear about that initiative, which is called "stamp out scams".

The OFT has produced a new booklet for carers and care professionals on how to recognise scams, and how to deal with them.

John Barrett (Edinburgh, West) (LD): I congratulate the hon. Lady on securing this debate. Does she agree that it is not only the Office of Fair Trading, but local communities, local Members of Parliament and local elected representatives who must raise awareness of the issue? The only way of stamping it out is to ensure that people do not respond, so that there is no profit to be made.

Miss Begg: I could not agree more, and I was going to suggest that the OFT should communicate directly with Members of Parliament to say that it has a locus in the issue and is interested in receiving complaints. I was not aware that that avenue was open to me. I was aware of the local trading standards office, but I was not aware that the OFT would treat the matter as seriously as it does. I have since discovered that the OFT has a scam buster unit, and is interested in the problem. I hope that the Minister will tell us how the OFT wants to take the issue forward.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I am grateful to the hon. Lady for raising the matter, and for informing us that February is stamp out scams month.

Before Christmas, I pointed out to the Office of Fair Trading what I would call a scam on our high streets with games and consoles being bundled together. I hoped that in the run-up to Christmas, people would be able to buy what they wanted to without games being unnecessarily bundled in to hike up the price and put families into debt. Unfortunately, I did not see much action as a result of my correspondence with the OFT, but I hope that during this month it will try to stamp out that scam also.

Miss Begg: I am sure that the Office of Fair Trading will read this debate with interest. The hon. Gentleman has made his point.

As part of my preparation for this debate, I spoke to Del Henderson, a trading standards officer in the Aberdeen office. She confirmed that the OFT had involved all the local trading standards officers throughout the country to ensure that they were involved in the stamp out scams campaign. She also told me about Consumer Direct's information line for consumers. I was not aware of it, which may show a remarkable lack of knowledge on my part, but it is a fairly new organisation. In the past week, it has updated its website so that it is now much easier to report scams, and she said that the website is easy to use.

It is important that people know how to report scams, and to believe that if they pass on letters or e-mails and so on they will be taken seriously, and that something will be done. Most people, including me, put such letters in the bin, and would not think of passing them on to anyone in authority, whether trading standards or the OFT. Until this month, I did not realise that the OFT was taking such an active role. It is important that the Office of Fair Trading is proactive, tracks down the source of scams, and takes action to close them down or to prosecute the perpetrators. The difficulty is that the perpetrators often live not in the UK, but abroad.

It is difficult for a member of the public to know what is illegal. Letters are often constructed in such a way that it is difficult to define them as fraudulent. We need clearer guidelines on what constitutes fraud. There are so many examples in circulation that it must be possible to define the most common practices as a criminal offence. I realise that by the time the fraud is tracked down, the fraudsters have moved on, thought up a new scam, moved abroad, or closed it down. I know that only too well, because I have been involved in changing the law on a pyramid gifting scheme—women empowering women. It is amazing how inventive such fraudsters can be. It can also be difficult to track down fraudsters, because many scams originate outside the UK, particularly in Canada and Holland, but also in Switzerland and elsewhere.

I am not in a position to judge whether the OFT has sufficient powers in this area. I know that it has a scam buster unit, and I hope that it is advising the Government on what action needs to be taken to close down some of the worst perpetrators. I hope that it is clear whether more consumer protection regulations are needed, and if so, that the Government are aware of that, because I am sure that all hon. Members would support such legislation. More people would be more willing to pass on examples of mail if they thought that something would happen as a result and that their complaint would not just be ignored.

I would like to know whether the OFT is working with Royal Mail to identify the companies that are sending out fraudulent and misleading letters, so that the Royal Mail will end their contracts. The letter that I received said that Royal Mail will do that if there is proof, but I suspect that only the OFT is in a position to prove whether mail is fraudulent. Has that ever happened?

When someone believes that they have been the victim of a crime, the first organisation to which they turn is the police, but if my constituent's experience is anything to go by, the policeman or woman on the front desk will

be dismissive and say that the police can do nothing. Police forces should be aware that local trading standards offices or the OFT treat scam mail seriously, and an individual seeking help from the police should be directed to one of those organisations.

It is impossible to legislate to save people from their own gullibility, but some scams are so professional and so convincing that it is difficult to tell whether they are bogus. Even people who would not call themselves gullible cannot always tell. Is a charity called Feed My Children, which sends my mother gifts for which she has sent it money, legitimate? It has a website, but is that part of the charade? Mr. Lennox's father-in-law also received letters from that charity.

It is easy to tell people that if something sounds too good to be true, it probably is. It is also easy not to be sympathetic to someone who has been taken in because of greed and because they thought that they would get something for nothing. However, it is worth remembering that a sizeable number of the people who are taken in by such scams and lose money that they cannot afford to lose are of a generation for which it is merely polite to answer mail.

I hope that the OFT will, in the words of its campaign, stamp out these scams, and I look forward to hearing what the Minister has to say.

5.8 pm

Alison Seabeck (Plymouth, Devonport) (Lab): It is a pleasure to be serving as a speaking Whip under your tutelage, Mr. Gale.

I congratulate my hon. Friend the Member for Aberdeen, South (Miss Begg) on securing this debate on an issue that is serious and distressing for both the victims and their families, and I share her concern. Sadly, it is often the case that the most vulnerable members of society are targeted by these conmen and criminals, and that makes the matter even more distressing.

The Government are committed to improving Britain's consumer regime, protecting and empowering consumers as well as being fair to business, which is a delicate balance. We recognise that our consumer regime needs to be more effective at stopping rogues and criminals and those who deliberately set out to defraud consumers, especially the elderly and vulnerable. My hon. Friend highlighted several cases, particularly that of Mr. Lennox's father-in-law.

Tackling the menace of mass-marketed scams is a priority area for the Office of Fair Trading. Its research found that the UK public lose a massive £3.5 billion to scams every year, which equates to £70 for every man and woman in the UK. It is interesting, but not surprising that older victims of scams lose twice as much as other groups, the average being more than £1,200.

While an estimated 3 million people a year lose money to scams, the greatest impact is often felt by those least able to see through it or to deal with its consequences. Elderly victims, who are often socially isolated, over-trusting or suffering from illnesses such as dementia, can be repeatedly targeted by scammers. Many lose their life savings and suffer ill health as a result.

That is why the OFT takes the issue very seriously. In 2005, in response to a significant problem, the OFT set up a dedicated scambusters team to develop a long-term national strategy to combat mass-marketed scams. The strategy is built on three pillars: targeted enforcement action; hard-hitting consumer education; and the destruction of the scammers' routes to market.

Taking effective enforcement action is central to the strategy. The OFT has taken the lead in targeting mass-marketed scams that originate in the UK. Using its powers under the Enterprise Act 2002, the scambusters team has had a number of notable enforcement successes. It has secured High Court orders against a variety of scams, including a £17 million pyramid selling scheme, misleading prize draw mailings that were sent to hundreds of thousands of people to con them into calling premium phone numbers and, most recently, a bogus racing tipster who netted more than £200,000 from innocent victims.

The OFT also works closely with regional trading standards scambuster teams funded by the Department for Business Enterprise and Regulatory Reform. Those teams work closely with other enforcers, including the police, to tackle the range of scams that blight our communities. I am pleased that the Secretary of State for Business, Enterprise and Regulatory Reform was able to announce recently the extension of the trading standards scambuster teams. That will give trading standards an opportunity to bid for a share of a further £7.5 million extra over the next three years to tackle the toughest scams. That will help to build on the success of the past two years.

The statistics alone are impressive: £16 million-worth of fraud has been uncovered, £2 million-worth of criminal assets have been seized, and £3 million-worth of savings have been made for consumers. The OFT has been successful with the existing civil powers. However, while it has been successful, there are often outright crooks behind the scams. Therefore, I am delighted that we will be strengthening the powers of both the OFT and trading standards services later this year with the implementation of the Consumer Protection from Unfair Trading Regulations 2007. Those new rules will ban all types of unfair selling and marketing methods and, crucially, they will be enforceable through both the criminal and civil courts. That will ensure that appropriate action is taken against the prolific scammers and serve as a deterrent to others. In addition, the companies investigations branch of BERR regularly uses its powers under the Companies Act to investigate scams on consumers operated by limited companies, which has led to several such companies being wound up by the court and, in some cases, their directors being disqualified.

Unfortunately, as my hon. Friend rightly pointed out, scammers do not respect national boundaries. They often use borders to try to frustrate law enforcement. However, the OFT has taken the lead in tackling misleading prize draw mailings originating from within the European Union. It was the first public authority to successfully bring a cross-border court action under the injunctions directive 2004. Yet again, EU legislation has a positive impact on UK consumers. It acted to stop a Belgian mail order company from sending out millions of deceptive prize draw mailings to UK consumers. The OFT has also initiated court action in the Netherlands against a Dutch company for similarly misleading practices.

As my hon. Friend mentioned, the OFT has no jurisdiction to enforce consumer law outside Europe. However, it has been successful in building important links with international counterparts in more than 30

[Alison Seabeck]

countries to detect and to act against the perpetrators of scams. For example, the OFT has formal enforcement co-operation agreements with partners in the United States, Canada and Australia, and is a member of two Canadian partnerships, based in Vancouver and Toronto, targeting the fraudsters behind many international sweepstake scams.

The OFT has also instigated an innovative policy of warning traders outside its jurisdiction that they should stop disseminating deceptive mailings to UK consumers. Indeed, that has led to a number of publicised successes in relation to misleading weight loss and prize draw mailings.

The OFT seeks to take strong enforcement action against scams wherever possible, but enforcement alone will not eliminate the harm that is caused. Great emphasis is therefore placed on educating and empowering consumers and equipping them with the skills that they need to recognise and to avoid scams. Key to success has been the effective targeting of the 6 per cent. of the UK adult population who fall victim to scams every year, and especially the hard-to-reach, vulnerable groups.

In addition, the OFT is developing resources aimed at delivering consumer education alongside basic skills learning in further education. Those resources aimed at further education tutors are adapted to suit a variety of needs in the UK. They will help develop adults' consumer skills, knowledge and confidence while also improving their literacy and numeracy skills.

BERR also established Consumer Direct, which is now managed by the OFT, as the first port of call for consumers who have been wronged by traders. The helpline received more than 1.5 million calls last year alone. In addition, it has worked with local authorities across the country as part of its "scamnesty" campaign. In Dundee, Edinburgh and the Scottish Highlands, local authorities are placing bins in local libraries and other public places to encourage the public to report scams. That is providing crucial intelligence to the OFT to target new and emerging scams and to raise awareness with the public in general. That may be something that other hon. Members who participated might want to look at in their particular areas.

The OFT has focused on helping so-called "chronic" scam victims. Those are elderly people who are repeatedly taken in by scams. Victims may be too ashamed to admit that they have been scammed to family or friends—as confirmed by my hon. Friend—or simply refuse to accept they have been taken in, rationalising their failure to receive what was promised as bad luck. As a result, they do not tell anyone and often continue to send off money.

Working with partners such as local authority trading standards services, social services, Age Concern and Help the Aged, the OFT has undertaken a range of initiatives to raise awareness of the plight of elderly scam victims and to empower local support networks to protect them. As my hon. Friend has highlighted, the launch of the OFT's scams awareness month campaign this month focused on that particular issue. As part of its campaign, the OFT has run targeted radio adverts and launched a free booklet for carers and care professionals. The OFT material provides useful tips on how a repeat victim can stop being scammed.

Beyond that awareness raising, the OFT is delivering, in partnership with local trading standards services, advice to vulnerable elderly victims on a more personal, individualised basis. That often arises where the OFT becomes aware of potentially vulnerable victims through the interception of responses to scam mail. Family and friends are vital in that process. Obviously, if they fear that relatives or friends are being abused, they should report that either to local trading standards services or to the OFT direct.

A final plank of the OFT's strategy has been to disrupt key choke points in the scam supply chain. Often, the services of legitimate businesses, such as postal operators, mailbox providers and money transfer agents, are abused to facilitate scams. My hon. Friend may be interested to know that the OFT is working with Royal Mail to finalise a protocol for facilitating requests for the suspension or termination of bulk-mail contracts that are being misused to distribute scam mailings to UK consumers. Obviously, Royal Mail has a duty to deliver the mail. As part of the OFT's protocol with Royal Mail, Royal Mail has changed its standard terms and conditions to make it easier to terminate contracts where there is abuse. The OFT will continue to work with Royal Mail in that area.

I am also advised that the Advertising Standards Authority is working with Royal Mail to try to reduce the amount of abuse that potentially goes through the Royal Mail system. I hope that that slightly reassures my hon. Friend. The OFT has developed an information-sharing protocol with Mail Boxes Etc., the largest private supplier of mailboxes, to facilitate the rapid exchange of intelligence about customers who abuse mailboxes to facilitate scams.

The Government and the OFT are committed to tackling mass-marketed scams at local, national and international levels. I have heard what hon. Members have said about their lack of knowledge of what the OFT is capable of doing. I will take those comments back to the Department and see whether we can ensure that hon. Members are better informed—more directly, perhaps, by the OFT itself. Although much has been achieved, clearly too many people are affected by scams, so the OFT plans aggressively to use its new powers and criminal sanctions to detect, prosecute and deter scammers. Importantly, it also intends further to increase its engagement with overseas enforcement agencies to combat effectively what is a global phenomenon. It will continue to educate and empower consumers to recognise and resist scams.

Question put and agreed to.

Adjourned accordingly at twenty minutes past Five o'clock.

Westminster Hall

Thursday 21 February 2008

[MR. MIKE WEIR *in the Chair*]

Electronic Patient Record

[Relevant documents: Sixth Report from the Select Committee on Health, Session 2006-07, HC422-I and II, and the Government response thereto, Cm 7264.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Tony Cunningham.]*

2.30 pm

Mr. Kevin Barron (Rother Valley) (Lab): I hope to make quick progress in my contribution as Chairman of the Select Committee on Health to give others, both members of the Committee—three are currently present—and other hon. Members, the opportunity to have a say on our report on the electronic patient record.

The terms of reference for our inquiry were:

"What patient information will be held on the new local and national electronic record systems",

including whether patients may prevent their personal data from being placed on the system. That issue has been running around in certain quarters of the media for a considerable time.

We also considered who will have access to locally and nationally held information and under what circumstances, whether patient confidentiality can adequately be protected and how data held on the new system can and should be used for purposes other than the delivery of care. Clinical research is an obvious such purpose, and most hon. Members know that there are two reasons why we are successful at it as a nation. First, we have a national health service—we have had it for 59 years—which tends to bring together clinicians in both the public and private sectors, particularly in the pharmaceutical industry and other related industries. Secondly, we have conducted a wealth of research, which has led to great improvements in patient care in our health service.

We examined progress on developing the NHS care records service and the data spine and why delivery of the new system is up to two years behind schedule. One or two hon. Members present, particularly the hon. Member for South Norfolk (Mr. Bacon), have become expert on that, and no doubt we will hear a few words from the hon. Gentleman later.

We received 70 pieces of written evidence, which were submitted by academics, lawyers and IT companies as well as by a number of staff and patient groups. The Department of Health also provided us with an initial memorandum and sent additional submissions on 12 June and 16 July. We held oral evidence sessions between April and June.

We made a number of visits to different parts of the globe. Hon. Members may have seen the interesting article in *The Independent* last week, which included a record of how money has been spent by Select Committees. We came fourth in that list—we were not in a medal position. We went to Nashville, Tennessee, not because we are particular fans of country music, but to talk to the people who are implementing the system there. One of the most detailed care record systems in both the community sector and the acute sector, as we call it in the UK, is in a children's hospital in Nashville, which is also a teaching hospital. We saw exactly how it helps the clinician and the patient in situ in what we call the secondary sector.

We also examined the US veterans—not veterinary—administration, which has a database of some 6 million records of vets. We think that it is probably the biggest such database in the world, although it does not match the scale of ambition in the UK. It was good to talk to people who have been involved in it for many years. One thing that we learned was that, when there were the disastrous problems caused by the hurricane in New Orleans and all the local systems were shut down, the health care of the veterans who got out could continue because of that database. It worked well, and those people's needs were not lost.

We were supported by the wealth of the Committee's secretariat—I pay tribute to them once again—because our service in the House as overseers of what happens in Government and wider health care issues is well served by our permanent advisers. We also had three advisers whom I wish to thank, Professor Ross Anderson, Dr. Jem Rashbass and Professor John Williams, who advised us on the details of the inquiry.

We considered matters under four headings, which I shall run through to give a flavour of what we did. The first was an overview of electronic patient record systems. As I have said, we went out to the United States, and we also went to Canada to examine what was happening there. We also went to Amiens in France to see the hospital system and to Paris. We were able to do international comparisons of what is held, where it is held and how it is used. We also went to Homerton hospital, which is here in London, to see what happens to the detailed care records there.

We came out with the idea, which forms part of our recommendations, that

"The EPR is essential and is the top priority for improving health care. The installation of a comprehensive IT system is a long journey best managed by a staged and piloted development not a big bang approach."

Hon. Members might give their views on that later. We believe that

"The input of end-users is vital in planning, design and implementation."

As my hon. Friend the Minister knows, our report states that that could be greatly improved in the UK system in some instances.

We concluded that

"Local flexibility is essential to allowing continued use of effective systems already in place, as is interoperability if local systems are to communicate with one another."

I have personal experience of that; years ago, my local hospital could not talk to the local general practitioner's service. They both had computer systems, but when they wanted to put out a report on discharge into the community, it was fed out on paper and sent in the post. In this day and age, that should not happen, particularly if somebody being discharged from hospital has a continuing care need. The record should be passed over as efficiently as possible.

[Mr. Kevin Barron]

We also found that

"EPR systems make more personal health data accessible to more people,"

but that

"breaches of security and confidentiality must be regarded as serious matters."

I shall have more to say about that in a few minutes. Our final conclusion in our overview of EPR systems was:

"The support of the public must be obtained. The fact that EPR systems are essential for the delivery of modern health care and can improve communication between different health care staff and between staff and patients must be adequately publicised to users of the NHS. We believe this would help to convince people of the necessity and benefits of the EPR and reduce resistance where it exists."

The second matter that we considered was the summary care record—the concept of having 60 million individual summary care records on one database—which has grabbed headlines for a number of years. It is likely that that record will be in several places rather than on one database, but they will be interoperable. The summary care record is still being piloted, and hon. Members will read in some detail what we have said about the pilot.

One thing on which we partly agreed with the Government, although not totally, was the use of what are called "sealed envelopes". They are a way of protecting things that someone would say to their doctor but not to their partner—for example, something about their health that they would not want a member of their family to know. There is a legitimate way of making such information unavailable on first instance to anybody accessing the summary care record. We stated:

"'Sealed envelopes' are a vital mechanism if sensitive information is to be held on the SCR."

We recommended two things. The first was that:

"The right to break the seal protecting information in "sealed envelopes" should only be held by patients themselves, except where there is a legal requirement to override this measure".

I shall not second-guess what such a requirement might be, but matters could arise in the criminal courts.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will my right hon. Friend, the Chairman of the Select Committee, say whether his Committee considered what the British Medical Association and others have been calling for some time, namely that there should be explicit individual consent before health care information is held centrally or accessed remotely? Is he attracted to that principle?

Mr. Barron: Personally, no, and I do not think that the Committee would have found that the system should be opt-in as opposed to opt-out. I believe in the opt-out approach. Sealed envelopes are a completely different situation, and people will decide with their clinician what should go in them. The Committee and I believe that it is important that access to the sealed envelope should be at the patient's behest, and in few other circumstances. Perhaps there should be a legal requirement in that respect.

Jeremy Wright (Rugby and Kenilworth) (Con): The right hon. Gentleman knows, and the report reflects, that the technology required for sealed envelopes is not available yet and therefore was not available during the Bolton trial. How much does he think that weakens the effectiveness and relevance of that trial?

Mr. Barron: I do not know the detail of those pilot schemes. We have read about them, and we had a presentation on them down here, as opposed to up in Bolton. The presentation was held here mainly for time-management reasons, but I would have liked to go into the field and see it in situ. I can only say that if any information in the pilot was that sensitive, it probably would not have been added to it at all. It is true that, technically, we are not quite there yet with the sealed envelope, but it is quite feasible to lock something into an IT program that people would not be able to access unless many levers were pulled.

Our second recommendation about sealed envelopes is that they

"should not be made available to the Secondary Uses Service",

but the Department disagrees. In the Government response, the Department accepts our first recommendation about sealed envelopes, but not the second, saying:

"Patient consent to the use of anonymised or effectively"—

I always struggle with this awful word—

"pseudonymised data is not required by law and the use of such data for secondary uses, including research, is both accepted and actively promoted by the relevant professional and regulatory bodies."

I accept that it is possible to take information out of my records so that I am not identified as an individual, and I do not think there is a problem with that. If we were starting with a blank piece of paper and did not have the history of the past three or four years, I might agree that that would be all right, because information can be anonymised. In those circumstances, using it for secondary purposes might not be difficult; indeed, we have been led to believe that other areas of medical research do that now.

We are not starting from a blank piece of paper, and the system has not been up and running for many years. People are being asked to commit parts of their medical records that they would not share with family members into a system. I do not disagree with that inasmuch as it can be sealed and put away, but I ask the Government to rethink allowing sealed envelopes to be used by secondary users at this stage in the development of the NHS IT programme. I am not saying that we could not do it in years to come.

Sadly, a number of health professionals in this country are actively campaigning against any of this being introduced, suggesting things that will happen with the system. On one website that I looked at this week, a practice is getting people to opt out, saying that the records will be sold to pharmaceutical and insurance companies, and that the Government will profit from them. That is palpable nonsense, but it is being propagated by medical professionals in this country. We must recognise that the issue of sealed envelopes, and details about people's health that they might not want to share with members of their family—I am not talking personally—should be considered differently, especially in view of current debate and the current situation in this country. Will the Minister consider that?

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate my right hon. Friend on an excellent report. Another area that concerns me is the relationships between the individual, the medical fraternity and the care sector. I can think of many circumstances in which information could and should be shared with people working in the care sector. I know that the Committee principally considered the medical aspects of this issue, but will my right hon. Friend share his thoughts on what information could be held electronically and made accessible to people living in care homes or receiving care at home?

Mr. Barron: That area is very much part of the evolution of the system. Not all medical care is provided in medical institutions. We have interim positions between home and hospital, usually on the way out of hospital, with rehabilitation, for example. Hospices are also relevant. We have a brief on this through ePolitix, and Help the Hospices is involved in this issue. There are health professionals working in acute, end-of-life medical care for whom it might be vitally important to have information about patients that they cannot get by telephone. If an individual's situation changes, those professionals might seek more information about their patient history. I do not see any problem with that, if that information can be accessed by health professionals. This area must be considered further, and the Government need to consider what will happen about health care provided outside a health institution.

I want to discuss another of our recommendations about the summary care record, which concerns operational security. In paragraph 127, we said that operational security depends on effective enforcement, and that:

"The Department of Health and the Information Commissioner's Office have called for custodial sentences for people who unlawfully access personal information. The Committee welcomes this, and recommends that a substantial audit resource be provided to detect and prosecute those who access the system unlawfully."

I am pleased that the Government have accepted the principle of that recommendation in their response to the report:

"Organisations and individuals using systems supplied by NHS Connecting for Health must abide by set conditions controlling access to and use of those systems. These mechanisms, which are already in place, ensure that only appropriately authorised NHS personnel, with an appropriate role and an established legitimate relationship with the patient, can access confidential patient information in the NHS."

However, we often hear in the media that that is not the case. Earlier this month, I had a meeting with Dr. Richard Vautrey, the deputy chairman of the General Practitioners Committee of the British Medical Association. I told him that I thought the BMA's press release of 1 February on this issue was scaremongering, and we had an honest and earnest debate. I said that if he had any evidence of people wrongly accessing information, I would like him to let us have it.

I have here a letter from Dr. Vautrey, dated 18 February, which gives just two examples without naming the individuals concerned. The first example is one that he cited when we met, in which:

"a patient was admitted in to a neighbouring city hospital and her full GP record was accessed on the ward by a pharmacist. She only found out when her GP told her that this had happened when she was discharged and next saw her GP."

Of course, the pharmacist, who is a health professional, might have had a legitimate reason for doing that.

The second example in the letter

"is an incident where a PCT-employed manager persuaded a district nurse to disclose her username and password. He used these to access patient identifiable information held by a GP practice, whose clinical system was hosted by the PCT, without the knowledge of the data controller (the GP Practice) or the consent of the patients involved. Other PCT employees were also similarly accessing patient data. Members of the local General Practitioners Committee contacted the PCT but to date, no action has been taken against the manager or the nurse involved."

I should like to know from my hon. Friend the Minister what action is being taken about people in the NHS accessing information that they should not be accessing.

We often hear about celebrities' records getting out into the open, and one can say the same about politicians and their families. Suddenly something comes out into the public domain, normally via the media, but what action is taken? How many prosecutions are made, and how many employers take action against people who access patient records, either electronically or by looking at Lloyd George paper records in a GP's surgery? Such things are going wider than they should.

It is important in assuring patients about the scheme that they know whether the second case that I have cited is true—hon. Members know as much as me about it. If it is true, action should be taken against the manager, who seems to have used his position to access patient data that he should not have accessed.

That said, when we looked around at the new system's audit trail—perhaps there is a better phrase—and asked questions about it, I was satisfied that it would flag up anybody who should not have looked at a patient's record. It is difficult to stop someone doing that; the real issue is to find out who has accessed the record and why, and the new system allows such tracing.

We are not going to stop unauthorised accessing of records, but, sadly, we do not stop it now. If someone phones someone else in the health care system and says that they are from a primary care trust or a hospital, information may be given over the phone that should not be given. The problem is with the people who run the system, not the system itself. It would be interesting to hear from the Minister, if not now then at a later stage, what action is taken when people who should not look at patients' records do so.

Dr. John Pugh (Southport) (LD): Did the Select Committee look into the procedures that are followed when cards are lost and reissued? I understand that they are slack.

Mr. Barron: I may be corrected on this by other hon. Members, but I do not believe that we looked at that in detail. There are issues around lost cards. I went to a doctor's surgery in my constituency, and they were concerned about confidentiality. I had actually gone to look at choose and book, of which I am a big fan, as are my constituents. It was a five-handed practice, and they were complaining that there were 11 pass cards in the system. I said, "There are only five doctors here. Who has the other six?" The answer was, "The people who do the letters."

[Mr. Barron]

That is how such systems work. We and patients have to accept—we are all patients at one time or another—that people other than the doctor are likely to access some of their records for purposes of looking after their interests and care. That is why I asked what action is taken if there is unauthorised access to information. The Government will have to consider that matter carefully, if that type of system and its benefits are to be accepted.

Jeremy Wright: On flagging up access to a patient's record, the right hon. Gentleman will know Dr. Paul Thornton, a general practitioner who gave written evidence to the Select Committee—he is, in fact, one of my constituents. I have contacted him about this subject. He has told me that he has been able to change on the system a flag that indicates to those who look at the system that the patient does not want certain information disclosed. He was able to change that flag without notification. The right hon. Gentleman accepts that one of the crucial safeguards is that the patient in question should be notified if a record is looked at, which is even more important if a record is changed. Does he share my concern that that must be put right, if the system is not working?

Mr. Barron: The hon. Gentleman has put the matter clearly on the record. I hope that we will get a note from the Minister, when it has been investigated.

Before I move on to the third part of the report, let me deal further with the BMA and Richard Vautrey, with whom I had a meeting to discuss the issues. I shall pick up on some of the comments in a brief that he provided for today's debate. I have no doubt that the BMA will think, "He would, wouldn't he?" In the third paragraph, the brief states:

"In November 2007, 3000 patient details were lost when a GP's laptop was stolen in Newport".

That happens all the time. It happens in the Ministry of Defence and other places as well. With the people who use the system as opposed to the system itself being weak, it is difficult to know what to do. The brief states that

"in December, it was reported that a PCT had lost 160,000 patient details".

I checked that up on the website. It was the City and Hackney PCT—a children's trust—that lost an encrypted disc. The situation was not dissimilar, I suspect, to the discs that were lost—*[Interruption.]* I was not too sure about that. The major thing is that the disc was encrypted, although I do not know whether it was found.

The Minister of State, Department of Health (Mr. Ben Bradshaw): Yes, the disc was found. Of course, that was not reported.

Mr. Barron: Right. I thought that the Minister was going to say that it had been lost again.

The brief then states that the details of 25 million parents and children have been lost, which I accept. The issue involves management of systems and human interaction with them. Sadly, we can introduce all the legislation and regulations that we want, but we will always find problems within the system. My issue with some BMA members is that that is not a reason not to go ahead with using information technology to bring health care into the 21st century.

We have online banking, and some 25 per cent. of adults now bank online—I do not, but 14 million people do. It seems that nobody really worries about that. We have credit card fraud. It normally occurs when a bill is paid in a restaurant and the customer is not standing nearby. Somebody photocopies or scans the card details and then sends them on. We have to worry about that.

In a sense, I worry about the BMA, or should I say its leadership. The brief states:

"Concern about the risks of patient data prompted doctors to call for 'the BMA to advise all its members not to cooperate with the proposed centralised storage of all medical records as this serious endangers patient confidentiality'."

I am not a clinician, but one could well argue that not having a central database could be a matter of life or death. If I am on holiday in Torquay and keel over in the road because of a long-term condition, it may not immediately be obvious what the problem is. In some parts of the world, they have systems where medical people can immediately find out what is wrong with someone.

The detailed care record is dealt with in recommendation 229. I shall not read it all out, but we started by saying that

"there is a perplexing lack of clarity about exactly what NPfIT will not deliver. It is not clear what information will be recorded and shared on DCR systems, nor the range of organisations that will be able to share information."

We are years down the road of developing this system, but I have to say that there is a real question mark about the development of patient records in the United Kingdom since the venture began. I am pleased that the Government have accepted the recommendation. Their response states:

"There have been changes to NHS organisational boundaries and a review of the information-sharing arrangements is already under way with strategic health authorities (SHAs) and suppliers."

I am pleased about that. Actually, I am sponsoring a Room in the House in a few weeks' time for my own SHA, which will bring its IT people to show Yorkshire and Humberside Members of all political parties exactly what they are now doing. I know that we have had some restructuring of SHAs, but that should have been done years ago, and the public should have been seeing things like that years ago. I am pleased that that will happen.

I must revert to what *The Independent* called our "expensive" trip. We saw a detailed care record in situ in a hospital. Health professionals go to a single screen to start with. They can examine blood tests going back over weeks, if not months, and consider the issues, even if the patient is under anaesthetic in a theatre situation. We did not go that far, but we saw that they can access information, and we saw the amount of information that is held in a detailed care record. The improvement in patient safety is a really good thing.

The Committee and I were surprised that the detail of what will be on the care record has still not been agreed overall. However, we saw the interface at Homerton hospital, although Homerton was pre-this system. Two London hospitals are now up and running with the working detailed care record system.

Who will hold the detailed care records? Obviously, they will be held in general practitioner surgeries and possibly at the local hospital, too. However, if, for example, someone has an unusual condition and comes to London now and again to see a specialist, would the information be shared with that specialist? Such questions still abound. I do not have a problem, but we ought to know by now the exact make-up and shape of the detailed care records.

Mr. Richard Bacon (South Norfolk) (Con): I have been listening carefully to the right hon. Gentleman's speech. The recommendation that he has just mentioned states that there is a perplexing lack of clarity about what exactly the national programme for IT will now deliver. It states that

"it is surprising that the architects of the DCR were not able to provide a clearer vision of what is planned."

Most people would agree that it is nothing short of extraordinary that that should be so, six years after the Downing street meeting. In a sense, however, it is not the slightest bit surprising, because during 2002-03 the contracts were let at enormous speed before the Government had decided what they wanted to buy and before the suppliers knew what they were expected to supply. All the problems stem from that, so it is not surprising at all.

Mr. Barron: That matter can be complex. Presumably, the detailed care record kept by a clinician working in a GP's practice would be a bit different from a GP's care record in a local hospital, because not everybody goes into hospital. However, if someone were to enter hospital, additions would be made to that record.

The Committee has commented, although not in great detail, on the length of time that the programme has taken. The report states more than once that there is a lack of clinical lead in some of the relevant areas. The scheme has been left to techies on many occasions—don't get me wrong; I am not against techies—which is why, in part, it has lost the support of some in the profession and some professional organisations, too. That should have been foreseen, and those responsible should have ensured that there were clinical leads.

The places that are up to speed, such as Homerton and others, are in that position because clinicians have taken responsibility from day one and said, "This is what we want to do. This is how it can help us, as professionals, and how it can help our patients." Talking to people who have been involved like that has a different effect from reading press releases from the professional organisations and associations that represent those people.

David Taylor: Is it not the case with a mega-billion pound project such as Connecting for Health, the costs of which are £12.5 billion at the moment and still heading north at a fair old rate, that what is needed for a satisfactory, secure and effective system is intelligent clients in the NHS who are alert and familiar with major system IT concepts? The continuous outsourcing in various organisations within the NHS over a long period has meant that those building the systems have not dealt with such people, which accounts for some of the flaws.

Mr. Barron: We have not examined the technicalities. Outsourcing can be a great strength in the public sector. I will not go into great detail, but the Committee has examined one or two areas in which there could have been better management inside the NHS—let me say no more than that. In my view, leaving things in-house will not necessarily get things done. A few years ago, we investigated work force planning, which has not been subject to a debate yet. We found a lack of strategy and a lack of involvement by professionals in work force planning. When people arrive outside organisations, they move inside—it is not outsourcing as such; it is about bringing people in.

This is information technology, and the systems are not being built with equipment that was invented five years ago. As the system has been built up, new things have come on to the agenda, such as digital imaging. We now have a database of digital images, which is extraordinary, because it was not planned in the early days. That is an extraordinary advantage for both patients and clinicians.

We talked to clinicians in Homerton hospital who could look at an X-ray—not an X-ray as we know it, but a digital image—and discuss it with other clinicians in different places inside the hospital. So three or four clinicians in different places were looking at an image that they had accessed on their system and were discussing it without having to meet. We were told that normally it would take about an hour for everybody to clear the decks so they could meet in the same room, but somebody would still be wandering around the hospital looking for the X-ray. Some good developments that were not initially planned have taken place, and they are really helping our constituents and other people.

Mr. Bacon: I visited the Norfolk and Norwich university hospital in 2001 when it was scarcely open and saw its digital imaging equipment. They had not even pulled the polythene off the equipment, but they were proud of what it would enable them to do, just as the right hon. Gentleman has described. Will he acknowledge that that technology predates the national programme for IT in the health service, that it has nothing to do with that programme and that the picture archiving communications system was not added to NPfIT until September 2004?

Mr. Barron: Yes, it was added. Any IT system anywhere, whether in the public or private sector, does not just start and evolve on one day when it is decided that this is how it will be; it evolves over many years. Beyond PACS, other things have been added. Choose and book was not massively thought of at the time, but the hon. Gentleman should talk to people who can now visit their GP and come out knowing which hospital they are going to, at what time and on what day, and which clinicians they will be seeing. Just a couple of years ago, they would have been waiting for a fortnight for a letter that would probably have given them a hospital clinician that they did not know about and a time it was impossible for them to make due to work or family commitments. Such things have moved on in leaps and bounds. We have to recognise that millions of people in this country are benefiting from some aspects of what is happening now that were not necessarily laid down and thought about when the

[Mr. Barron]

programme was set up. At that time, I assume that people were talking about the data spine and different types of patient records, for example.

There has been a call for a review of NPfIT, to which the hon. Member for South Norfolk was probably party, although I do not want to put words into his mouth. The report states:

"Whilst we understand the reasons for this, we do not agree that a comprehensive review is the best way forward. First, many of the questions raised by the supporters of a review would be addressed if Connecting for Health provided the additional information and independent evaluation which we recommend in this report. Secondly, the programme has already been scrutinised by the National Audit Office, the Public Accounts Committee and ourselves. We therefore recommend that...The implementation of DCR systems be addressed in the short term by increasing both the local ownership and the professional leadership of the programme; and...The ongoing review by Lord Darzi on the future of the NHS include in its remit the long-term prospects for using electronic systems to improve the quality of care, particularly for the growing number of patients with long-term conditions."

The Government say not only that they accept the recommendation, but that they are

"pleased that the Committee recognises that a comprehensive review of the Programme at this stage is not necessary".

One of the biggest critics of this programme, in its totality, was one of the Committee's special advisers, Professor Ross Anderson, who had been campaigning against it for years, yet he advised the Committee in relation to its particular inquiry.

I shall move quickly to the secondary uses service. My hon. Friend the Minister knows what I said about sealed envelopes earlier, and I still believe that that is the case. The report states:

"The Department has acknowledged the need to take advantage of the research opportunities offered by"

the secondary uses service

"and has established a partnership with the UK Clinical Research Collaboration to achieve this. We welcome this, but researchers nevertheless told us that much more could be done to maximise these opportunities."

We made several recommendations in relation to that. One was that we should

"Mandate the use of the unique patient identifier, the NHS number, in all health service interactions in England".

The Government are committed to dealing with the issue and have accepted some of our recommendations, particularly on the NHS number. They have also accepted our recommendations on developing appropriate linkages between databases, and they have established the research capability programme to investigate the effectiveness of the process, the role of safe havens and third-party brokers, and appropriate governance arrangements, which is all to the general good.

In paragraph 284, we made the following recommendation:

"There is an urgent need to address these problems, especially as the amount and type of data potentially available through the SUS will proliferate rapidly in future. We recommend that the Department of Health conduct a review of both national and local procedures for controlling access to electronic health data for 'secondary' uses."

We then listed the areas that the review should examine—again, the Government accepted that.

We received a brief for today's debate from the Royal College of Nursing, which talks about secondary uses. People often think that this is something that is likely to interest only researchers and academics, but the RCN states—I suspect this might be earlier in the patient care record—that the secondary usage of electronic patient care records

"has the potential to enable the identification of patient outcomes and best practice but also to demonstrate the effects of staffing levels and skill mix which has a direct impact on patient satisfaction and clinical outcomes."

That professional body is taking the right approach to the issue. Yes, it says that it wants more nurses, but we all want more nurses in the right places—although we have had a massive increase in the number of nurses going into the national health service in the past seven years, we can debate whether they have all gone to the right places. Asking how we can use patient information databases, however, is the right approach to take.

The last issue that I want to raise relates to a spin-off. Earlier, we discussed digital imaging. One issue that has come across my radar in the past few months, although we did not look at it in this report, relates to a scheme in New Zealand. As part of that scheme, people who go into hospital are, effectively, barcoded, in the way that babies might be when they are newly born. A strap is put on someone's ankle, and it has on it a barcode that can be scanned. Every time someone is given medication, the barcode will show the right dosage and everything else. There are therefore ways and means of using information technology to prevent the medical errors that we see in hospitals and elsewhere, which are causing deaths in the national health service. The New Zealand Government started looking at the scheme in the middle of last year, and although I do not think that we will be going to New Zealand to look at it—I say that even though I do not think that there are any reporters from *The Independent* here—we will be getting information about it. There are areas, which we have still not thought about, where information technology can help patients and professionals, and that can improve the health of this nation.

Before I finish, I must say that our inquiry was fascinating, and there was background noise about the issue in the media for a long time. For the first time since I became Chair of the Committee, the report was not unanimous, which was inevitable. Just because the report was not unanimous, however, that does not mean that it is not worth studying, particularly by the Government, so that when we set out on such ventures again, we get things right earlier than we have done in this case.

3.13 pm

Dr. Richard Taylor (Wyre Forest) (Ind): It is a pleasure to follow the Health Committee's Chairman, the right hon. Member for Rother Valley (Mr. Barron). He has covered the issues exhaustively, but he has left a few points for some of us to add.

I have been on the Health Committee for quite some time and I thought that I had worked out how the Department arrives at its responses. I thought that if we put all our conclusions and recommendations in heavy type, that would make the Department respond to everything. However, there must be a little man or lady

somewhere in the Department who goes through all our conclusions and recommendations picking out the word "recommend". That word appears in 23 of our 42 heavy-type pieces, and those 23 are the ones that have received detailed responses. The others are brushed aside very briefly in the introductory remarks to the Government's response, and a lot is lost as a result, because some of our conclusions make valuable suggestions about what should be going on.

Let me give one example, where we missed out the vital letters "re" and merely commended, rather than recommended something to the Department. In paragraph 42, we set out half a dozen bullet points relating to vital issues that we had picked up on our trips around this country and around the world, which the Chairman mentioned. The Government mentioned one of those issues in their introduction, but I would have liked much more detail about many of the others.

I shall go through one or two of the conclusions that were not commented on, because I want to draw the Minister's attention to them. On several occasions, we commented on the delays that have been experienced. The hon. Member for South Norfolk (Mr. Bacon) said that there were many excuses for those delays. Things changed all the way through following the first contract, and the Government's response points to many of the things that were added. In that respect, I support what the hon. Gentleman said. The picture archiving and communications system existed in the early 1990s, and I went to view it in Dublin in about 1993, so it is nothing new, but it is absolutely marvellous and it is now so widely distributed that it is making a huge difference.

Paragraphs 113, 114 and 115—hon. Members do not need to refer to them now—deplored the delays with the summary care record. There is no excuse for those delays because wheeling out the summary care record does not depend on other factors. We saw a marvellous example of a summary care record in Canada, and I am delighted that the Department is at least introducing a single front page for the summary care record, with everything vital on it. However, there is a sting in the tail of its response to paragraph 116, because it is obviously looking at making the summary care record more complicated. That is just not needed, because we want the complications to be in the detailed care record; we want the summary care record to remain as simple as possible.

We have had mention of the trial in Bolton. As the Health Committee Chairman said, we were going to see some of the sites where the trials were going on, but the visits were cancelled at the last moment because things were not ready. I would therefore like the Minister to tell us where the Bolton trial has got to and how quickly the rest of the summary care record can be rolled out, because it is vital.

On the detailed care record, I want to take some small quotes from paragraphs 227 and 228, which, again, the Government did not comment on in any detail. Paragraph 227 called the detailed care record the "'holy grail' for NPfIT". Paragraph 228 went on to say:

> "Achieving the widespread uptake of DCR systems is therefore the single most important advance that the NHS can make towards the provision of faster, better integrated and more patient-centred care."

I can illustrate that absolutely graphically. Nowadays, single district general hospitals do not do everything, and people must go to different hospitals. A 92-year-old acquaintance of mine with severe, widespread cancer, who is very ill, was taken to her local district general hospital after a 999 call. Her treatment had been going on at the local oncology centre, which was not in the same hospital. She was so ill when she got into the district general hospital that even if the staff asked her anything she could not tell them anything; so she had another scan, having had one at the other centre days before. It is crucial that the detailed care record should be produced as quickly as possible, for safety, economy and quality of patient care. That instance, in which a poor, elderly 92-year-old lady, riddled with cancer, was let down by the fact that it was not available, is just one example.

Delays to the detailed care record follow on from delays to the patient administration system. I find that incredibly hard to understand. Most hospitals had pretty good patient administration systems long ago. I remember, in the early 1990s, helping to get people used to our patient administration system. I fail to see how the hold-ups have arisen in that very basic element. It is basic because not only does the DCR depend on it; electronic prescribing depends on it. The Select Committee Chairman has already mentioned what results can be obtained from electronic prescribing with respect to safety and economy, and how it can lead to a reduction in mistakes. The Department of Health is only too aware of that. Its initiative, which is called Coding for Success, is obviously being delayed because of the delay with the PAS. I believe that that is two years behind schedule; or it was. I would love to know—

3.21 pm

Sitting suspended for a Division in the House.

3.36 pm

On resuming—

Dr. Taylor: I was talking about delays with the patient administration system, and was about to mention some of the things that we were told about in the inquiry. We were told that there was some evidence of progress with Cerner, and I am interested in that because I gather that, since then, there has been dissatisfaction in various parts of the south coast and London. I would like to know what the position is with Cerner now, six months after our report. We were also told that there was no progress with Lorenzo, and we need to know how that is going.

Moving on to paragraph 235, in which we missed out the word "recommend", I thought it gave some helpful comments. It states:

> "The Committee recognises the need to maintain a balance between central and local input into the development of DCR systems."

It also states:

> "The successful delivery of DCR systems depends upon the ability of Connecting for Health to harness the benefits from local as well as national input, something which it has not achieved so far."

I wish that we had recommended that it should harness those benefits.

Paragraph 237 is an absolutely clear recommendation, and I shall read the whole paragraph. It states:

[Dr. Richard Taylor]

"Connecting for Health's own role should switch as soon as possible to focus on setting and ensuring compliance with technical and clinical standards for NHS IT systems, rather than presiding over local implementation. Clear standards would allow systems to be accredited nationally but would also ensure that local trusts have a choice of system and control over implementation."

It is not all gripes, and the response included something that we did not even put in, because it told us about the GP-to-GP transfer system, which is an electronic system to enable notes to get from one GP practice to another very quickly when someone changes GP. I would like to know whether that is working, because an acquaintance changed GP in October and saw the GP last week, but the transfer had not occurred.

That is enough of my gripes about the response. As has been alluded to, the Committee has been criticised for not making the report more condemnatory, and for not demanding a public inquiry. My reasons for not supporting demands for a public inquiry are that it would have led to further delay, and I have already said that the need for the summary care record and the detailed care record is extremely urgent.

I want to go through one or two of the problems. They have been addressed already, but I want to throw some more light on them.

Jeremy Wright (Rugby and Kenilworth) (Con): On the question of the review, may I ask the hon. Gentleman two things? First, does he consider that it is impossible for a review, such as the one that has been suggested to the Committee by various witnesses, to be carried out while work on the system continues? Secondly, does he think that against the background of the problems that the Government have had in the management of personal data, and concerns that the public will have about that in consequence, the case for a review is stronger than it was when the report was written?

Dr. Taylor: I find it hard to understand how a meaningful review can take place without at least having the chance of pulling the whole system, which is why I did not want to support it. I am going to come to the other point later on.

Obviously, public perception of security has not been helped by recent security breaches in various fields, including the loss of the smartcards. On 4 February, the chief executive of the primary care trust wrote a glowing article in the *Worcester News* about the benefits of the electronic patient record. He stated:

"The security of patient information is our highest priority. The new system will introduce a level of security higher than that expected in internet banking."

In the same paper, there was an article reporting the comments of a neighbour of one hon. Member. I have not been able to warn him that I was going to raise the matter, so he will have to remain anonymous. However, he took exactly the opposite view to the chief executive. He stated:

"I think the collection of so much sensitive information in one place is plain daft and open to massive abuse. It is a fundamental attack on our right to privacy."

Our Chairman has already mentioned votes of no confidence from our GPs.

On 16 February, the *British Medical Journal* contained two quite important articles. The first one was a report of an interview with Mike Pringle, professor of general practice in Nottingham, who said that he was recruited in 2004 with other doctors as the fourth attempt at clinical engagement. He stated:

"An even more pressing task, however, is resolving the confrontation between the NHS and medical professional bodies over summary care records shared through the NHS's electronic data spine. At the programme's outset, the government assumed that the benefits of shared records would be self evident and uncontroversial. As a result, Pringle says, 'The fundamental building blocks of consensus weren't put in place. I hold myself partly responsible. By the time we tried to build the consensus, there was also a head of steam behind the opinion that we had an unacceptable product.'"

In the same edition of the *British Medical Journal*, Jonathan Gornall, an independent journalist, stated that he was very happy to use internet banking with sensible precautions. He went on to say:

"Likewise, I'm relaxed about the prospect of my medical records being available digitally throughout the National Health Service. In fact, as the NHS Summary Care Record pilot scheme approaches its first birthday and enters its evaluation phase, in anticipation of national roll-out I'm positively excited."

Therefore, there are two opposing views.

I have also received a copy of a briefing from the Royal College of Nursing. I find it extremely sad that five or six years after the beginning of the project, it still has to make recommendations for involvement and development of the EPR. Six years after its inception, it is appealing for adequate resources and learning opportunities and for the nursing content of the EPR to be nationally agreed. Has it not been nationally agreed? How can it have to ask that so long after the start?

I want to end on a slightly positive note with what we can do. We need a huge publicity drive to demonstrate the benefits of the summary care record, the detailed care record, of electronic prescribing, of GP-to-GP transfer and the arrangements for security. In response to recommendation 119, the Department of Health goes into details about security, patient consent, patient ownership and the ability to limit access to sensitive information. All those things need to be spelled out. When we went to France, we were very impressed by the fact that the French people own their summary care record, which gives them absolute control over it. That is very attractive.

We need a publicity drive to demonstrate all those benefits to people. Again, Jonathan Gornall states:

"I find it reassuring to think that should I ever find myself in an emergency department, the complete strangers fighting to save my life will have access to any vital personal information that could govern how they treat me."

I will conclude with the last bullet point from the sadly neglected recommendation 42:

"The support of the public must be obtained. The fact that EPR systems are essential for the delivery of modern health care and can improve communication between different health care staff and between staff and patients must be adequately publicised to users of the NHS. We believe this would help to convince people of the necessity and benefits of the EPR and reduce resistance where it exists."

3.47 pm

Charlotte Atkins (Staffordshire, Moorlands) (Lab): It is unfortunate that we are discussing electronic patient records at a time when we have had the high-profile

loss of personal data that was stored electronically. That means that people are both sceptical and fearful of agreeing to the electronic storage of confidential information.

I also regret that the whole debate about the important national programme for IT in the NHS has become so party political. It is strange to me that a programme that is focused on the delivery of a safer and more efficient health care system in the NHS in England has been politicised and attacked in such a way, possibly for short-term partisan reasons. I hope that we all agree that we need to rise above that. We need to use the full potential of modern, scientific and technological advances so that we can treat patients better, and give them more information, choice and control. We need to bring health care closer to patients' homes and tailor it more to patients' individual needs. Part of that process means empowering doctors, nurses, and other professionals to deliver that care. That means that those professionals must have appropriate training and appropriate access to IT.

I believe that the electronic patient record can play a very important role in encouraging that because it will encourage the appropriate sharing of patient information. That means that patients can be properly treated in community settings. Already, we see how the picture archiving and communications systems have meant shorter waits for reports and for follow-up consultations. I know that PACS is not new, but alongside the electronic patient record, it gives tremendous potential to improve patient care.

Last June, the Health Committee saw the system in operation at London's Homerton hospital. There, as the Chairman of the Committee, my right hon. Friend the Member for Rother Valley (Mr. Barron), said, health professionals no longer have to wait for X-rays to arrive on their desks; the images can appear on screen in many different parts of the hospital. Therefore, clinicians do not have to wait for them in order to get together for a meeting. They can discuss the image without delay.

Also at the Homerton, we saw that the system allowed patients to have their clinic appointments booked electronically, with even consultants deigning to type from a keyboard on to the computer screen. That meant that patients could have information about their appointment in their hands before they were discharged. There was none of the nonsense of waiting for a letter to be typed—sometimes, I believe, even in India—before the patient could be informed of their appointments.

In the 21st century, it is vital that the national health service does not have to rely on paper, the post, faxes, phone calls and even taxis delivering X-rays to other care providers, which still occasionally occurs. With patients increasingly being treated at different locations, proper systems are vital. We must deliver properly networked systems for moving information electronically on a secure basis. That is basic.

Of course there are genuine concerns and anxieties about confidentiality and security. Those must be taken seriously, but let us not kid ourselves: that problem is not new. Various hon. Members have cited the Royal College of Nursing's survey of its members. It found that two thirds of its nurses welcomed the introduction of the electronic patient record but, interestingly, 30 per cent. of them said that the security of the system would not be any better than that of the paper records currently used in health care. They recognise that the present system is not secure. Anyone can access a paper record and leave no calling card. With a proper secure system in place, any access to an electronic record is logged and can be audited and accounted for. However, the public, patients and professionals are right to be concerned about whether proper safeguards will be put in place.

Not enough has been done to explain the benefits of EPR systems. They will deliver much. They will not only improve communication between different health care staff and between staff and patients, but help to reduce the number of errors. We have heard about that already. They will also assist doctors with diagnosis and treatment, which is an increasingly complex issue. We saw at Homerton hospital how having the various options on screen helped doctors to narrow down the alternatives. However, that can happen effectively only if there is sufficient buy-in by health care staff and patients, so increasing local ownership must be a key priority for the programme, and not just in hospitals.

The Health Committee saw how local negotiations with suppliers and the system designers at Homerton hospital paid dividends, with what appeared to be—at least this is what we were told—full buy-in by all professional staff. I appreciate that that will be difficult to replicate country-wide—this was a pilot—but if hospitals, health clinics or GP surgeries are left out of the loop, there will be no incentive or enthusiasm to make the system work, which will have predictably poor results.

The consent arrangements for creating and adding information to the summary care record and for patients to restrict access to particularly sensitive information in the so-called "sealed envelopes" have not been well handled. Concern about recent private information data losses have made that even more difficult, because everyone recognises that maintaining the security of patient records is a significant challenge, but as we have heard, that has been done in the banking sector. Of course there have been mistakes and some elements of fraud, but we must recognise the need to make progress. Although paper records are no more secure, I recognise that the potential for the loss of large numbers of patient records is much greater under any EPR system. Clearly, people will be worried about that. That has to be recognised. It is important that we address the difficult balance between the need to protect patient privacy and the opportunities for beneficial health research. In that situation, patient privacy must always be the greatest priority; secondary uses must come second to patient confidentiality.

We all want to see the end of the delays in the introduction of the EPR system, but we must ensure that any move forward is not made by cutting corners on procedures and on clinical and technical standards. Those must be absolutely paramount. Unless we can prove that patient confidentiality and the security of patient records will be the No. 1 priority, patients will not buy into the system and then it will not be as effective. That said, we must recognise the huge benefits that will come from the EPR eventually.

In the ePolitix selection of responses to the debate, the responses of two organisations—Help the Hospices and Homeless Link, one of which has been mentioned by the Chairman of the Committee—jumped out at me because they helpfully identified two vulnerable groups that will particularly benefit from the EPR. Help the Hospices stated:

[Charlotte Atkins]

"One of the key barriers to providing good care which meets the needs and desires of patients who are dying is the availability and continuity of records which clearly record their condition and their wishes. Without these there is an unnecessary burden on the patient and carer to repeat their history to every new care provider, to keep professionals up to date with changes in care and condition and to ensure that the wishes of the patient are met. These challenges are particularly acute towards the very end of life when conditions deteriorate rapidly and can occur out of normal working hours. It is vital that all those involved in care can access the right information.

The Electronic Patient Record system has the potential to make a significant difference to the appropriateness of care that individuals receive and will help more people to die in their place of choice."

Similarly, Homeless Link stated:

"The low level of registration with GPs, particularly amongst street homeless people, consequently means that they have a higher usage of A&E for primary care purposes than the general population...Electronic records do offer the real potential to give homeless people a better continuity of care, can mean that records are less likely to be lost for people moving frequently and that street homeless people in particular can receive better more informed emergency treatment."

We owe it to them and, indeed, to all patients to ensure that we get the EPR right. That will allow us to ensure that vulnerable people in particular get the benefits of that system. We must ensure that we have a 21st-century NHS, not a 20th-century one.

3.58 pm

Dr. John Pugh (Southport) (LD): May I start by saying that this is an excellent report? I do not say that simply to ingratiate myself with the members of the Committee assembled here, although that is worth doing, but because it is true. The report is very balanced in tone, well researched and clear. It follows another very good report on the same subject by the Public Accounts Committee, which in turn followed a report by the National Audit Office. The PAC report focused on four problem areas: the delays, the failure to quantify benefits, the lack of capacity among suppliers and the lack of genuine clinical engagement. All those matters were taken up by the Health Committee, so I think it is fair that I concentrate on them.

The Health Committee came up with some good suggestions on delays, with which the Government appeared to agree—I emphasise the word "appeared". One suggestion was that local strategic partnerships should publish detailed timetables for implementation. The Government response states:

"The Government accepts these recommendations"

but, clarifying that acceptance, they say:

"Responsibility for deployment, including planning and timetabling, has now been transferred to the local NHS, who agree the deployments with suppliers in line with the suppliers' capacity and their local NHS business circumstances and implementation slots...This is therefore removing much of the earlier uncertainty for trusts".

If only it did so. The response does not actually say that a detailed timetable will be forthcoming.

The Health Committee also made a sensible suggestion on the deadline that should be set for the ill-fated Lorenzo project, which, as we know, has had considerable problems getting off the ground. It is the crucial patient administration system that we are all waiting for. The Government say that they agree with that, stating:

"Although the delays to the delivery of the Lorenzo system have been disappointing"—

putting it mildly—

"deployments are scheduled for early adopter sites in the summer of 2008".

We await that with bated breath. The Government then say:

"The NHS and suppliers are working together to ensure that Lorenzo can be delivered within the terms and life of the contract".

We would expect no less, frankly, and that is what the NHS and suppliers have been doing for some appreciable time. Of course, there are serious worries because iSOFT, which makes and provides Lorenzo, is being taken over by an Australian firm for which such work is not core business. The sensible recommendations have not been responded to with the vigour that one might expect and hope for, but the Government do not dissent from them.

The second issue that the PAC and Health Committee lighted on was a failure to quantify benefits or to undertake a serious cost-benefit analysis. That point has been dealt with in interventions and comments today, but it is worth repeating the most damning passage in the whole report, which states that there is a perplexing lack of clarity on what Connecting for Health will now deliver. The report also states that it is not clear what will be on secondary care records, how they will be used or in what situations they will be needed. The report states that

"it is not clear what information will be recorded and shared on"

the detailed care record. The Government cannot have a serious cost-benefit analysis if they do not know what they are endeavouring to do in the first place.

I do not want to be picky, because no one can be against the digitalisation of data, or better accessibility to, and sharing of, clinical data. That is a personal point: my last five medical appointments have been with five different doctors, and every time I have had to launch into a narrative as the prelude to sensible consultation with a medic. Nobody is against tele-medicine, a good internal mail service, image transition or electronic prescribing, because it is all good stuff. It is arguable whether we need choose and book or the complexities of the tariff, but I think there is cross-party agreement that the other developments are bound to happen and that that is a good thing.

The choice has always been whether to grow the services, whether to impose or commission them en bloc, or, taking an expression that was used earlier, to have the big bang. Commissioning en bloc has not been demonstrated to be obviously cheaper or technically necessary, if there is wide agreement on IT standards and ways in which data are going to be formulated, expressed and transmitted. The situation will not be helped if the project is, as I have described it, underspecified; if we end up with a high risk of supplier dependence simply because there are few suppliers, which appears to be happening; or if there are high risks for the health bodies, which are basically getting on with looking after patients in the meanwhile. There are serious problems up and down the country while hospitals wait for the perfect patient administration system to come over the horizon. Hospitals have issues about what to do with

their legacy equipment, when to spend money, and how to cope with the other new demands that the NHS imposes on them.

My GPs have a slightly different experience from those cited by some members of the Committee. They say to me that choose and book is fine, even if it is far slower than they would wish. However, some of the appointments that are booked do not stay booked. When one endeavours to book with an hospital, someone phones and asks, "You are trying to choose to book, so what can we do for you?", and then they go back to the system that they had before. In a sense, there has still been no adequate cost-benefit analysis.

Another criticism made by the PAC and the Health Committee is the lack of capacity among suppliers. No one will disagree with that—only CSC, BT and Fujitsu are really left in the big game, which is not what people want. Only the cash-rich are staying in the game, because they can hide their losses while projects develop. The Health Committee suggested some solutions, which are sensible. The Committee calls for direct local negotiation and a choice from a wider catalogue of suppliers built around common technical standards. That solution could run or fly—it could work and benefit the whole project.

Responding to that suggestion, however, the Government have said:

"There is no intention to change the contractual arrangements",

and argue that central procurement delivers "value for money" and ensures interoperability. However, everybody agrees that big central procurement is not necessary for interoperability—it might happen that way, but it is not a requirement. Similarly, the case that big central procurement provides value for money has not been made. In the long term, we should look at interoperability that means that I can be seen adequately by a physician who knows something about me if I fall ill in London. If I were to fall ill in Paris, I would in principle like the same kind of expertise to be available—increasing migration across national boundaries is the case for that approach.

I delivered a talk to anaesthetists in Rotherham on that issue. I said that although it would be helpful and nice if whoever was looking after me had details of my record if I were taken ill in Rotherham, it was the first time I had ever been to the town. However, I have been to Paris four or five times, which is why I plead the case for interoperability outside British national procurement boundaries.

Sandra Gidley (Romsey) (LD): I do not know how much of the report my hon. Friend has read—

Dr. Pugh: All of it.

Sandra Gidley: Excellent! The Committee visited France and looked at the French system, which to a certain extent is web-based. Indeed, it can be accessed from all over the world. Presumably, my hon. Friend would advocate a system such as the French one. I should add that it can be accessed only with the patient's permission.

Dr. Pugh: I would like to avoid a system whereby medical data cannot be transferred across national boundaries when necessary with the patient's consent. In a sense, that means that I wish to back away from any arrangement that involves a lock-in to any particular provider that does not provide fully interoperable software. That is why common technical standards are so important to development. Suppliers can be here today and gone tomorrow, but we need to get the system's architecture right in the first place.

When talking about diversity, the Government pray in aid GP systems of choice, which, frankly, was a response to the fact that GPs would not put up with what they were offered. I have had some communications with GPs in the Yorkshire area who say that they exercise their choice to have the equipment that they want or to keep their existing equipment, but that puts the strategic health authority under appreciable pressure, because it is locked into a contract whereby it has to buy equipment from a specific provider, whether or not GPs are going to use it.

I shall pass over the issue of clinical engagement—others can speak about that if they so wish. On the PAC's three main criticisms—delays, cost-benefit analysis, and the paucity of suppliers—the jury is still out, despite this excellent Health Committee report.

4.9 pm

Sandra Gidley (Romsey) (LD): Had I known that so much time would have been available, I would have prepared a longer speech. Thank heaven for small mercies.

Fundamentally, we all agree with the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) that the national patient record is a good idea because access to patient data by the appropriate practitioner at the appropriate time should improve patient health, in the broader sense, and patient outcomes. However, she made a point about it becoming a party political matter. Given that the UK system is large and complex and a number of legitimate concerns have been raised, it is only right that Members on both sides of the House should query what is going on. Had concerns not been expressed about the system, its implementation and the delays, I am sure that the Health Committee would have found something else to occupy its time. After all, we are never short of subjects to investigate.

Any good functional system needs to be reliable and secure, and it should ensure full interoperability. A number of witnesses were concerned that it was well nigh impossible to ensure all three. One could have two of the three—one could perm two of the three—but achieving all three consistently was not possible.

Given the recent outbreak of scandals concerning the loss of data, I shall base my comments on data use and patient confidentiality. It is worth bearing in mind that one witness was fairly convinced that the system as it stands broke European Union data protection rules. Those are all matters that we should take seriously. Indeed, even the Deputy Information Commissioner has raised some concerns.

My first concern is that some people may wish to opt out of the system. I would encourage them to stay within the system, but people have a right to opt out if they wish. In many cases, however, they do not realise that they are able to do so. I was surprised, as a Hampshire Member, to be told by witnesses that a trial

[Sandra Gidley]

had taken place in Hampshire. It had completely passed most residents by. Dr. Braunold was candid about what had happened. She said,

"I can take you through how we are not happy to do it the way Hampshire did it."

We were criticised for not listening. Apparently, in Hampshire a leaflet was included with the free newspapers—with the junk mail—and most people threw it away, not realising that it was there. People were opted into the system without knowing whether they had the opportunity to opt in or opt out.

Thankfully, the NHS has learned from those mistakes. Where the system is being rolled out in new areas, positive attempts have been made to ensure awareness by sending addressed letters to individuals; there is a greater chance of them being opened. The information is now being provided in many languages, and those who wish to opt out have the opportunity to discuss the matter with a health professional. I was pleased to see that the vast majority of people were reassured and that relatively few people opted out of the system in those areas.

There is a niggling doubt about how confident citizens should be about who is able to gain access to data. The Committee learned that in many situations, often because of the slowness of the existing system, smartcards can be left in the machine all day, which means that anybody is able to gain access to the data.

Some members of the Committee know that I am a pharmacist by profession, and I know that concerns have been raised about access are data in chemists' shops. Data in pharmacies are usually kept behind the scenes, but little concern seems to have been raised about GP practices. The right hon. Member for Rother Valley (Mr. Barron) alluded to the problem. For instance, a card could be left in the machine all day long; even the cleaner could gain access to the data, because Dr. Smith had left the card in the system.

The Committee recommended that the sharing of smartcards between users was unacceptable. We also recommended that access times should be improved and that the potential for more sophisticated access systems should be investigated. The Government accepted the first recommendation, claiming that it was work in progress, but they rejected the second.

I believe that some sort of sanction is needed against people who do not use their cards properly. We heard from my hon. Friend the Member for Southport (Dr. Pugh) about the lax procedures if cards are lost. We have learned from other system failures that it is not always the system itself that has failed but the human operators; people do not always understand confidentiality issues and there is little training in that aspect. I recall asking Richard Granger in the early days of his tenure what he would to do ensure that staff were adequately trained in the NHS IT system. His rather brusque reply was that there would not be much need for training because it would be highly intuitive. Time has knocked that one on the head.

The Government rejected the Committee's second recommendation, but their reason is interesting. Their response states:

"The Government accepts the principle of the second of these recommendations. However, NHS Connecting for Health has reviewed alternative technologies to validate staff identity, such as facial, retinal and fingerprint recognition, and concluded that these are not yet sufficiently mature to operate securely in clinical settings. These technologies will be kept under review."

I recommend that the Minister talks to his colleagues at the Home Office, which seems to be content to use those technologies: the Department of Health rightly points out the significant problems in their use.

It is interesting to note that Connecting for Health has rejected some of the technology proposed for ID cards. However, when it comes to care records, the debate on the sharing of information between NHS departments and about who should have access to what still has not been resolved. In an intervention earlier in the debate, I mentioned the French system, in which the patient has the key. Patients have to plug in their card before the data can be accessed.

Although there are wider concerns about patient-held records, such as what happens if the key is lost, that system gets around the inter-professional arguments and the protectionism about who should have access to what data. If the patient is happy to give a physiotherapist, a chiropractor, a pharmacist or a nurse permission to look at the information, that should be enough; it should override any professional rivalries.

We need to consider also the sensitive information contained in the sealed envelopes. The Committee learned from its inquiry that the suppliers have not yet been issued a spec for local sealed envelopes. The Government response states that the spec was issued on 3 April 2007, and that

"A timetable will be set as soon as practicable."

I am not sure why that is so. The spec was released in April 2007. The Government responded in November 2007. I am not sure why, some seven months later, a timetable was not available. I hope that the Minister will update us on progress in that respect.

The Committee was given a demonstration of the summary care record, which revealed some fairly obvious sealed-envelope concerns. For example, if a gentleman is impotent, he might not want it on the face of his medical records. However, health professionals have decided that it is very important to have a full drug history on the first page of the record, because that information can be crucial in making life-saving decisions. It would be clear to anybody who understands generic names of drugs that a gentleman who is on certain medication is impotent. The concept of sealed envelopes was destroyed at a stroke. A discussion is needed, therefore, about the information that goes into the sealed envelope, who can open it and under what circumstances.

Are there other circumstances in which we might unwittingly provide information that a patient might not want to be made quite so readily available? The summary care record is a good example of a system that seems to be added to every time that somebody else gets involved in the process, and it summarises the development of the NHS IT system as a whole. Owing to the lack of initial grass-roots engagement with clinicians, there seems to be no clear idea of what is required and what needs to be delivered through the project as a whole and, in particular, through the summary care record. That variability—the changing that occurs every time the matter is looked at—is a constant feature.

The final area of concern is about the wider use of data. Although the right hon. Member for Rother Valley was very supportive of the need to ensure that we optimise use for research, the Committee became aware of significant and wide-ranging concerns raised by several witnesses about whether the data were sufficiently anonymous, whether it could be tracked to a certain level and whether postcodes would be used as identifiers and so on. Happily, the Government have accepted the Committee's recommendations to review local and national procedures and has set up the National Information Governance Board. It would be helpful if the Minister, when he sums up, could update us on the work of the research capability programme.

It is very important that we get this right. I was sent a press release today, from the NO2ID campaign. Although I accept that it has an agenda, I support much of what it says. It has taken a very close interest in the electronic patient records. The press release, which it put out to coincide with this debate, states:

"The NHS database is not just used for patient care. The so-called Secondary Uses Service (SUS) does not provide a service to patients. It is a vast hidden system that distributes the most personal (and people think private) information to a horde of bureaucrats and other third parties.

"Pseudonymised" patient information - and in some instances, identifiable patient information - is trafficked for purposes including "clinical audit, performance improvement, research, clinical governance, planning, commissioning, public health and benchmarking".

Via SUS, a wide range of non-clinical agencies, organisations and even private companies will have massively greater access to personal information on everyone than clinicians. Protection of confidentiality is utterly inadequate and it is unclear how, or even if, individuals can refuse consent for their most private details to be shared among thousands of bureaucrats."

We know that people can opt out, but that press release will probably be quoted time and again as factual when, in fact, its claims are rather exaggerated. However, often little is done to reassure the public when such things enter the public domain. The Government have work to do to reassure people, if that kind of thing regularly gets into the media.

Mr. Bradshaw: Does the hon. Lady accept that this excellent report, which her party supported, also plays a role in providing that reassurance?

Sandra Gidley: I absolutely accept that. Although I would not quote everything that Richard Granger said as the truth, the absolute truth and nothing but the truth, he made a very interesting point about the fact that many fairly wild accusations have been made about the scheme and get wheeled out and recycled time and again. He said that people are welcome to go and see what his department is doing, but that no one is interested in that—only in scaremongering.

There was some debate in the Committee about whether we should even consider electronic patient records, because the Public Administration Committee did such a good job on that itself. However, the public perception was such that the Committee felt that it needed looking at again, so that we could discover things for ourselves and debunk some of the myths. I am not saying that there are not problems with the project. Everybody acknowledged that. However, the problems are not always on the scale that others claim.

It is important to address some matters, however, if the system is to enjoy full public confidence. In December, *The Times* carried out a poll of doctors, which showed that only a fifth of them believed that the system would be secure. They might have an agenda. Some of them are against all information sharing and would like to restrict the use of the data to themselves. To an extent, I can understand that. However, the poll also revealed the following:

"More than three quarters are either 'not confident' or 'very worried' that data will leak once the Pounds 20 billion National Programme for IT (NPfIT) is up and running. Asked how well they thought that local NHS organisations would be able to maintain the privacy of data, only 4 per cent said very well. The majority, 57 per cent, said quite or very poorly."

That was an online poll over Christmas, so presumably it engaged with those who were happiest with IT. Again, however, such reports in the press do little to inspire public confidence, so work needs to be done.

The right hon. Member for Rother Valley mentioned choose and book. I do not think that it has been quite as successful as he suggested. It might be working brilliantly in Rother Valley, but a recent NHS survey in my constituency found that a frequent complaint was about the booking system, which has many flaws. One of those is that general practitioners can no longer book with individual specialists and have to book with a hospital, which upsets some people who feel that they know which specialist is best for their patients. There is another problem because different hospitals will describe the same clinical service differently. There is not a one-size-fits-all scheme for running hospitals. Furthermore, it is a myth that there is a choice, because it is limited by local commissioning decisions. A patient might have an option of four places to go to, but the local hospital down the road might not be among those four because it is fully booked or the local commissioners are trying to divert business to the local independent sector treatment centre. It is a very complicated system that is not working well in all areas.

I have a few comments to make about the project overall. To sum them up, there was a lack of clarity and direction in the beginning. It is a bit of a red herring to say, "Oh, but we had to put in all these extra systems." The picture archiving and communications system is often mentioned. Everyone thinks that it is a good thing, but as has been pointed out by other hon. Members, the technology was available for some time before the national programme for IT was even envisaged and would probably have been implemented anyway. Obviously it made sense to incorporate it into the national programme.

The biggest problem is probably the lack of initial engagement with grass-roots users. The number of submissions that mentioned that point is quite overwhelming. I shall quote from the submission by the Royal College of Nursing:

"Although the aims were laudable, the top-down, contract driven approach to implementation has presented tremendous challenges to those who are trying to introduce and implement new systems and ways of working within the clinical environment."

That sentiment was repeated time and again, and those are the people who want to make the system work. They are not against the system per se; they want a system that they can use and that is in the best interests of the patient.

That problem is at the root of so many delays and extra costs. It probably cannot be blamed for the supplier

[Sandra Gidley]

problems, which relate to procurement, but I cannot end my comments without mentioning Richard Granger, who was bullish throughout his evidence to the Committee. We learned, among numerous things, that if he had been in charge of the modernising medical careers computer system, there would have been no problems. I do not know whether it was significant that he appeared to announce his resignation the day after he came before the Committee for the second time, but I should like to think so. I have heard rumours—perhaps the Minister will clarify the situation—that he has not left the NHS yet and is still on its payroll.

Mr. Bacon: I was told today, and I believe it to be accurate, that Mr. Granger left the employ of the NHS on 31 January. The Minister will confirm whether that is accurate. The rumour that I have heard is that Mr. Granger has gone to implement the congestion charge in Beijing, where his methods will be better appreciated.

Sandra Gidley: I was given my information before the end of January, so the hon. Gentleman is probably right. It is interesting that Mr. Granger is going to Beijing to implement the congestion charge, because when I first met him, I knew that he had been responsible for implementing the London congestion charge, so I said to him, "Okay, in London, you stopped roadworks for a month, introduced the first week of the congestion charging system during half term, so what will be your equivalent for the NHS?" He just glared at me and said, "That's a very facetious question," but it was actually a very serious question.

Will the Minister confirm that Richard Granger finally left the NHS on 31 January? We would also all be interested to know whether he received a pay-off, and if so, how much it was.

4.32 pm

Jeremy Wright (Rugby and Kenilworth) (Con): I begin on a note of complete consensus; I shall not pick up on that last point, which is definitely one that I shall leave to the Minister. We totally support the use of information technology to improve patient care. Although I accept entirely, as my hon. Friend the Member for South Norfolk (Mr. Bacon) said, that the process began long before 2002, there is complete agreement among contributors to the debate that it is a good thing in principle. I shall make two general observations about the report, and then I shall deal with matters in more detail.

First, the NHS IT programme covers a good deal more ground than the report. Mr. Weir, you would not wish me to go into detail about the stuff that the report does not include, so I shall restrict myself to that which it does. It does not, for example, include choose and book, which has been mentioned, or the electronic prescription service. That is worth noting.

Secondly, the report was not unanimous, as the right hon. Member for Rother Valley (Mr. Barron) said. It is true that part of the reason why was the perception—I am sure that it was inaccurate—that the right hon. Gentleman had, to some extent, made up his mind at an early stage about some of the issues that the report covers. He spoke on 6 June 2007 in an Opposition-day debate about the more general subject of NHS information technology, and he made two points of note for today's debate. First, he appeared to indicate that an independent review of the electronic patient record project would not be in the interests of the NHS, which is entirely consistent with what he said today. Secondly, in his view, confidentiality and security of electronic patient records was not a significant concern, which is not entirely similar to what he has said today. Be that as it may, we should concentrate on those two issues: first, whether a wide-ranging review of the system is appropriate; and secondly, whether issues of confidentiality and security have been adequately dealt with.

On the question of a review, we have already heard that the National Audit Office makes multi-billion pound estimates of the system's cost to the taxpayer, but it seems that a full zero-based independent review of the project, which can be conducted while the work on the system continues, would allow us to know whether the investment will deliver the improvements that it should. I take entirely the point that the hon. Member for Wyre Forest (Dr. Taylor) made. It must be an option for any such review to say that we should go back to square one. If the review, properly conducted, came to that conclusion, we would be well advised to listen, but the process of reviewing need not stop the process of developing the programme.

There is clearly room for doubt about whether the programme will deliver what it is expected to. Although the Committee was right to reject the option of a full review, in the areas that the report covers, it seems to me that the Committee made a pretty good case for one. Several extracts from the report have already been quoted. I will not read them all, but it is worth noting several fairly trenchant criticisms that were made about the general direction of, and grip on, the project, which is clearly not there. Paragraph 115 states:

> "The Committee was dismayed, however, by the lack of clarity about what information will be included in the SCR and what the record will be used for",

which has already been quoted. Paragraph 131 states:

> "There was a stark contrast between the specific and detailed vision set out for the 'Integrated Care Records Service' in 2003, and the vague and shifting vision set out for the DCR in 2007."

Further, at paragraph 192, the Committee states

> "that other parts of the project are beset by significant problems. The most serious of these are: the lack of clarity about the ultimate vision for the shared DCR record, particularly the area which will be covered and the level of information which will be shared; the absence of a clear timetable for implementing shared DCR records".

Finally, paragraph 229, which the right hon. Member for Rother Valley quoted, indicates the

> "perplexing lack of clarity about exactly what NPfIT will now deliver."

Indeed, the report later states:

> "There is an explanatory vacuum surrounding DCR systems and this must be addressed".

If those issues are not properly understood and dealt with, the system cannot be effective, and that is why a full review is necessary.

Charlotte Atkins: The hon. Gentleman has clearly taken the trouble to read the debate of 6 June 2007. During it, the hon. Member for Eddisbury (Mr. O'Brien) said:

"If the Government do not agree to a full and independent review today as a result of our call, we will, as a matter of urgency, set one up ourselves."—[*Official Report*, 6 June 2007; Vol. 461, c. 264.]

I wonder how that review is going.

Jeremy Wright: It is under way, and I am sure that the hon. Lady will be fascinated to hear the results. However, it should not be up to Her Majesty's Opposition to do that work; it should have been done by the Government. There is still an opportunity—if the Minister takes it—to engage in the process, because I maintain that it is possible to do so while the work on the programme continues. The case for it, which was made in the report by the Committee of which the hon. Lady is a member, is very strong indeed.

The Committee rejected the review, at least in part, on the ground that the programme had already been scrutinised by the National Audit Office, the Public Accounts Committee, which is represented by my hon. Friend the Member for South Norfolk in the Chamber today, and of course by the Health Committee itself. However, it is also right to point out that the NAO and the PAC are primarily concerned, quite rightly, with value for taxpayers' money. However, that is not the only issue; indeed, it is not the only issue—far from it—that has been canvassed in the debate so far.

As I have already observed, the Health Committee's report covers only part of the NHS IT programme, and even in the part that it covers, which is the topic of our discussion, it is not complete. It does not deal, for example, with security of data, to which I shall turn next.

Mr. Bacon: My hon. Friend points out that one reason why the Health Committee did not agree to a review was that the NAO and the PAC had already considered the matter. However, if he reads the relevant PAC report, he will see from paragraph 3 that one of its recommendations was:

"The Department should commission and publish an independent assessment of the business case for the Programme in the light of the progress and experience to date."

Furthermore, paragraph 4 contained what I thought was one of our Committee's most important recommendations:

"In view of the slippage in the deployment of local systems, the Department should also commission an urgent independent review of the performance of Local Service Providers against their contractual obligations."

That has been happening, sort of sotto voee, in the Department anyway.

Jeremy Wright: My hon. Friend is entirely right, and that underlines the need for a review. The Committee says that it rejected a review on a number of grounds, one of which was that it expected the Government to engage in further reviews internally and to publish the results. It indicated that it would like to know, and have available in the public domain, the result of any assessment of the system's security implications. In their response, the Government indicated clearly that they were not prepared to make such information available. The case for a review seems stronger now than it has ever been.

Even if the security and safety of the system was not a big issue and foremost in the Committee's mind when its investigation began, it must surely be so now. We need to be concerned about not just an organised attack on the database but what might be described as a disorganised attack. That is where we come to the events of the past few months. I agree entirely with the hon. Member for Staffordshire, Moorlands (Charlotte Atkins) that it would be much better if we did not have to consider the issue against the background that we now must, but we cannot escape the fact that people outside this place will assess the likely utility and safety of the NHS databases against the Government's capacity properly to manage data on everyone from children to criminals, which has been called seriously into question. Patients will need serious reassurance that they should entrust sensitive medical information to a central database.

Dr. Richard Taylor: I can say this because I do not belong to any party, whereas it might be difficult for others: I am sad that we are having this debate now, because we should have had it in the Committee. From memory, nobody was there to put the case as strongly as the hon. Gentleman has.

Jeremy Wright: I think that I have dealt with why the report was not unanimous as fully as you would wish me to, Mr. Weir. I agree with others that it was regrettable that that was the case, but it would not be productive now to go into why it was. However, we can have the argument today, and I am happy to engage in it.

In discussing whether there should be a review, it is right to say that the Minister should commit to finding a way to deal with the genuine concerns about the security of the system. I accept that there will inevitably be operational constraints to explaining in detail what might be wrong with its security, and we can all understand the obvious reasons for that, but I am sure that it is not impossible for the Minister to undertake that the public can be reassured in some detail about why they should have confidence in the database. Otherwise, it seems to me that they will not.

It is not just patients who need reassurance about the Government's competence to handle data properly. The hon. Member for Romsey (Sandra Gidley) made that point. I am sorry to have to tell her that doctors' confidence in that has got even worse since the surveys that she mentioned. The most recent that I have seen, conducted by the BMA, I believe this month or perhaps at the end of last month, asked:

"Do you have confidence in the government's ability to safeguard patient information on a national NHS database?"

Some 93 per cent. of respondents said no, so there is clearly a problem.

I wish to deal with some elements of the electronic patient record in a little more detail, and I hope the Minister will be able to assist with some of them. The first is the personal demographics service. I understand that patients cannot opt out of it and ask that their biographical data should not be logged on the system. Given its nature, one assumes that that information will be accessed by clinicians frequently, which will create an audit trail. Much along the lines of the point that the hon. Lady made on medication, viewing that audit trail and understanding which clinicians have accessed a particular patient's information will give the educated

[Jeremy Wright]

observer good clues to the conditions from which a patient might be suffering. Will the Minister tell us to what extent that audit trail will be accessible and viewable?

Others have mentioned the summary care record, and again I return to a point that the hon. Lady rightly made. Some of the information registered on the SCR with implied consent, especially on medications, will allow the educated observer to draw certain conclusions. She gave one example, and others might be antiretrovirals and even antidepressants. I can imagine that the Minister might say that people in the position that the hon. Lady described could say, "I do not wish to have a summary care record at all." I understand that, but I share her concern and that of others who have spoken that it might not be apparent to patients that they have that option. It seems incumbent on the Government to ensure that it is made clearly available to patients, so that they can take it if they wish.

If patients were to decide to secure certain information privately and not have it disclosed, they would do so using the so-called sealed envelope technology that has been talked about. The Government rely heavily on the existence of that technology to reassure patients that information that they do not want widely accessed will not be. It is therefore concerning, as the Committee has said, that the technology is not yet ready. Surely it would have been better to conduct the pilot schemes of the system when that technology was available, so that it could be tested in its entirety. As has been observed today, the pilots are already two years late. As the hon. Lady said, we discover from the Government's response to the report that NHS Connecting for Health issued detailed specification for local sealed envelopes to suppliers only on 3 April. As she said, it would be helpful to know what took it so long.

Can the Minister confirm that the national roll-out of the summary care record will therefore begin without the sealed envelope technology being available, and that it might not be available for the detailed care record until 2009, as indicated in the Committee's report? We have no guarantee that that crucial aspect of the electronic patient record will work effectively, nor any real idea of when it will be ready.

The secondary users service has also been mentioned. I must say straight away that I recognise the huge value of more information being available for medical research, but I hope that the Minister can deal with some specific concerns about it. Can he confirm that patient information goes to the secondary users service in a non-anonymised, non-pseudonymised form, and that it for the SUS to make it anonymous or to pseudonymise it? It follows that any leak of information from the SUS would be in a form by which individuals could be identified. There needs to be clarity on that, because people will be concerned about it and we would all appreciate some reassurance.

Contrary to the report's recommendation in paragraph 121, the Government clearly intend to make information in sealed envelopes available for research. Apart from the concerns that have already been expressed, one possible outcome is that an individual who is unwilling to allow their medical information to be used for a specific form of medical research of which they strongly disapprove will be unable to prevent that from happening.

Those are important questions of detail, but I return to the larger questions raised by the subject of the report. As I have said, we support the principle of using technology to improve patient care. There is no doubt that in some areas, that is already being done very well, but in the crucial field of electronic patient records, both patients and clinicians must have full confidence in the system.

Patients need to know what their information is to be used for, and must understand how to protect that which they do not want to be shared widely. They need to know whether their information will be shared with Government Departments outside the NHS, and, if so, to what extent and for what purpose. It would be extremely useful if the Minister were clear on that today. They also need to know that the system will be resilient to attack.

If patients are not sure of those things, they will, as the hon. Member for Staffordshire, Moorlands rightly pointed out, be reluctant to provide information. As a result, the doctor-patient relationship and the cause of medical research will suffer. Patients and clinicians need to be persuaded of all that against a background, I am afraid, of serial, large-scale incompetence on the Government's part in the management of personal data. That is why the Government have much to do to make the system successful.

4.50 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): We have had a full and detailed debate on a thoroughly researched and helpful report by the Health Committee. I congratulate the Committee on its work on the report, under the chairmanship of my right hon. Friend the Member for Rother Valley (Mr. Barron). I welcome both the report's recognition that the introduction and use of electronic patient records will benefit patients, and the political consensus on that today.

The Government's response to the report made it clear that we agree with its fundamental recommendations. As I am sure hon. Members have read, we accept the vast majority of the report's recommendations. The hon. Member for Wyre Forest (Dr. Taylor) seemed rather to regret that we did not agree to things that were not recommended. I think he will find that we did agree but did not say so because the points in question were not specific recommendations. However, I shall come to that later.

We particularly agreed with the Committee's view that the implementation of patient records is

"best managed by a staged and piloted development not a big bang approach."

That is the approach we are taking with the SCR early adopter sites, the results of which are being evaluated independently, before any national roll-out, to ensure that the best possible solution is available across England.

Both my right hon. Friend and the hon. Member for Rugby and Kenilworth (Jeremy Wright) spoke about data security in the NHS. We well understand people's concerns about data security, particularly of medical records. I remind hon. Members that none of the recent data loss incidents that have occurred since the recent heightened public concern following the Revenue and Customs missing discs in November 2007 have had

anything to do with the national programme for IT. I am sure that members of the Committee were told by Richard Granger in their evidence session that NPfIT has a particularly high level of security, as one would expect—it is much higher than for banking. Special rules apply, banning the holding or processing of data overseas, which is quite common in the private sector and other areas of government. That is because of the strong concerns of Richard Granger and Ministers about the sensitivity of medical data.

Mr. Bacon: Will the Minister confirm that many patient records are being processed in Egypt? GPs are transferring paper records to a company that is processing them in Egypt.

Mr. Bradshaw: I cannot confirm that. I can confirm that there is a difference between the security requirements for NPfIT and what individual trusts do with some of their data. However, strict data-protection laws apply to trusts, and there are strict rules on the responsibilities of trusts' chief executives to ensure that data are processed in line with the regulations. I shall respond later to my right hon. Friend's questions about the sanctions that have been used against people who have breached data protection laws.

In light of concerns following the recent publicity about the Revenue and Customs' data loss, the chief executive of the NHS, David Nicholson, wrote to all NHS chief executives at the start of the year to remind them of their legal duties, which I have just mentioned. The Government strongly support the Committee's recommendations about having stiffer penalties for breaches of the Data Protection Act 1998. The Department recently wrote to the head of the civil service, who is conducting a review of data processing and collection across government, repeating our support for an increase in penalties for breaching the Act.

Access to patient care records will be available only to authorised NHS health care professionals, who must be both authenticated users and members of the health care teams directly involved in delivering the relevant patient's care. Patients will have far more control over who may see their information than they have ever had. They have several options, which have been developed following the research and consultation that we conducted in advance of the early adopter areas. They can choose not to have an SCR at all; to direct that controls are set to prevent data sharing, or to have their address and contact numbers hidden, so that they are not available to NHS staff.

In the early adopter sites, public reaction has been favourable. I regret that the Committee did not have the chance to go and look at them, and I strongly urge them to do so if they get the chance. There is also a very good 10-minute DVD, which I had time to watch this morning, featuring patients and clinicians who have been involved in the early-adopter sites. One such GP was very sceptical of the system at the start, but she has become a convert now that she has got into it. If Committee members do not have time to travel to the relevant areas, they might at least watch that DVD, which I found very informative. So far, in those areas, only 0.64 per cent. of patients mailed about the options have chosen to exercise the opt-out. It is completely different from the situation in Hampshire that the hon. Member for Romsey (Sandra Gidley) has described. They have gone to great lengths to ensure that patients are aware of their rights, by posting information, talking to them individually and helping them with any questions. For example, a special helpline has been set up to talk people through the options.

Jeremy Wright: I am sure that the Minister accepts that someone might decide, on balance, to have an SCR rather than not have one, because they feel that their concerns are outweighed by the advantages of having such a record. It would not be right to use the statistics that he quoted to eliminate the possibility of people's concerns. Those concerns are real.

Mr. Bradshaw: I am well aware of that, which is why we have gone to such great lengths with the early adopter sites to ensure that people are aware of what is happening and what the possible implications are. I was going to discuss this later, but I will deal with it now. My right hon. Friend mentioned that the Committee had visited Canada on its travels. I believe that Canada started with an opt-in system, but found that it did not work and has since changed to an opt-out system. We all make decisions on the balance of judgment, but in the overwhelming majority of cases, patients have thought through the issues and realised that the benefits far outweigh the risks and concerns.

The hon. Members for Romsey and for South Norfolk (Mr. Bacon) both asked about delay. We accept that there have been delays, not only in the roll-out of summary care records, but in the whole NHS IT programme. It is important to put on record that those delays were not because of problems with supply, delivery or systems, but pretty much entirely because we took extra time to consult on and try to address record safety and patient confidentiality, and we were absolutely right to do so.

Let me turn to one or two of the recommendations made by the Committee with which we did not wholly agree. I will not go over the benefits of the NHS IT roll-out in general, or the summary care record in particular, at great length, because I think that most hon. Members here, even those Opposition Members who are critical of some aspects of the implementation of the IT roll-out, agree with the roll-out in principle. It has helped to save lives, money and time, and health care has been improved; those are benefits of the roll-out that I think we would all accept as a given.

The Government do not agree with one recommendation by the Committee, which is on the issue of sealed envelopes going to the secondary user service. We have put in robust safeguards. As we made clear in our response to the Committee's report, consent is required, except for data that have been anonymised or data that are otherwise not identifiable as coming from any individual.

The primary purpose of the NHS care records service is to support the delivery of care to patients. As my right hon. Friend the Member for Rother Valley has said, one of the reasons why the NHS is world class in its research is because it is a national service and data are shared to help clinicians and medical science in general. The NHS also needs information, as has been pointed out by some hon. Members, for management

[Mr. Bradshaw]

and clinical purposes. The briefing that we received from the Royal College of Nursing also pointed that out, stating that such information can help to resolve work force issues and priorities, such as issues about commissioning, public health, clinical audit, benchmarking, performance improvement, research and clinical governance.

Wherever possible, the information provided through a secondary user service will be extracted automatically as a by-product of NHS services supporting direct patient care. The aim is for that data to be made available either in aggregate form or, where detailed information is provided, in anonymised or pseudonymised form. This process removes patient-identifiable information and allocates a consistent pseudonym, so that individual cases can still be tracked but only with explicit approval.

Permission to access the aggregate data is required from an expert group, called the Patient Information Advisory Group, which was set up under the Health and Social Care Act 2001. That group assesses each application to test that the use of patient information is justified, taking into account issues of confidentiality and consent. Access to the secondary users service requires each user to be formally registered and to use individual smart card access, as is the case with other systems in the national programme for IT in the NHS. Each user is allocated a role that determines their functions, such as the reports they can access, and the organisation or geography of data that may be accessed. Key user activities—for example, performing an extract—are logged. That security will enable the huge potential benefits available from research, statistics and management to be harnessed and realised without compromising confidentiality or security.

In light of the concerns raised today by my right hon. Friend the Member for Rother Valley, who is Chairman of the Health Committee, including his continuing concerns about the issue of sealed envelopes and the use of that type of data, we will, of course, continue to keep the process under review as we move forward from the stage of the early adopter sites to a more national roll-out.

Mr. Barron: Will my hon. Friend the Minister let us know exactly what stage the specifications are now at with the sealed envelopes? At some stage, we may want to take evidence on that single issue in relation to how the system is developing and how it will be used.

Mr. Bradshaw: I will have to write to my right hon. Friend on that specific question about specifications; I have the answer here somewhere in my notes, but I cannot find it now.

Mr. Barron: Perhaps the Minister will share that answer with Opposition Members, too.

Mr. Bradshaw: I will do that when I write to my right hon. Friend.

My right hon. Friend also asked what sanctions have been taken in relation to breaches of data security or in cases where people who were not authorised to do so have accessed patient data. In response to the latter question, I am sure that he will be aware that disciplinary action is taken at a local level. We do not collect details centrally about action taken against people who have accessed patient data without the right authorisation. However, we are aware of the case of a GP who was referred to the General Medical Council for inappropriate browsing of records. We do not know the outcome of that case.

We will check with the Information Commissioner about any actions taken against the NHS, but I will say that we are not aware of any actions by the commissioner against the NHS in 2006-07. Out of 14 actions that the commissioner took against public sector organisations in that period, none were against health service organisations. We have very good relations and regular contact with the commissioner, and that fact would seem to indicate that he is pretty content with the security of NHS records so far. However, as I said before, that does not mean to say that we are complacent on this issue, and we will stay in very close touch with the commissioner throughout the roll-out of IT in the NHS.

Mr. Barron: Does the Department keep records of actions that employers have taken against employees in relation to breaches of data security?

Mr. Bradshaw: We do not keep records of any actions taken locally. Such breaches of security are matters for local health management.

Mr. Barron: So the Department does not keep any such records. If it did, we would know that actions have been taken against individuals in response to the allegations that were put to me in the letter that I read out earlier—allegations that individuals share data with people with whom they should not be sharing.

Mr. Bradshaw: No, we do not keep records on such individual cases. If we were required to be informed of every single small piece of disciplinary activity that was taken in the whole of the health service or minor breaches of data security, it would not only overwhelm the Department but the health service itself. However, there is a requirement on the health service locally to inform strategic health authorities of serious breaches of data security. Indeed, that is how a number of breaches recently came to light—most of them had already been in the public domain for some time, but they were only publicised more widely because of the recent interest in this subject following the data issues with Revenue and Customs.

Moving on to the issues raised by the hon. Member for Wyre Forest (Dr. Taylor), he wanted more detail about how the IT roll-out was going. I can tell him that five out of the six primary care trusts involved have started informing the public. They are Bolton, Bury, Dorset, South Birmingham and Bradford and Airedale. As of 3 February, 26 GP practices had gone live with the summary care record, and more than 153,000 patients' clinical records had been updated to form summary care records. A public information programme is in place in all the early adopter sites to inform people about the changes and the decisions that they may make regarding their records. As I have already said, public reaction has been very favourable, with only 0.64 per cent. of patients asked choosing to exercise their right to opt out.

The hon. Member for Wyre Forest asked about Bolton PCT in particular. It has issued 270,000 letters to patients, and 0.9 per cent. of the patients who were asked opted out of having their summary care record uploaded. Some 94,000 records have been created on the NHS national care records spine. Three or four unscheduled care settings can view the summary care records. Two of them are the accident and emergency department and the walk-in centre, and there is also the GP out-of-hours service, so good progress has been made there.

Jeremy Wright: Is the Minister not concerned about the point that the hon. Member for Romsey and I have made about the late arrival of the sealed envelope technology? He has just referred to a large number of patients who are now having their details put on to a summary care record. None of those patients currently have the opportunity to restrict access to any information that is there by implied consent, because the sealed envelope technology is not yet available. Is that not a serious concern?

Mr. Bradshaw: No, it is not, for reasons that I will come on to a little later, when I respond to the points that the hon. Gentleman has made about sealed envelopes.

The hon. Member for Wyre Forest also said that he would like the whole IT roll-out to happen more quickly. We share that desire, but at the same time we accept the recommendations of the Committee that there needs to be a staged and cautious approach to the roll-out, for the reasons outlined in both the Committee's report and our response.

As I have said, just because we did not say yes to all the recommendations and non-recommendations in the Committee's report, it does not mean that we did not support a lot of the statements—the hon. Member for Wyre Forest has referred to them as "commendations". In particular, he specifically drew attention to paragraph 42.6, which is about support for the public. A great deal of work has gone on at local level in the early adopter sites in promoting local newspaper coverage and engagement with both the public and clinicians. If the Committee were to revisit those early adopter sites some time down the line, I think that they would find that that work has been very beneficial.

On the reasons for the delays with the summary care record, it was important that we tested and piloted it, because it is important that we evaluate it before we roll it out nationally. I agree with the hon. Member for Wyre Forest that we should keep the page simple and not make it more complicated—earlier, it was suggested that we would make it more complicated, but we will not do so.

The hon. Gentleman asked how the transfer of electronic communication between GP practices is working, and I have been informed that 3,500 out of 8,400 practices are using it. There are two basic systems, and they are working well. However, several practices use other software supply systems, and they are still in testing and production. There has been some delay there, which may be one reason why some of his colleagues to whom he has spoken are happy with it, while others are not.

The hon. Gentleman asked about the progress with Cerner. The initial release is live in eight hospitals in the south and three hospitals in London. The next hospital in the south is due to be Bath in May; the next hospital in London will be Barts, which is due in the next two weeks.

The hon. Gentleman and another hon. Member asked about the progress of Lorenzo. The first implementation of release 1 is due in June this year in Morecambe Bay, South Birmingham and Bradford. In the past four years, the programme in the north midlands and the east has introduced about 70 upgrades to existing hospital systems while Lorenzo was being developed. A Lorenzo demonstration will be available in Westminster in March, hosted by the Parliamentary Information Technology Committee, and I invite Health Committee members to attend, if they are interested.

The hon. Gentleman has challenged us to be more bullish about the benefits, which is quite difficult for us to do. We try, but the evidence base for the benefits is only just emerging, so it will be some time before we manage to satisfy the sceptics. However, we will work hard on that, particularly on confidentiality. On publicity, a great deal has been done in the early adopter areas, and it has been very successful.

On the comparisons with the French model, I hope that Committee members acknowledge the fundamental difference between the French and British health care systems, which we point to in our response to the Committee's recommendation. On the positive elements of the French system, which the hon. Member for Romsey and others have highlighted, we are providing patients with absolute control of their summary care through HealthSpace. Several hon. Members asked whether that will mean that their record will be transmissible across boundaries. Yes, they will be able to see their own summary care record via internet access, and they will be able to challenge and correct any errors. Also, because it will be available through the internet, if a patient falls ill abroad, they will be able to make the summary care record available to someone who is treating them. The French system apparently cannot do that, so in many ways the British system is actually better than the French one.

Sandra Gidley: We were told that the French system can be used in other places. On HealthSpace, some concerns have been raised that individuals do not have direct access. They can see what is written about them, challenge it and suggest changes, but they do not have any direct power, and the changes that they suggest may not necessarily be made. Will the Minister clarify the situation?

Mr. Bradshaw: The hon. Lady is right in terms of phase 1, but the ambition is that patients will be able to change and control the information themselves when the system is bedded down.

The hon. Lady has asked about local ownership. Again, I do not want to read out the Government response, but the hon. Member for Southport (Dr. Pugh) summarised very well the tension between the need to save £6.4 billion through national procurement, and the need for local solutions, particularly when it comes to staff and clinical engagement, nurse and staff training and some of the concerns and issues raised by my hon. Friend the Member for Staffordshire, Moorlands and by the Royal College of Nursing in its briefing. As I have said, central procurement has enabled the needs of

[Mr. Bradshaw]

the NHS to be aggregated to get best value. Ovum, the IT industry analyst, carried out a detailed study in 2006, and it calculated that central procurement has saved £4.5 billion, compared with the cost if the same solutions had been procured locally.

Health care IT involves a reasonably standard process, but it is applied differently in different care settings. GP IT systems have been in place since the early 1990s, and they carry out the same functions. Hospital IT systems are much more complex and interface with between 20 and 40 separate systems such as pathology, maternity and other "ologies". Local systems therefore need to be integrated if the aim of making patient information available at the point of need is to work. That is why we have to get the balance right between a national approach with a national architecture, and control at the local level. We have responded positively to the recommendations of the Committee on that.

There was a question from the hon. Member for Romsey about the research capability programme. The new programme was established in 2007. It was initiated by the Department of Health director general of research in collaboration with the research community, and, after consultation, the chairman of the committee has now been appointed as has a programme director. The programme aims to attain anonymised data for research. It will provide the largest epidemiological database in the world, which will be hugely valuable.

The hon. Lady's final question was on the departure of Richard Granger, and I can confirm that he left on 31 January. To our knowledge, it is not true that he has gone to run the Beijing congestion charge scheme, but I will research that point with some interest. On the terms of his departure, he was a civil servant, so he will have been subject to the rules usually applied by Cabinet Office, which is normally to serve three months' notice. I hope that that is helpful to the hon. Lady.

Turning to the points raised by the hon. Member for Rugby and Kenilworth, first, I am interested to learn that the review that the hon. Member for Eddisbury (Mr. O'Brien) promised us at the time of the Opposition debate back in June was indeed launched then, and we look forward to reading the results with great interest. However, I am informed by my officials that there is no indication that any individuals who have detailed knowledge of the area have yet been interviewed, but I am sure that they will be in due course.

Jeremy Wright: If that is so, the Minister has a perfect opportunity to join the review.

Mr. Bradshaw: I am sure that if his party wanted to interview any of the officials in my Department or the experts involved, those people would be only too happy to oblige. Perhaps we can involve some members of the Select Committee as well in helping with the review. If his party were to publish their progress, I am sure that we would all comment on the review's remit and so on.

The hon. Gentleman has asked about the patient demographic service. Yes, it does have an audit trail. It is available to the privacy officer, and it can be requested by a patient or their privacy officer—the so-called Caldicott guardian, a concept of which he will be aware.

The hon. Gentleman has also asked about the patient's ability to block out the giving of information about particular prescriptions. He mentioned antiretrovirals, but I am informed that GPs do not prescribe those. However, we are progressing with a core dataset of all drugs and allergies to be evaluated. We recommend that patients choose not to share such information routinely, but to give consent to its being viewed in such circumstances.

The hon. Member for South Norfolk has mentioned the cost of the procurement of the overall original IT project, and I refer him to the NAO report of June 2006. The Public Accounts Committee's recommendations were slightly at variance with that, but the report was very positive. John Oughton, the chief executive of the Office of Government Commerce, said in his submission to the PAC that he thought that the procurement process for Connecting for Health was exemplary: it was run to a tight and rapid time scale; it started when it was intended to start; it was completed when intended; and it produced a very good result. He said:

"I do not think that any of the suppliers were disadvantaged in that process."

That procurement was supported by a 900-page output-based specification that informed suppliers about exactly what was required. The shortlist of suppliers also provided proof-of-concept prototypes to demonstrate that they understood the requirement. That point has also been mentioned by the hon. Member for Southport.

We have had a constructive and measured debate, and I hope that I have answered most of the questions asked by hon. Members.

Jeremy Wright: The Minister has not dealt with my point about the potential for sharing information on the NHS database across Government. He will recognise that that is of concern to a great many people who may be prepared to supply the information to the NHS, but may be concerned about which other Departments might use that information and for what purpose. What intentions, if any, do the Government have in respect of sharing that information across Departments?

Mr. Bradshaw: I will write to the hon. Gentleman to clarify that. However, I am not aware of any suggestion that the NHS would be sharing such information across Departments. As I said in my opening remarks, the privacy and data protection rules in the NHS data system are far higher, because of the nature of the material involved. I am advised that the only area in which there may be an exception to that is the child index. However, I will write to the hon. Gentleman with more detail about that, because there may be good reasons for it.

We have had a good debate. Most hon. Members accept that for far too long the NHS has operated with a disparate paper base in a fragmented system. The consequences of that were inefficiency and avoidable clinical risk. Up to 10 per cent. of appointments were not attended, and around 1,200 people died every year as a result of medication errors. Some 5,000 patient procedures a year were cancelled because of lost X-ray films and paper records for patients that were manually maintained and held at a cost to the NHS of about £120 million a year. The huge investment that the

Government have put into the NHS has enabled not only the recruitment of record numbers of clinicians, but the rebuilding of the NHS estate, the roll-out of new IT systems and the long-overdue modernisation of the health service.

The health service is moving from being an organisation with fragmented or incomplete information systems to a position where national systems are integrated, record keeping is digital, patients have unprecedented access to their personal health records and health professionals will have the right information at the right time about the right patient. As the Health Committee has recognised in its report, the roll-out of new IT systems will save time and money for the NHS and staff, save lives and improve patient care.

5.24 pm

Mr. Barron: Both the hon. Member for Wyre Forest and my hon. Friend the Member for Staffordshire, Moorlands mentioned the Royal College of Nurses and the electronic record system. The hon. Member for Wyre Forest spoke about the RCN's engagement with the system, including training. I agree that the RCN should have been involved; it is an integral part of care in the NHS.

My hon. Friend the Member for Staffordshire, Moorlands also made a telling point. I think she said that two thirds of nurses said that they did not think that the system would be any better than it is now in terms of confidentiality.

Charlotte Atkins: It is 30 per cent.

Mr. Barron: Sorry. That is in respect of current paper record access. The telling phrase that my hon. Friend used was that people leave no calling card when they look at a paper record, but in this system they would leave a calling card if they looked at somebody's records but should not have done so. That system is audited and traceable and, hopefully, although my hon. Friend says that records are not kept centrally, we can all ask our strategic health authorities what action is being taken by employers in respect of employees and breach of confidentiality. I have no doubt that such things may have been going off for many years in GP practices, perhaps with other people—not GPs, I should add—looking at records of somebody who lives up the street. By the way, I did not say that cleaners have access to the system in GPs' surgeries; I said that six administrators had access, alongside the five GPs. We have to deal with such issues in any human system like this, be it in health care or other sector.

The RCN said in its brief:

"Those that are using EPRs are generally more favourable towards it than those who have not. This achievement requires greater investment in the engagement and education of nurses."

Clinicians who have engaged with the system from the early years are a lot more involved and want it to happen more than those who have been sitting on the side and have not been brought on board, for whatever reason.

The hon. Member for Southport talked about common standards and specifications internationally. When we were looking at what goes on in Canada, we discussed the specifications. Canada has a lot of contact with our system, including Snowmed, which is one of the basic specifications that it uses too. We can assume, on that basis, that information could be exchanged across international boundaries in that respect. The Canadians told us, although we did not document these visits in the way that we would document an evidence-taking session in the House, that an international organisation is trying to establish common standards of measurements so that things can be transferred internationally.

The hon. Gentleman also said that GPs in Yorkshire and Humberside are being restricted in terms of what they can purchase. I was going to spring that on them, because they are coming down to give evidence to the Committee. They will read this and will now know that I am going to ask them about that: it is on my desktop and I will take it to the people who have been involved and ask them exactly what is happening. We were told that, effectively, there are seven systems at GP level now that they are able to buy into without being told which one to buy.

The hon. Gentleman has led a very sheltered life and has only been to Rotherham once. It is my home town, as it were, so I will have to get him over there more often.

The hon. Member for Romsey mentioned the press release from the NO2ID campaign in respect of clinical governance. I am sure that the RCN and everybody else would say, "Quite right, too", because we should be improving and have best practice in the NHS. I have not seen the NO2ID press release—it has not sent it to me—but I know that it has been campaigning against this for a long time.

The hon. Member for Rugby and Kenilworth says that my mind was made up in the debate on 6 June. However, I have to tell him that it was not. He read out a lot of recommendations from the Committee that were quite critical of the programme. Nothing I said on that day influenced this report in any way. However, I upset the Opposition Front Bench—the hon. Gentleman was not on it at the time—when I mentioned including the medical training application service debacle in the same argument about a review of the NHS IT programme. I criticised them for that and there was some reaction. Indeed, there was a move by Opposition Committee members the following morning to remove me from the Chair on the basis that I should not have spoken in that debate.

I pointed out that an official Opposition Member had spoken in the same debate, and I was told that there was a convention, but there was no convention. The accusation was made in the press release in September. I have a letter from the Clerk of the House saying that he had heard directly from the person concerned, whom I will not name and who issued a press release prior to consultation. We discussed some months ago whether the Chairman of a Select Committee should become involved in debates, and there is no convention about that. I did so, and it was probably the MTAS issue that touched the button. The hon. Member for Rugby and Kenilworth (Jeremy Wright) was there and will have seen that. We should have kept the issues apart. We are about to give a report on the MTAS issue, and we may comment on what happened with its IT system.

The important thing is to recognise the worth of the national health service IT programme and the benefits that could accrue to patients and professionals working

[Mr. Barron]

in the NHS for many years to come. It will set the standards for health care in this country and internationally in the 21st century. We should on some occasions have a more positive view about it.

That said, my view is not wholly positive, and some of the issues that we debated this afternoon reflected my personal feelings. I have never tried to use the Health Committee as my vehicle. It is an all-party group, and oversees what the national health service and, to some extent, the private health sector do. It works in a non-party political way. I regret the incidents that happened in June. I do not regret what I said, but I regret the outcome. If we were going to say that something was wrong in the report, an amendment should have been tabled, and we could have had the debate, as the hon. Member for Wyre Forest (Dr. Taylor) said, in Committee, not in this Chamber.

That said, since taking over the Health Committee after the last general election, I have always said that politics should be left at the door and picked up on the way out. That is what oversight should be about, and that is how we keep the Executive in check. It is a good lesson for all parliamentarians. We should do that.

When our emotions spill over on the Floor of the House now and again, we should not read too much into that. I felt strongly on that occasion that we should not have muddled the two. That happened, and it was unfortunate, but the report should have been unanimous. It is a good, reasonable, comprehensive report in terms of what we were looking at and our terms of reference. As I said, the Government and the Department have some way to go yet before they get there, but it is crucial that we do.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes to Six o'clock.

Westminster Hall

Tuesday 26 February 2008

[MISS ANNE BEGG *in the Chair*]

Medals (Armed Forces Personnel)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Michael Foster.]*

9.30 am

Mr. Kevan Jones (North Durham) (Lab): I would like to start by saying how pleased I am to have secured the debate so that we can discuss, quite rightly, the debt of honour that we all owe to those who are fighting and losing their lives in conflicts to secure the freedoms that we take for granted. I shall put the debate in context. The "Honour the Brave" campaign was started by Colonel Richard Kemp, who was head of UK forces in Afghanistan. I first met Richard four years ago when I visited Afghanistan as a member of the Select Committee on Defence. I pay tribute to his tenacity and that of the families supporting him. I also pay tribute to the *Daily Mirror* for its campaign for a medal and recognition for those who have been wounded or who have, unfortunately, lost their lives in Iraq and Afghanistan.

Last November, the "Honour the Brave" campaign was officially launched in Parliament in Committee Room 9. I was ably assisted on that occasion by the hon. Members for Newark (Patrick Mercer) and for Portsmouth, South (Mr. Hancock) and by many colleagues who came to the launch. The most moving part of that launch was the speeches by Pearl Thrumble and Helen Gray. No one could have failed to be moved by their accounts of the bravery and heroism of their two sons, who were killed in Afghanistan. They explained how proud they were of their sons, the heartache that they had gone through in making the ultimate sacrifice of losing sons in Afghanistan and what recognition would mean to them and their families.

Since then, the campaign has generated quite a lot of support. It has been supported by my right hon. Friend the Prime Minister, the Leader of the Opposition and the leader of the Liberal Democrat party, the right hon. Member for Sheffield, Hallam (Mr. Clegg), along with former military figures, including Field Marshal Lord Bramall, Major-General John Holmes and Major-General Patrick Cordingley. I am pleased to say that the campaign also has the support of all parties in the House and support in the wider community. It has been supported by Sir John Major, along with former Labour Defence Secretary Lord Healey.

Last November, I tabled early-day motion 95 on the "Honour the Brave" campaign, which I understand is top among the early-day motions. It is beating early-day motion 423 on the mass extinction of amphibians by nearly 40 names and has on it the signatures of 293 right hon. and hon. Members.

I have spoken to many people, not only in the services but constituents who have members of their family serving in the armed forces, and they are amazed that there is no fitting recognition for those wounded or killed in action. As a member of the Defence Committee, I have visited Selly Oak hospital in Birmingham and seen the horrific wounds that some of our young servicemen have suffered, including amputations, horrible scarring and internal injuries that may not be visible but cause great distress to the individuals affected. That goes on not just for the comparatively short period of their recovery, but for a lifetime. The nation needs to recognise the debt of honour that we owe to those individuals.

David Taylor (North-West Leicestershire) (Lab/Co-op): I congratulate my hon. Friend on obtaining the debate. I, too, was pleased to attend the launch of the campaign in November. He has said that the nation recognises the heroism of troops in Iraq, Afghanistan and elsewhere, which is certainly true. Can he come up with any rationale as to why the decision on this issue is taken not by the Minister—an excellent Minister, a first-rate Minister—but by bureaucrats in the Ministry of Defence, just 200 yd away, who do not even seem to recognise what is happening? They say that this is a peacekeeping operation, despite the fact that we have lost 174 military personnel in Iraq since March 2003 and 89 in Afghanistan. That is hardly a peacekeeping operation, is it?

Mr. Jones: I shall return to that subject later. Most people I speak to are amazed that there is no such recognition. I do not wish to criticise individuals, but I concur with some of the sentiments expressed by my hon. Friend.

Under the military covenant, British soldiers must always get fair treatment, be valued and respected as individuals, and be sustained and rewarded by terms of service that match the personal sacrifices that they make. The proposed medal would support the terms of the covenant in helping to show that the troops' personal sacrifice is valued by the nation.

On 21 September 2007, the Chief of the General Staff, General Sir Richard Dannatt, said:

> "The covenant says that we do what we do in the Nation's name, that's the way a democracy works—and so soldiers do not ask why; but they do ask for respect and honour for doing what they have been sent to do—which they do with courage and professionalism."

General Dannatt went on to quote my right hon. Friend the Minister for the Armed Forces:

> "There is not an appreciation or even an understanding among wide sections of the community of exactly what we ask our Armed Forces to do, and we're asking an awful lot of them."

Awarding a medal for the wounded and the dead would help to explain to the wider community the sacrifices that those young men and women have made on our behalf.

I have spoken to a number of families who have lost loved ones in Iraq and Afghanistan, and I find listening to their stories very moving. To a man and to a woman, they find it hard to understand why some type of recognition is not being given.

Bob Spink (Castle Point) (Con): I congratulate the hon. Gentleman on bringing a very important issue before the House. Last Sunday, I was at the Royal British Legion club on Canvey island, where I met an ex-soldier who is having great difficulty in getting

[Bob Spink]

medical help—in this case, mental health medical treatment. He would find that just as important as receiving recognition and medals. No doubt the hon. Gentleman will allude to that. I have received a petition from the Royal British Legion on the military covenant, which I will present to the House next week.

Mr. Jones: I recognise what the hon. Gentleman says and I will refer to it later. I do not think for one minute that awarding a medal is in any way a reason for not providing proper medical care to those who have been wounded in the service of their country. In fact, I was pleased, along with the hon. Member for North Essex (Mr. Jenkin), to be part of the Defence Committee that produced the recent report on medical services, which raised some of the concerns that the hon. Member for Castle Point (Bob Spink) and other hon. Members have mentioned in the House before.

One question relating to the awarding of a medal is who would qualify. I would make things quite simple. Those who had been wounded in a combat zone as a direct result of enemy fire and in honourable circumstances, requiring more than simple battlefield first aid, would be eligible. Those wounded in accidents in a combat zone or in training exercises would not. Those criteria are not new: they were used in the first and second world wars as the criteria for the wound stripe, and they are used today for the wound stripe for the Canadian armed forces. The medal would also be presented to the next of kin of servicemen and women who were killed in action or who died as a direct result of their wounds.

David Wright (Telford) (Lab): I am grateful to my hon. Friend for giving way; I respect him and his campaign, and support it wholeheartedly. Is he not surprised, however, that the purple heart can be awarded to a person who serves with friendly forces? We have the strange situation in which US forces could be awarded a purple heart if they served under British command, yet the proposals from him and the *Daily Mirror* are more limited, which is interesting.

Mr. Jones: I shall refer to the purple heart later. Anyone who has met American veterans will know that they are proud to have the purple heart, perhaps more so than some campaign medals. Purple heart veterans can even indicate it on their vehicle licence plate, but I am not sure that we should go to such extremes.

The principle of awarding the medal is more important than the details of how it would be awarded. Some, including the former Minister with responsibility for the armed forces, my right hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Mr. Ingram), have said that the medal should be extended to people other than those who have been wounded in Iraq and Afghanistan. I am sympathetic to such a proposal.

There has been some concern about what to call the medal. Some have suggested that it should be called the Elizabeth cross or Elizabeth medal. I understand that "cross" tends to be associated with gallantry, so "medal" would perhaps be more appropriate. I have noted that the star shape is not in use in today's military, so we could call the medal the Elizabeth star. Again, those details could be worked out once the principle had been agreed.

Some have put forward reasons why such a medal should not be awarded, and it is important to expose them to a little critical thinking. I have heard that the Ministry of Defence supports a medal for the dead but not for the wounded. That would be a great mistake. There is a lot of support in the service community for recognition for those who are wounded, and to divide them from comrades who lost their lives would be an error—it would leave a lot of armed forces personnel feeling that the measure was half-hearted. I urge the Minister not to go down that path when he speaks to his officials.

Mr. Lindsay Hoyle (Chorley) (Lab): I congratulate my hon. Friend on introducing the debate—it is an important topic and it captures the mood of the country. I agree that the award should be made to those who are injured and to those who have died. At what point would someone get recognition if they died of their injuries much later? There would be ambiguity. It therefore makes sense to recognise those who suffer injury and those who have died. That is how the campaign should go forward.

Mr. Jones: I agree with my hon. Friend. Anyone who has met amputees at Headley Court or Selly Oak would find it hard to tell those people that they did not need recognition for the horrific wounds that they have suffered.

Another argument that has been put is that the medal would be divisive. However, all medals are divisive. Certainly, gallantry medals are—people have opinions on whether others should or should not receive them. Clearly, good conduct medals or even service award medals such as the OBE or MBE are divisive because people have opinions on whether others should receive them. I note that the Vice-Chief of the Defence Staff, General Sir Timothy Granville-Chapman, has a KCB and a CBE, as does the Chief of the General Staff, Sir Richard Dannatt. I am sure that those awards were well deserved, but some people would feel that they should not have been given.

I do not think that divisiveness is a good reason for not awarding medals to such individuals, and I do not think that they would have refused to accept those medals on the ground that they were divisive in relation to those people who did not get similar awards.

Patrick Mercer (Newark) (Con): For the record, we ought to point out that Sir Richard Dannatt carries the military cross, which he earned in very gallant circumstances. Whether the other person that the hon. Gentleman mentioned has been so honoured is another matter.

Mr. Jones: I am aware of Sir Richard Dannatt's military cross and that it was well deserved—credit to him for the sacrifice that he made to earn it. However, I am talking about service rather than gallantry awards. I understand that the hon. Gentleman has an OBE, which was given in similar circumstances; I am sure that that award was controversial.

The award that I am talking about would be far less divisive than other types of medal, because people would have to be either severely wounded or killed in action to be eligible. I am sure that there would be no vying for such status.

I have been told that the military do not like to award new medals or honours. If *The Sunday Times* is anything to go by, the MOD is considering a good conduct badge, which the hon. Gentleman and I support. However, an award or symbol for good conduct could be divisive, which shows up the MOD's argument. The idea that the proposed medal would divide people in the armed forces does not hold a great deal of water.

Another argument, which comes from traditionalists, is that Britain does not award such medals and that there is no tradition or precedent for it in the British armed forces. However, there is such a tradition. Servicemen and women who were wounded in the first and second world wars were awarded wound stripes, which were vertical stripes worn on the sleeve. Field Marshall Lord Bramall told the *Daily Mirror* that he was proud to wear his second world war wound stripes. Wound stripes are also awarded to Canadian armed forces and there is a campaign to replace them with a medal. Also, service personnel who were invalided out of the armed forces in the first world war were given a silver war badge; in the second world war, such people were given the King's badge. The latter was issued more widely than the award I am proposing: it was given to those invalided out for any reason, not only those who were injured during enemy action.

The most astounding fact that I came across in my research for the debate is that, in the first world war, the next of kin of every serviceman and woman killed in action received a letter that was personally signed by George V, a scroll and a bronze plaque. I am told that some of those bronze plaques still adorn mantelpieces up and down the country and that they are rightly handed on as family heirlooms.

Even today, the silver cross is awarded by the Queen as Head of State of Canada and of New Zealand to armed forces personnel who are killed in action. That badge can be worn by the next of kin. Some press comment in Australia says that there is a move for a similar awards to be given to the next of kin of Australian servicemen who are killed in action. If it is fitting for the Queen to award such an honour to the next of kin of Canadians and New Zealanders, a similar award to the next of kin of UK armed forces would be appropriate.

Another argument that has been put is that the award would somehow be difficult to administer; that is a famous argument because we always hear it from the MOD. However, in the first world war, we had 965,703 people killed and 2,272,999 wounded in four years, and every single one received some type of award. The casualties that we suffer today pale in comparison to what happened in 1914.

Another factor has already been alluded to—that the criteria for earning the award would be difficult to establish. The purple heart is one of America's oldest medals; it dates back to 1782. The important thing is to keep the qualifying criteria simple. Copying or at least considering how the purple heart is awarded is important, because it is simple.

The purple heart is awarded for two reasons, and the first has five criteria. First, it is awarded in the name of the President of the United States to those wounded or killed, or who have died as a result of their wounds, and can be awarded in any action against an enemy of the United States; in any action with an opposing armed force of a foreign country in which the armed forces of the United States are or have been engaged; while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party; as a result of an act of any such enemy of opposing armed forces; and as the result of an act of any hostile foreign force.

Secondly, the wound for which the award is made must have required treatment by a medical officer. I shall not list the other criteria, because the award was extended in 1963 to those who die in prisoner of war camps and those members of the armed forces who die or are injured as a result of acts of terrorism. However, those simple criteria could be amended.

David Wright: My hon. Friend covers a point raised by my hon. Friend the Member for North-West Leicestershire (David Taylor), which is that the award is also made for peacekeeping. The criteria are simple; the award applies to service personnel in conflict, including in peacekeeping missions. UK troops would therefore be covered if we adopted similar criteria.

Mr. Jones: They would. The United States extended the award to acts of terrorism for that reason—for example, because of the more than 200 marines killed in Lebanon in the 1980s.

Another objection to the award was referred to by the hon. Member for Castle Point. It is that rather than making an award we should be arguing for proper compensation, medical treatment, and rehabilitation and resettlement. I completely agree. Making an award should not be seen as a cop-out for the military—having made the award, one can somehow forget about how our armed forces are treated while serving or after they have left the services. The award should not be made instead of that, but should add to it. That is an important point.

I refer to two individuals who would have qualified for the award, although I know that many others would qualify. The first is Tony Rawson, who was fighting in the Helmand province of Afghanistan. He was a 19-year-old private and was known to his mates as Nicey because he would do anything for anyone. He died instantly when a rocket smashed into him. His fellow soldiers launched a counter-attack to retrieve his body, then risked their lives again by moving him more than a kilometre to ensure that his body could be returned to the United Kingdom. Tony's fiancée was expecting their first child; she is the sort of person who needs recognition.

The second individual is Private Lionel O'Connor, a 21-year-old who lay on a street in Basra in an expanding pool of his own blood, having been blown up by a roadside bomb. In absolute fear, knowing that he had lost his leg and knowing that the only light was the burning Land Rover from which he had been thrown, he directed his comrades to deal with two more seriously wounded colleagues, both of whom died later. Lionel survived that horrific experience, but he faces the rest of his life as an amputee.

Those are two examples of brave young soldiers who need and deserve recognition from us. A medal would help not only the wounded but those families that have lost loved ones. It would show that we, as a nation, care for the sacrifices that they have made on our behalf.

David Taylor: I am grateful to my hon. Friend for giving way again so close to the end of his significant contribution. It is important and right to recognise

[David Taylor]

such sacrifices by awarding medals to individuals or their families, but would it not be a boost also to the morale of the military forces in general—forces that have been under such stress in recent times in relation to the military covenant and other factors? Indeed, about 12,500 non-commissioned officers and experienced officers have left the services since Britain invaded Iraq five years ago. Would not the morale of the forces be boosted by the decision to award such a medal?

Mr. Jones: That would be a clear indication of one simple thing—that we care about those individuals and that we do not take for granted what they do on our behalf.

I know that the Minister is an honourable gentleman, and I do not need to be reminded that it is not Ministers or politicians who make such awards. Indeed, I have heard that from the Prime Minister and the Secretary of State for Defence. It will be argued that the service chiefs and the military decide such things; I understand why and I respect those reasons.

I am using the debate to say to the service chiefs that we politicians are not lecturing them for political reasons to award such a medal. We believe that such young men and women need recognition. If the service chiefs do not listen to my voice or the voices of other politicians, I urge them to listen to Pearl Thrumble and Helen Gray. No one who listens to their moving tributes to their sons or hears about the sacrifice that they made can be in any doubt that such people deserve recognition. The medal or some other recognition should be awarded to those brave people.

9.57 am

Patrick Mercer (Newark) (Con): I congratulate the hon. Member for North Durham (Mr. Jones) on securing this debate. I am grateful to Colonel Richard Kemp CBE, who is no stranger to war, for pushing this campaign heavily in the *Daily Mirror*, making it a national issue. I am grateful to the Minister, as I know that he will give us a fair hearing.

I am particularly grateful to the families who are here today. I can only imagine that this sort of debate is not a comfortable experience for them. Their very presence speaks of their courage as well as the courage of their sons, whom they have lost.

Last summer, I buried a friend of mine in Chester. We had served together; he was a colour sergeant when I was commanding the battalion. He was commissioned, and he died as a captain in the Worcestershire and Sherwood Foresters regiment with his face to the enemy, doing his best to kill those who eventually killed him. Captain Sean Dolan was taken with full military honours to his grave just outside Chester, being carried by pallbearers from the regiment, with shots being fired over the coffin. His incredibly brave wife and son were standing by the side of the grave. As the box was lowered into the ground, his sword belt and medals were passed back to his wife, along with the national flag.

The medals, of course, are the point. Not only had he been awarded the standard Northern Ireland medals, his Balkans medals, his long service and good conduct medal and his meritorious service medal but he also had the Afghan campaign medal; he had won it on a previous tour, when the regiment had been in a much quieter part of Afghanistan with hardly a shot fired. Sean went on his second tour and was killed by a direct hit from a Taliban mortar while serving with American special forces. Nothing at all lies in his wife's hands to say that her husband was killed in action. Yes, she has a campaign medal, but that is a campaign medal from a previous campaign, albeit in Afghanistan. That situation is wrong.

I would like to pick up on a couple of points made by the hon. Gentleman that I think are very telling. The first point is that a lot of opposition will come to this campaign from the heel-dragging community. They will say, "Why on earth should we do this? This is so American, so 'Purple Hearty'. We have never done anything like this before. Why should we emulate the Yanks?"

All of the Members of Parliament here, Miss Begg, yourself included, will see and hear, if they keep their eyes and ears open, exactly the point that the hon. Gentleman mentioned earlier on, when he referred to the bronze plaques that honoured the dead from the first world war. In my constituency, I appreciate that the sacrifice that was made principally by the Royal Lincolnshire Regiment and the Sherwood Foresters was extraordinary. None the less, if I go round the cottages, farms and working men's houses in my constituency, those bronze plaques are still there. They cost one shilling and nine pence for King George V, at his personal behest, to issue to the families of the dead. Each plaque is inscribed with the name of the dead soldier. Now, nearly 100 years later, those plaques keep the names of the dead alive. They are shown with huge pride, often alongside the campaign medals that the boys—they were all boys, let's face it—earned in the first world war. Therefore, anybody who says that there is no precedent for this medal that we are discussing today is simply wrong.

The Army has a great habit of reinventing its own history. Let it look carefully and see what has happened in the past. It has been mentioned already, but I was appalled to see articles in the newspapers about the good conduct badges. Good conduct badges have been worn since 1803. I took great pleasure in awarding them to the soldiers in my battalion who qualified for them and those soldiers were extremely proud of them. How can we suddenly think that these things are being reinvented? They are not. There is a precedent for a plaque for the dead and we have heard, most movingly, about the silver cross, which is awarded in other Commonwealth countries and which I believe sets very useful guidelines.

The second issue is that of the wounded. I appreciate that giving medals to the wounded is less easy to administer than a plaque for the dead. However, I would just like to tell a little anecdote. My grandfather wore four stripes that he had won, principally at Passchendaele. My father wore two stripes, one for Anzio and one for El Alamein. According to my grandfather, my father was a card-carrying coward, because he had only two wound stripes. In fact, it was a source of great pride and even amusement between these two men, who are sadly now both dead. My father actually received 27 wounds when he got his first wound stripe; he was struck by one piece of shrapnel and 26 bits of grit that punctured him. What did he get? He did not get 27 wound stripes—of course not. He got one for that particular incident.

There are all sorts of precedents for the administration and the wearing of some type of symbol for being wounded, be it a medal or a stripe. I would prefer a medal, but most importantly there is precedent for such an award. The British Army, Navy, Royal Air Force and Royal Marines have done this before; this is nothing new.

Obviously, this brings into question the business of what sort of wounds should be recognised. Combat stress is a very difficult issue. It has already been mentioned, and I can see that there will be those who are suffering from combat stress to whom the award of a stripe, medal or badge of one sort or another may be painful. There are ways round that. Perhaps those individuals should be asked, "Do you wish to apply? Do you wish to wear this thing? Will this drag up memories that you do not want to be dragged up?" We can be sensitive about this issue; of course we can.

Reverting to the issue of honouring the dead for a moment, we cannot simply give a plaque, a medal or whatever it is to the families without also giving them some day-to-day symbol. That symbol could be worn or carried in the same way that many people wear a little lapel badge showing that they have been awarded an MBE, OBE, CBE or whatever. I believe that there should be some enduring symbol for the next of kin to wear on a day-to-day basis and not simply at Remembrance day or whenever.

The Yorkshire Regiment is in action at the moment in Helmand in Afghanistan. I have talked to one or two of its soldiers who have come back wounded and when I proposed the idea of this award to them it was very clear to me that they would be extremely keen to have some sort of symbol. They seem to like the idea of a medal rather than anything else, but I accept that there are a number of different solutions to this problem.

What those soldiers say, in stark contrast to what they said during my time in the Army, is that it seems that military fashion has changed. Twenty years ago, people were not keen to wear badges or medals, but that was a different Army. Operational tempo was completely different. We are now fighting on two fronts and they are hot wars. I believe that the vast majority of the soldiery, the sailors, airmen and marines would be very much in favour of this award.

As for the administration of such an award, we cannot be distracted by the footling cost of something such as this; objecting on the ground of cost is simply nonsense. Anybody who says that this award for the dead and wounded would distract from good medical care and proper pastoral care also needs to wake up and smell the coffee, frankly. The administration of this award is a matter of tens of thousands of pounds, tops. We managed to administer awards to millions of dead in the first world war; dead and wounded in the second world war, and even the families of civilians who were killed by enemy aircraft in the second world war. All those dead received recognition and they received it properly.

I can tell those who have not seen the plaques or scrolls that have been awarded by various monarchs, that they really are very moving and the cost of producing them is negligible.

We have already heard about the precedent that was set by the purple heart. Again, people will criticise it because it is American. I do not; I approve of the fact that America, which is a great nation decided in the 18th century that this type of decoration was necessary. It managed to administer an army, navy and air force of millions on a day-to-day basis, and it got that administration right. Furthermore, the families of the dead are treated, quite rightly, as heroes and heroines in their own right, let alone those young men and women who come back horribly scarred and wounded from the fronts that the American forces have been involved in. I think that we have a lesson to learn from America.

Similarly, there is the military covenant. The Minister knows how much we have heard about that. I think that this type of award is part of the deal. We civilians sitting here in comfort should be ready and open-minded to listen to our servicemen and women. There is a groundswell of opinion in favour of this award.

There may be some senior officers inside the Ministry of Defence with unencumbered chests who do not quite understand what it means to be shot at, and to lose and bury comrades. I can see that this award is a nuisance for them; I can see that it is yet another burden on the military budget. Surely, however, those officers can cease to be so narrow-minded and can understand that the kids who are dying in fighting need to have some sort of symbol.

Mr. Bernard Jenkin (North Essex) (Con): I echo my hon. Friend's congratulations to the hon. Member for North Durham (Mr. Jones) on securing this debate and pursuing this campaign along with my constituent, to whom he referred earlier and who is running the campaign with the *Daily Mirror*.

I underline the point that my hon. Friend is making about the fact that this type of award is part of the deal. I think that this type of award should be seen as part of the military covenant. Our failure to honour our dead and injured servicemen and women and their families in this way is actually a failure on our civilian side of the bargain. We, as politicians, have a responsibility to do all that we can to meet that part of the bargain and this type of award is a relatively cost-free way of doing that.

Patrick Mercer: As always, I am grateful to my hon. Friend, who makes the points so much more articulately than I can.

Lastly, people argue that this award is unprecedented and that we are stepping into new territory. Well, I have already made the point about honouring the dead and the point about wound stripes. However, I would just say that decorations do spring up out of nowhere, and quite rightly so. I am sure that nobody here has failed to hear of a woman called Victoria. She established something called the Victoria cross, which is internationally renowned, and so it should be. What, however, about the conspicuous gallantry cross and other decorations that have come into play over the past 10 or 20 years? My platoon sergeant was the first man to earn the Queen's gallantry medal when it was established. Such honourable, highly thought of and valued decorations may not have been around for long, but so what? We must surely take a step forward and release our minds from the foolish nonsense and narrow-mindedness of the past. We must understand that the dead, the wounded and their families should receive the honours that they deserve.

[Patrick Mercer]

Sitting at the back of the Chamber—I will embarrass him horribly—is Private Matt Woollard of the first battalion of the Royal Anglian Regiment. The last time I saw him, he was lying in a hospital bed, recovering from horrendous injuries that he received in Helmand province. He is an amputee with several wounds, and I cannot look him in the face and say, "You don't deserve some form of recognition for what you've done for the country." He does deserve recognition, and so do all his comrades, alive or dead.

Several hon. Members *rose—*

Miss Anne Begg (in the Chair): Order. I remind hon. Members not to refer to anyone outside this immediate part of the Chamber. I should also say that I wish to move to the Opposition Front-Bench speech at half-past 10. Four hon. Members are standing, so if speakers confine their remarks to five minutes, everyone will get in.

10.11 am

Andrew Mackinlay (Thurrock) (Lab): I am grateful to you, Miss Begg, and to my hon. Friend the Member for North Durham (Mr. Jones), whom I congratulate on initiating the debate. If I have one complaint, it is that he was, characteristically, too much of a nice guy. It is inappropriate to excuse Ministers, given that the two most recent conflicts—in Iraq and Afghanistan—have been fought on the instructions, and with the mandate, of this place. The Minister cannot, therefore, hide behind people at the Ministry of Defence, even if he were minded to do so. Action should be taken through, and under pressure from, this democratic institution, which sent our brave servicemen and women to those two theatres.

I have been moved by the debate, because I have been reflecting on my uncle, Private Frank Beanes, of the Lincolnshire Regiment, who obtained a gallantry medal in January 1921, following an ambush in County Tipperary. As a consequence of that ambush, he languished in a psychiatric institution for the rest of his life—the next 40 years. The one thing that my grandparents greatly treasured was his gallantry medal, of which I am the proud inheritor and custodian. My uncle's two colleagues, Sergeant Brackenbury and Private Staves, were killed but their families got nothing, and I feel for them, even though it was a long time ago. I realise how important some medal or tangible recognition is for families and loved ones and for the individuals who are bravely operating in Afghanistan, Iraq and other theatres, some of whom have lost their lives. It is time that we addressed the issue, and Parliament needs to keep up the pressure on the Minister.

I want to use this occasion to refer to our establishment's failure to address the issue of Bomber Command. I know that the issue is surrounded by controversy and that the Government's recent replies indicate that they will not change their minds, but that simply is not good enough, because a wrong has been committed that still cries out to be remedied. I recently read the pamphlet by the distinguished historian Sir Martin Gilbert, who presses the point.

The controversy relates to the operation of Bomber Command, although it would be highly inappropriate to discuss it in detail now because time does not allow me to do so. However, some 55,500 aircrew in Bomber Command, whose average age was 22, lost their lives, but they received no recognition; indeed, political decisions have excluded those brave men from obtaining a medal. I urge the Minister to reflect on that because I would like the issue to be addressed with some dispatch. A number of Bomber Command veterans are still alive, and they, as well as spouses and loved ones, would like some recognition.

One thing that Sir Martin Gilbert's recent pamphlet revealed was that the controversial bombing of Dresden was authorised by Clem Atlee. I volunteer that information because he was my party's leader and I greatly respect him. It was a difficult decision, but it had nothing to do with the courage and dedication of the aircrews.

Patrick Mercer: Surely, the aircrew Europe star already exists.

Andrew Mackinlay: The fact is that many other operations have distinctive medals, but there is no recognition of the fact that Bomber Command was unique. Winston Churchill said that the Spitfires were our salvation, but that the bombers were our means to victory. There is a self-evident case for awarding a medal with some dispatch.

Let me offer one solution, even though it might be inadequate. By coincidence, I am wearing the tie of the Royal Ulster Constabulary George Cross Foundation this morning. In a sense—I would put this in italics—the creation of that foundation was a political act; the role of the RUC was controversial, but everyone recognised that those brave men and women had shown great dedication and made a great sacrifice in recent years and that some had lost their lives. The solution was to create the foundation and to award the George cross to the RUC collectively. At the very least, the Government could consider doing that in respect of Bomber Command.

I do not want to labour that point, however, because this morning's central theme is the need to press the Government on the issue of those of our servicemen and women who have served and made a sacrifice in Iraq, Afghanistan and other contemporary theatres. The "Honour the Brave" campaign is overwhelmingly supported by Members of Parliament. However, I hope that, in summing up, the Minister will at least be prepared to listen and to look again at the issue of Bomber Command. Will he agree to have a meeting with me, Sir Martin Gilbert and one or two others from the Bomber Command Association so that we could at least present our case to him in his office? If he is agreeable to that, our attendance this morning will have been worth while as far as that issue goes.

I am proud to associate myself with the representations made by my hon. Friend about our contemporary servicemen and women and their families and loved ones, because we, as a Parliament, want the bravery and service of those we are discussing to be recognised. The hon. Member for Newark (Patrick Mercer) referred to the problems of those who might be suffering battle stress. My uncle suffered battle stress and psychiatric illness, and it was of great importance to his family that they had a medal in recognition of his sacrifice and that they could cherish it over the decades.

10.18 am

Mr. Mike Hancock (Portsmouth, South) (LD): I offer my congratulations to the hon. Member for North Durham (Mr. Jones), although I share the surprise of the hon. Member for Thurrock (Andrew Mackinlay) at his reticence about putting pressure on politicians at the Ministry of Defence. I entirely accept that the Minister, who is very honourable, will do what he can to take the message back from here. However, the men and women we are talking about were sent to war by politicians, and nearly 50 per cent. of the House of Commons has now expressed the view that recognition is overdue. The hon. Member for Chorley (Mr. Hoyle) talked about the mood of the country, and the mood of the country not only says, but demands that proper recognition should be forthcoming.

Like others, I pay tribute to the people in the Gallery. I know that we are not supposed even to admit that we have them with us, but nobody who was present at the launch of the "Honour the Brave" campaign, which the *Daily Mirror* has done so much to put together, could fail to be impressed by the courage of those who spoke to us. For some, that meeting in a House of Commons Committee Room was the first time that they had spoken in public. The interesting thing was that a sizeable number of Members of Parliament were present; it is a long time since I have been at a meeting where so many hon. Members were present and stayed throughout. It was a very moving experience for everyone concerned.

One need only look at today's obituaries to see the bizarre way in which we give people recognition. A lady who was a real heroine in the second world war died recently. She was parachuted into France as a Special Operations Executive officer and in the end commanded something like 3,000 resistance fighters and was instrumental in much of the success of the D-day landings. When she returned to the UK she was put forward for the military cross, but the Ministry of Defence said she could not have it, because she was a woman. They could not find a suitable medal for her, so they decided to offer her a civilian MBE, which she rejected. Subsequently, after the war, she was offered a military MBE, which she accepted. Thirty years later, in recognition of the service of that lady, who had been honoured by France and other countries, the Queen awarded her the CBE, and said to her, as reported in the paper today:

"We should have done this a long time ago."

We are talking about giving such people the recognition that they deserve, today. Bureaucrats got it wrong for a real heroine who put her life on the line as a 22-year-old girl, being parachuted into France and leading a very effective work force. They got it wrong because they said the system could not cope with a woman. Today young men and women are putting their lives on the line and suffering horrendous injuries. I congratulate the hon. Member for North Durham not only on his persistence in this matter, but on the recognition that he has given to the injuries—and the mental injuries—suffered by those returning from Iraq and Afghanistan. Along with other members of the Select Committee on Defence, he has pushed that issue time and again.

I implore the Minister to make, for goodness' sake, a political decision, and instruct the Ministry of Defence to get on with it. Do not let this be another Arctic convoy saga, which took 50 years, until 55 per cent. of the people who could have received the award were dead. Let the people and their families have what we believe the nation says they deserve: recognition today. Let them have recognition, and let us give it to them with pride. Do not count the cost. We did not count the cost before we sent them.

Let us examine our consciences and say that there is a moral obligation on the state to give those men and women and their families the recognition that they deserve. It will be a good thing for the armed forces generally. No one would begrudge any soldier or the families of the dead and wounded that recognition. I would love the medal to be the Elizabeth star. I share that view with the hon. Member for North Durham. I hope that the Minister will take that point.

10.22 am

David Wright (Telford) (Lab): I add my congratulations to those that have been given to my hon. Friend the Member for North Durham (Mr. Jones) on securing the debate. It is extremely important and it has been very moving this morning to hear hon. Members talk about families and friends. I pay tribute to the *Daily Mirror* for the sterling work that it has done on the campaign.

The debate is not about whether people did or did not support conflict in Iraq or Afghanistan. Some people have told me that they did not agree with our military involvement in Iraq. Neither did I. I did not vote to send troops to Iraq, but as soon as the House decided that they should be sent, I supported them wholeheartedly. That is what Members of Parliament do. I supported our sending troops to Afghanistan, so I voted to deploy troops. I have also voted against deploying troops, but once UK forces are deployed Members of Parliament should stand four square behind them. That is what we are doing in this debate. It is not about support for an individual conflict; it is about supporting people from this country who go forward in our name possibly to lay down their lives or be wounded in action. It is important that Parliament should show support for them.

There has been some debate about the purple heart this morning. It is a fantastic award—absolutely stunning—although I think that the highest award in the United States is the congressional medal of honour. In the awards structure for US forces, it is politicians who make decisions. Politicians decided to give the purple heart. The President of the United States decided to award it. Such decisions are something that politicians should be engaged in—not on a party-political basis, but across the board, across all parties and opinion. It is for politicians to declare their support for awards and honours.

The point has been made that before the Victoria cross there was no such award. Interestingly, the metal for the Victoria cross is stored in Shropshire, and I am very proud of that. It is an incredible award with incredible status, but let us not forget that it was a new award when it was first granted.

I intervened on my hon. Friend about the award of the purple heart in relation to UK forces and US forces. It is interesting that when some US forces went into conflict in Iraq they were under British command, so we had a strange situation in which troops from the United States and the UK could be fighting beside each

[David Wright]

other on the same battle front yet they could not receive similar awards for being killed or wounded in action. That is a strange anomaly. I do not think that we should do everything that the Americans do, but in this case they have got it right, and when they do we should say so. They have got it right in relation to the purple heart.

I congratulate the Government on what they have done in recent years about the award of medals. They have put right a number of wrongs. Enormously good work has been done, too, through some of the badges that have been distributed, such as the veterans badge. My dad has just secured his veterans badge; it is fantastic and people can be very proud of it. I think that he would have liked some kind of award for his grandfather, who was gassed at Passchendaele and received little recognition for an incident that scarred him for the rest of his life. My father would like some recognition for his grandfather's role there, and as a family we do not have that. Badges have also been given for the land army and the timber corps, which is fantastic.

I should like a medal—a medal of honour, which might be called the Elizabeth star or something else—and a badge that people can wear proudly on their lapel as they go about their business, to show that they have made a sacrifice for this country and that we owe them a debt of gratitude. It is important, and most service personnel would, I think, take the view that the awards are not just for them, but are for their families. They can be passed down through families as a way of remembering the service that was given.

The debate is timely. It is time for the award that we are discussing; it is time to put aside our views about the conflicts and approve the award. I know that the Minister has history, in that members of his family were in the King's Shropshire Light Infantry. As a Shropshire MP I ask him to ensure that we get the medal.

10.28 am

Mr. Lindsay Hoyle (Chorley) (Lab): I congratulate my hon. Friend the Member for North Durham (Mr. Jones) and the *Daily Mirror* on their campaign, and the way in which it has been led. It is hard to cover this matter in two minutes, but I shall try. The Royal British Legion in Chorley has handed me a petition about the covenant, because of a feeling that the medal is part of the military covenant, which we must respect and honour.

It is important not to forget. I was touched as a constituency MP when we lost Royal Marine Dutch Holland, who was tragically blown up by a roadside bomb. When someone from a small community such as Chorley dies fighting a war in a foreign land it brings things home. We must of course always remember that the Royal Gibraltar Regiment has played its part as well; its members have been serving in Iraq and Afghanistan and earning the military cross. We have other troops from overseas territories who play a major role.

To me the debate is about the families, those who have been injured and those who have died. It is a matter of the respect we owe to them. The only way we can show that respect and honour is by recognition. The best recognition that the House can offer is a medal, and it should be given through the Minister and the Ministry of Defence, and its hierarchy. What should not happen has already been discussed. We should not be seen to be dragging people along to an eventual cave-in, because that becomes an apology. We should not be in that position. We ought to be leading from the front and saying, "Now is the right time—the time is here." As I said, we must do that for the families. However, we must also recognise the mood of the country. Please do not allow this to happen later. Let us do it now.

I know that the Minister will take back that important and clear message, [redacted]e must, and give the necessary recognition to those who have died and been injured in conflict. Some of the latter will have received among the most severe injuries ever seen in military conflict, but have survived owing to the medical care now offered. We ought to go that little bit further and give them the necessary recognition. A good friend of mine, Colonel Harrison, helps to run Selly Oak hospital, which the Minister has visited before. Colonel Harrison knows the importance of such recognition—an importance that nobody can deny. So I ask the Minister please to take back that message. Let us get that message out in order to recognise the families involved.

10.30 am

Paul Rowen (Rochdale) (LD): I congratulate the hon. Member for North Durham (Mr. Jones) on securing this debate and other hon. Members who this morning have made such important contributions. I also pay tribute to the *Daily Mirror* for its "Honour the Brave" campaign. Were it not for that campaign and early-day motion 95 signed by so many hon. Members, we would not be here this morning.

More than 174 personnel have been killed in Iraq and 89 in Afghanistan during the recent conflicts. At the same time, hundreds have been injured. Last year, I was privileged when a friend of mine brought her son to Rochdale. He was an American soldier educated in Rochdale before joining the American army. He showed me his purple heart, which brought home what he had been through and how proud he and his family were. Those here in the Gallery today, and those whom they represent, deserve similar recognition. I hope that the Minister will agree to a review of the current process for awarding medals, that the recognition that our Army personnel deserve can be given and that we can move forward. I believe that that is what the country and hon. Members here want.

The hon. Member for Thurrock (Andrew Mackinlay) mentioned the award of medals for past conflicts. In recent years, as has been said, the Government have gone a considerable way to recognise the need for such medals, with the award of the veterans badge. It would now be appropriate for the Minister to provide similar recognition of those fighting so bravely in Iraq and Afghanistan. The past few years have been unprecedented for our military in the number of conflicts in which they have fought on all levels. Many have said that they have been stretched to breaking point. Recognition is long overdue and I hope that he will agree today to move forward and give them the awards that they deserve.

10.33 am

Dr. Andrew Murrison (Westbury) (Con): I draw the attention of the Chamber to my entry in the Register of Members' Interests. I am a serving officer in the reserve

forces. There is a consensus, certainly in this gathering, on the need for a medal to recognise the particular sacrifices of those injured or killed in the service of their country. I cannot remember a more impassioned debate in Westminster Hall, which, frankly, is not known for its passion. I am sure that the Minister will leave this debate with much food for thought.

We generally gather to debate past conflicts, so it is refreshing to be considering contemporary events and serving personnel. However, we need to consider the past as well and, perhaps, debate briefly problems with medals for previous conflicts. Much of this debate revolves around the Committee on the Grant of Honours, Decorations and Medals, which was set up to determine whether medals should be awarded and under what circumstances. On 11 December, when we gathered to debate the Pingat Jasa Malaysia medal, some vitriol was heaped on that committee. However, we must understand that it is a creature of politicians and that those appointed to serve on it do so with the best will in the world according to rules that we give them. It is in our power to consider whether those rules are up-to-date or whether they need to be revised, and whether the committee's membership needs to be reconsidered. If we do that, perhaps we will avoid the problems that we have unfortunately got ourselves into in recent years.

The committee operates according to two principal rules: the first is the double-medalling rule, which is a curious thing, because it appears to rely on precedent that ignores precedent. I am reminded of the Khedive's star and the Turkish Crimea medal. They are good examples from the distant past of where double-medalling has applied. I was interested in the comments made by my hon. Friend the Member for Newark (Patrick Mercer) on wound stripes. It is all very well for committees and politicians to say, "Well, we have not done this in the past," but we have very short memories, do we not? I am sure that most of us are grateful to him for reminding us that in the not very distant past we provided the appropriate recognition of sacrifices made by our servicemen.

The Government resisted approval of the PJM medal when we debated it at great length in December. However, some who served between 1960 and 1962 did not receive the general service medal, including some naval personnel, even though they served afloat off Malaya, because the time qualification was more onerous for them. Thus the double-medalling rule is no ground for failing to approve the medal in their case. Some might say that approval of the PJM medal would circumvent the qualifying period set by the HD committee, but a row of medals reads like a CV and the appearance of the PJM medal, instead of the GSM with a Malaya clasp would tell its own story.

The second rule is the five-year one, which is also curious. It is worth reflecting that we are rapidly approaching the fifth anniversary of the opening shots of Operation Telic 1. The five-year rule ensures that we are contemporary in our recollection of events, but most of us will recall vividly those opening shots and the circumstances surrounding them. I wonder whether the five-year rule is far too prescriptive. I hope that if the Minister could agree to reconsider the rules governing the conduct of the HD committee, he will look at a 10-year rule, which I suggest would be very useful.

It is important to consider equivalence in medalling. Winston Churchill appreciated that the award of medals is an inexact science. In March 1944, he said:

"A medal glitters, but it also casts a shadow".

I am slightly surprised that that quote has not been used already here. I am rather pleased that it has not, because it means that I can introduce it. However, without articulating those words, a number of hon. Members have referred to those sentiments. In the context of current operations, it means that a clasp for Helmand and Kandahar would disappoint troops in service elsewhere in Afghanistan, many of whom will feel that they have been equally in the thick of it.

Will the Army top brass, who were reported last month to be engineering a U-turn over the southern Afghanistan clasp, reflect on the six bars available to mark particular operations during the second Afghan war of 1878? Will the Minister update us on the skirmish that appears to have broken out between the Chief of the General Staff and the vice-chief of the defence staff on that issue?

Patrick Mercer: What about the Kabul to Kandahar star issued for operations between July 1880 and February 1881?

Dr. Murrison: I suspect that my hon. Friend's knowledge of such matters surpasses that of anyone else in the House. I am very grateful to him for adding to my knowledge of the second Afghan war of 1878.

As we struggle to avoid the shadow that Churchill talked about, we might like to give some thought to the disparity in the award of various long service and good conduct medals, which was mentioned briefly earlier. One of the Government's most vindictive acts was the immediate abolition of the reserve decoration, which several members of my family have been pleased to receive, and the territorial decoration, which several of my hon. Friends hold. Instead, there is the far less aspirational volunteer reserve medal, which has a qualifying period of 10 years, in contrast to the 15 years for long service and good conduct medal for naval ratings. Naval officers and, indeed, officers of all the regular forces, however, are left out. In Ministers' half-baked attempt to address a particular issue in 1999, they left a great deal of unfinished business, so I hope that in the spirit of "all of one company", they might like to look again at long service and good conduct medals.

I turn to the main gist of today's debate, which is the British purple heart. The Prime Minister is no numismatist, as we gathered from his confusion over badges, medals and the difference between the two at the Dispatch Box last Wednesday. However, we learned in November that he is taken by the idea of a British version of the purple heart for those who have been wounded or killed, and it is reasonable to be guided by the wishes, aspirations and feelings of servicemen and those excellent organisations that represent them.

Precedent is important, and my hon. Friend and one or two other hon. Members mentioned that large brass plaques still exist in the possession of proud families, marking the ultimate sacrifice that so many made during the great war. The plaques are not pretty. My family has one, and by the standards of our day, perhaps they are not attractive items. However, the need for them was felt at the time, and I believe that they gave a great deal of comfort and pride to those who were bereaved. In the 21st century, we need to mark the sacrifice of our troops in action. In many cases, they are in a fixed-bayonet

[Dr. Murrison]

situation that would not have been unfamiliar to those who fell in the great war. I agree with my hon. Friend that in the 21st century, it would be far preferable to strike a medal than to award wound stripes, and I hope that the Minister will give it serious consideration.

I must mention mental health, because many of those who were vilified and punished during the great war for what we now call post-traumatic stress disorder or combat stress, would not have been eligible for any award at all; the reverse very much applied. It is important to put on record and recognise that many of the scars from which our servicemen and women suffer now are not physical but mental, and they must be recognised in exactly the same way.

The hon. Member for North Durham (Mr. Jones) has done a great job in prevailing on the Prime Minister and forming his views on the subject. I should be very interested to hear how the Minister feels about the issue, and how he might take forward the tricky and complicated matter of deciding who gets the medal. I ask only that he cracks on and does it quickly out of a sense of self-interest, because I fear that the exercise will be difficult, throw up perversities and certainly, in Winston Churchill's words, cast some shadows. I should not particularly want to address the issue in office, because I suspect that it will make a determination on matters such as PJMs and Arctic stars seem a little like a walk in the park. That does not mean that the Minister should not attempt it.

I would be cautious, however, because most servicemen and their families want, above all else, a decent deal. We have heard a great deal from the Royal British Legion and others about the broken military covenant, and servicemen and their families will not, in any way, want any deal to be a substitute for proper welfare for them and their families, particularly when personnel are injured.

Before giving the Minister fair time to respond to the many excellent contributions that have been made today, I should like to say a little about the HD committee because it lies at the heart of today's discussion. It is vital to underscore the importance of impartiality among members of that committee, and their distance from politicians, because we all know what we are like, and the striking of a medal is relatively cheap and very appealing electorally. It is important that we keep our hands off the issue, and that those who are appointed to the task—officials—make a determination against, of course, the rules that we lay down.

I am concerned about those rules, which were instituted in Foreign and Commonwealth Office orders in 1969, all those years ago, and govern what the committee does. I am not going to lay into members of the committee, who at the end of the day are simply tasked with carrying out the rules as best they can. I do not envy them; it must be an extremely difficult job to do.

Finally, why does the Minister make a rod for his own back by getting involved terribly much in what civilians wear? Today's debate is largely about those who are serving, but we must think about civilians, because all servicemen will ultimately become civilians. My guess is that liberalisation would mean that veterans emulated the practice of those still serving, which would in general be in accordance with uniform regulations. We think about the PJM, for example, in that respect. In any case, however, it would surely be expedient to leave such matters to the discretion of private citizens, and to spare Ministers a considerable amount of grief into the bargain. I hope that when the Minister examines the rules that govern the HD committee, he will bear in mind whether it is appropriate to ordain whether civilians and veterans should be proscribed from wearing particular awards, if they view it as appropriate.

10.46 am

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): I congratulate my hon. Friend the Member for North Durham (Mr. Jones) on securing this debate on medals for armed forces personnel, and I pay tribute to his work in raising the issue. He made a sensitive, impassioned and balanced speech.

Let me begin by paying tribute to the men and women in our armed forces, who do such an amazing job, particularly out in Iraq and Afghanistan, and are clearly the best armed forces in the world, and to the families of service personnel, whose support is vital during their relatives' service in theatre, back in the UK and elsewhere.

The debate has been impassioned, and my hon. Friend, the hon. Member for Newark (Patrick Mercer), my hon. Friend the Member for Thurrock (Andrew Mackinlay), the hon. Member for Portsmouth, South (Mr. Hancock), my hon. Friends the Members for Telford (David Wright) and for Chorley (Mr. Hoyle), and the Front-Bench spokesmen, the hon. Members for Rochdale (Paul Rowen) and for Westbury (Dr. Murrison), all made balanced speeches that identified the issues. The underlying issue is the fundamental recognition of the bravery in service of our armed forces personnel, on which we are all absolutely united.

Those personnel who are serving in Afghanistan and Iraq today show enormous bravery. Their commitment to professionalism is second to none, and it is important that we properly recognise their contribution. One way of doing so is through medals. I congratulate also the *Daily Mirror* on raising regularly the issue of the bravery and sacrifice of our armed forces personnel. It is important that the press do so, and it is important for the families, too.

I shall set out what recognition takes place, because many people reading or watching the debate may not understand the system. Hon. Members will recall the words of the Secretary of State for Defence, when he responded to a question about the topic during the armed forces personnel debate on 10 January:

> "As a Minister of the Crown, I am very wary of expressing opinions about individual medals and honours for the very reason that this country has a system that relies on a process that is independent of politicians".—[*Official Report*, 10 January 2008; Vol. 470, c. 581.]

Several hon. Members have said that that should not be the case. The Prime Minister, however, in answer to my hon. Friend the Member for North Durham, said on 14 November 2007:

> "On the question of whether a new medal is struck for those who have been killed or injured, it is first a matter for the military authorities to make a recommendation."—[*Official Report*, 14 November 2007; Vol. 467, c. 659.]

On the subject of current medals, for every campaign or operation, a medal is struck when it is determined that there will be significant risk and rigour for the individuals involved. Today, servicemen and women are deployed in support of operations in Iraq and Afghanistan, and they receive a medal once they have met the qualifying criteria.

Those criteria have some complexities, and have for a number of years. They depend, for example, on where individuals are based. Generally speaking, however, personnel have to complete 30 days of continuous service in theatre to earn either the Iraq campaign medal or the operational service medal Afghanistan. In the case of the Afghanistan medal, a clasp "Afghanistan" is also awarded for operations within the geographic boundary of the country, which reflects the particular risk and rigour of the operations there. To date, more than 100,000 Iraq medals and 42,000 Afghanistan medals have been issued by the MOD medal office. I pay tribute to it for its work in ensuring that medals are sent out on time to the people who have earned them.

Of course, I pay tribute to the families of service personnel who are killed or seriously wounded during combat. They show tremendous bravery and dignity in coping with their loss or in coming to terms with the serious injuries to their loved ones. As hon. Members know, I regularly visit wounded service personnel at the rehabilitation centre and at Selly Oak hospital, but I also meet widows regularly. I talk to families and, in part, understand the pain, suffering and loss that they have to cope with, although no one can fully understand unless they have lost a loved one in such a way.

It is important to talk about the recognition that is given before we mention the medal in question. Those who are sadly killed or injured on operations receive the appropriate theatre medal. It is issued automatically in the event of death or injury that leads to evacuation from theatre, regardless of how long an individual has served on the operation, which could be for as little as one day. In the case of those who are killed, the medal office mounts the new medal with others that the individual had previously earned and gives them all to the next of kin in a special presentation box.

It is important to put on record the other ways in which those who are killed on operational service are recognised. The next of kin of all service personnel who die in service, regardless of the cause, receive letters from the Secretary of State for Defence and the single service chiefs of staff. Her Majesty the Queen sends a letter of condolence to the commanding officer of those killed on operations. The next of kin of personnel who were serving with units with a royal special relationship also receive a letter from the appropriate member of the royal family.

The families of deceased personnel may opt for a military funeral and elect to have a service headstone and grave maintenance in perpetuity. None of that can compensate in any way for the death of a loved one, but those forms of recognition are a mark of the sincere gratitude for their sacrifice that the nation feels.

Some personnel who tragically die during operations are recognised also with gallantry awards, lists of which are published six-monthly, in addition to the new year and birthday honours lists. Such awards have included the conspicuous gallantry cross, the military cross, the George medal and the ultimate British military award, the Victoria cross, which was awarded posthumously to Corporal Bryan Budd of 3rd Battalion, the Parachute Regiment, last year. By such means, we ensure that individuals' distinguished actions, courage and bravery are honoured by the nation.

Medals are not the only way in which we can recognise the enormous contribution made by our armed forces, and in particular by those who make the ultimate sacrifice. The magnificent new armed forces memorial at the national memorial arboretum in Staffordshire provides fitting recognition for the British servicemen and women killed on duty since the end of the second world war. However, it is not just a war memorial; it also lists the names of those killed on duty in other circumstances. It is designed also to recognise and acknowledge the courage of families and friends left behind, and includes the names of those killed in the recent conflicts in Iraq and Afghanistan.

Many of the wounded receive gallantry medals in addition to the medal for the operation on which they were serving, irrespective of whether they complete the requisite qualifying period.

My hon. Friend the Member for North Durham made the point that medical care is not the issue, but it is worth reiterating that our primary aim must be to provide the medical care that our injured service personnel require. The Select Committee on Defence recently paid tribute to that support, stating in a report that clinical care for our servicemen and women seriously injured on operations is second to none, and that Defence Medical Services personnel, working with the NHS, provide world-class care. In addition, we have compensation schemes, particularly the armed forces compensation scheme.

Hon. Members touched on the general issue of medals. As I have discovered in my 18 months or so in my job, medals are a hugely emotive issue. As my hon. Friend said, they can also be divisive. There are a number of ongoing campaigns for new medals to be minted for one reason or another, and it is impossible to satisfy everyone. British campaign medals are awarded not as a record of service, as is the case in some countries, but as a result of particularly difficult circumstances considered over and above the usual conditions of service life. The British military medal system is held in the highest regard around the world, and in many ways it is the special nature of British medals that gives them such great esteem.

Other countries choose to issue more medals, often as a record of an individual's service rather than to reflect the risks and rigours of a particular campaign. Decisions on new UK medals are not taken lightly, and careful consideration is given to ensure that we do not do anything to undermine the system.

There have been calls for a national defence medal in recognition of service in the armed forces. However, with the exception of long service awards, it has never been Government policy to consider service in the armed forces the sole justification for the institution of a medal. The British armed forces are involved in a wide range of operations, which means that there is a greater opportunity for some individuals to be awarded British, United Nations, European Union and NATO awards. However, joining the armed forces still does not guarantee the award of a medal, and there are no plans to institute one simply for being a serviceman or woman.

[Derek Twigg]

The veterans badge, which was introduced a few years ago, was mentioned briefly. It has been highly esteemed, and more than 500,000 have been sent out—I think that the current figure is about 550,000. We also have the merchant's seaman's badge and the Arctic emblem. We have done a number of things to recognise veterans.

I wish to make it clear that our minds are not closed to proposals for new medals or other forms of recognition, but decisions are not to be taken lightly or rushed into. It is right and proper that the military chiefs of staff make initial detailed recommendations on proposed forms of recognition. They can truly judge the risk and rigour of any campaign and make proper judgments on what is appropriate and in line with the long-standing military ethos.

Proposals for any new medals are submitted by the MOD to the cross-Government Committee on the Grant of Honours, Decorations and Medals, led by the Cabinet Secretary, for its consideration, before ultimately being submitted to the Queen. It is not within the gift of the MOD to introduce new medals automatically. As I have said, the situation is being considered, and the service chiefs will make their recommendations known at the appropriate time.

Mr. Hoyle: Can the Minister suggest whether the MOD is minded to support or oppose the proposed medal? There must have been discussions, and an inclination must be coming from the MOD. Perhaps he could share it with us.

Derek Twigg: I am sure that my hon. Friend understands that while discussions are taking place it would be inappropriate and premature for me to comment. We will inform Parliament as soon as the decision is made.

Patrick Mercer: Will the Minister give way?

Derek Twigg: If the hon. Gentleman does not mind, I would like to finish my remarks.

We must understand that there are other means of recognition and commemoration. Hon. Members will be aware of the tremendous success of the "Falklands 25" commemorations last year, which were so welcomed by the many service personnel who served in and around the Falklands. We continue to establish whether we can do more to improve the British public's awareness of the important work done on their behalf by the armed forces, and whether there are ways in which the public can better express their support and gratitude.

Last December, the Government commissioned an independent study on the subject, which is led by my hon. Friend the Member for Grantham and Stamford (Mr. Davies), supported by a team including an air commodore and a senior MOD civil servant. The national recognition study is running in parallel with a cross-Government service personnel strategy, and both initiatives are expected to report in the early spring.

I wish to make it clear that we do not underestimate the enormous contribution that is made by members of our armed forces and their families, and the need for proper recognition of them. We must take the advice of senior military personnel, who are best placed to make recommendations. As I have said, I know that the chiefs of staff are keeping the matter under review, and the House will be kept informed when any changes are proposed.

My hon. Friend the Member for Thurrock asked whether I would agree to meet him and others to discuss a medal for Bomber Command. I am happy to do that—as he knows, I do not refuse hon. Members a meeting on any issue that concerns them. I know that he is greatly respected for his campaigning on service issues.

Mental health was mentioned by a couple of hon. Members. It is important that it be given full focus and attention, which is why the Government have introduced a number of initiatives, including a new pilot scheme with the NHS to treat service people with mental health problems, the new medical assessment programme at St. Thomas' hospital and the reserves mental health programme. We have considerably increased funding for Combat Stress as part of the process of recognising, treating and caring for those who develop a mental health problem as a result of their service. As the hon. Member for Westbury rightly said, those problems will continue.

Western Balkans

10.59 am

Mr. John Randall (Uxbridge) (Con): May I start by thanking Mr. Speaker for granting me this debate? I have raised the issue before, and I thought that I should perhaps start by apologising to some of my constituents, because although I try to raise a wide variety of subjects for debate, I have had to return to this one from time to time. However, I do not think there is a need for apology, because things that happen some way away can affect their everyday lives.

I strongly regret the fact that the Government have not seen fit to allow any time to discuss this important area of Europe on the Floor of the House—I know that they are busy with other things—so I am grateful for this opportunity. I am also delighted to see many colleagues here today.

There is a need to debate this issue. One thing we can learn from the Balkan area, and so many other areas, is that we should not ignore history. Unfortunately, the fires that start in the Balkans have often led to larger conflagrations elsewhere in Europe. I hope that we are now away from those eras and can move forward.

Mr. William Cash (Stone) (Con): Many of the worst troubles that have occurred in that region were precipitated by the over-zealous recognition of Croatia, which was described by the then Foreign Minister of Germany, Herr Genscher, as

"the greatest victory for German foreign policy since 1945."

Does my hon. Friend agree that there are lessons to be learned from not making recognition a matter of precipitous action?

Mr. Randall: I am grateful to my hon. Friend for that intervention. Although I have never been described as a diplomat, I shall try to tread a course along that line. However, it must be said that taking early action without thinking things through is not always helpful.

My hon. Friend refers to an area about which he knows a great deal. I was not in the House at that time. I was selling furniture, having pursued my degree in Serbo-Croat, which involved studying the history of the region, as well as its language and literature—but even there, among the nests of tables in Uxbridge, I thought it an unwise move.

Mr. John Horam (Orpington) (Con): I congratulate my hon. Friend on securing the debate. Does he agree that there are also many causes for joy in the west Balkans, particularly in Slovenia, where I recently went with the Select Committee on Foreign Affairs, and which has now taken the European presidency? That is a good example of recognition at the right time and in the right circumstances for west Balkan acceptance into the European Union.

Mr. Randall: My hon. Friend makes a good point. I do not want to digress too much, but when I was a student in Belgrade, we used to refer to going up to Ljubljana as going to Europe. Even in those days, there was recognition that Slovenia was a slightly different case. Although the break-up of Yugoslavia brought benefits to the individual countries and states that exist now, from a wider historical perspective, it might be seen as not having had 100 per cent. positive benefits. However, I do not want to dwell on history too much, because we have moved on. I shall confine my comments mainly to recent developments in Serbia and Kosovo, but Bosnia and Macedonia will also come into things because they are very much involved in the area.

Two Sundays ago, we had the unilateral declaration of independence by Kosovo, and subsequent recognition by many states around the world. Obviously, the United Nations and the European Union are divided on the issue, and some EU countries have not recognised the new state of Kosovo. Having tried to consider with a balanced view the days leading up to those events, I found it very difficult to find a balanced view in the press. They had been moving quite well in recognising that Serbia had come a long way from the days of Milosevic, but then they seemed to be talking about a Serbia that had gone back to those days. Leader comments in some newspapers made almost no acknowledgment of what happened in the interim.

Only the week before, Serbia held an historic vote in which it re-elected President Tadic, a European-leaning politician with definite aspirations to join the EU. It rejected, albeit narrowly, the candidate of the Radical party, Nikolic, and that party's narrow, nationalistic and not particularly attractive agenda. Given that when the election took place, it was known that Kosovo was going to declare independence, it is a remarkable commentary on the Serbian people that they took the brave step of re-electing President Tadic, and it is a shame that they have not been given full credit. I am sure that they would welcome an acknowledgement that they took that decision.

There have been problems since then. I condemn utterly the violence in Belgrade and the damage to various embassies in which one life was lost—thankfully not a member of diplomatic staff. That has not helped anyone's cause. I do not condone what happened for a moment, but, considering the emotions that are in play, that period has passed relatively peacefully. There have been a few incidents here and there, but events show that the Serbian people do not want to revert to the ultra-nationalistic ideas that existed among a few of their population, certainly during the era of which we are all aware.

I understand the aspirations of the Kosovan Albanians. They have been in a majority for some time, and, without going into the history too much, they enjoyed certain autonomy, certainly under Tito's Yugoslavia. I understand that they wanted their own state; indeed, de facto, they had it, as Belgrade and Serbia recognised that Belgrade would not hold sway in relation to power over that region.

The negotiations seemed to come to something of a stalemate, but if we look at our own case in Northern Ireland, we can see that a forced or rushed agreement would not have helped us to get to the position where we are today, although there are still problems in the area. Deadlines came and went a number of times, and the Government realised that they had to give that extra bit of time to try to get a settlement. The middle east is another area in which negotiations from time to time go into stalemate or end up in conflict, but we should never give up on trying to achieve peace. However, if one side

[Mr. Randall]

or another were to try to impose a settlement, that would not be a lasting solution.

In previous debates, one thing that always came up was the fact that the boundaries of countries—the frontiers—should never be changed. For example, one cannot suddenly hive off Republic Srpska from Bosnia. If it wanted to join Serbia, we would say, "No, those are the boundaries. We cannot change them because of ethnic areas." We cannot say that the Presevo valley in Serbia, which has a majority population of Albanians, should somehow be tagged on to something else; the same applies in respect of Macedonia and other areas. A major tenet of British foreign policy and, by dint of that, of the policy of the west, the European Union and NATO has been that boundaries cannot be changed, and I presume that that is still the case.

Of course, as far as the UN is concerned, Kosovo is still a territory of Serbia. If the Minister can tell me something different, I shall be grateful, but that is the case, as far as I am aware. Whether or not one wants to change the situation, things should be done through the UN. I am reasonably consistent on that. I was not happy with the Government's position, or indeed that of my own Front Benchers, on going into Iraq without a UN resolution. I had to stand down from my Opposition post because I had a different opinion on the matter. I still think that if we in the west are to be the upholders of international law, and if we lecture other countries about adhering to international law if they want to be part of the great democratic process, what on earth are we doing deciding that we will ignore UN resolutions if we do not like them?

Mr. Cash: Does my hon. Friend agree that Security Council resolution 1244—at the least in how it is being interpreted by the EU, the United States and the United Kingdom—is vulnerable to the argument that it is ultra vires the UN charter, and, furthermore, that a distinction has to be made between partition on the one hand and intervention on the other?

Mr. Randall: I now know how the Minister feels when my hon. Friend faces him in European debates. My hon. Friend is an expert on such matters; I do not know the full legal implications. However, many colleagues on both sides of the House have told me, because they know of my interest in the region, that, regardless of their opinion—they would not necessarily be seen as particularly pro-Serb or pro-anything—they are concerned about the legal implications of what has been happening. One reason why I would have liked to debate this matter on the Floor of the House was to enable us to discuss the implications.

Another feature of previous debates in which I have tried to highlight the problems that could arise from instant recognition of a Kosovan state was the potential for division within the EU. In the way that Governments do, the Government said that I should not worry about that, that the situation was all sorted out and that there would be no problem at all. Sadly, that does not seem to be the case.

Some EU countries have decided not to recognise Kosovo. We can understand why, and I have a great deal of sympathy for their views. I am not sure whether the situation does the EU many favours. I am not sure what it says about common EU foreign policy or even the concept of a Foreign Minister if all the countries do not agree. However, I do not want to go into that, because I think that the EU offers the best solution for all the states in the area, although it is a medium to long-term solution.

Andrew Mackinlay (Thurrock) (Lab): I wholeheartedly agree with everything that the hon. Gentleman has said. On the EU point, the tragedy is that the declaration of independence a fortnight ago means that Kosovo cannot join the EU if Spain, Romania and Slovakia sustain their legitimate reservations and objections. There is a veto there, so Kosovo cannot come in, and even the most moderate, sensible Serbian Government cannot domestically pursue an application to join Europe because it would involve recognition of Kosovo. We can have neither Kosovo nor Serbia in the EU, yet the hon. Gentleman and I would agree that that is the way through the problem. Instead, we will probably have paralysis for the next quarter of a century.

Mr. Randall: I completely agree with the hon. Gentleman. He points to a problem that perhaps has not been thought through clearly enough in the enthusiasm for recognising Kosovo. I understand that there is a natural feeling among the British people in wanting to identify with those who have such aspirations, but we have to think the matter through. I could mention some neighbours of Serbia, Kosovo, Macedonia and Bosnia. What are we to say if Republic Srpska says that it, too, wants independence? Why should we say that Kosovo is a one-off? That is what the Government repeat endlessly. What do we say to the people of Trans-Dniester, Abkhazia and South Ossetia, or to the Tamils in Sri Lanka? We have opened up that issue.

The Government have said—I have asked various Ministers, and may even have asked one of the two people whom I have known in the role of Prime Minister—that Kosovo is a special case, but I am afraid that their saying so does not make it a special case. If people were trying to get independence for their area, they would not say, "Oh, that was a special case. That's all right, I will shut up then." It will not work.

The Foreign Minister of Serbia said that the situation offers a toolkit to all those who want independence. "Toolkit" is an excellent word. That is exactly what is happening.

Mr. Horam: My hon. Friend is right to point out the dilemma between the aspirations of the Kosovans and the difficulties for the UN and the EU, and the nature of the special case. Does he not think that, now that we are where we are, the only way forward is special help for Serbia? Surely, it is the key to unlocking the area. We must accept what has happened and make progress by helping Serbia as much as possible.

Mr. Randall: My hon. Friend comes to exactly my point. I can understand why Serbia will not be able to recognise Kosovo. I think that the Minister realises that that would be so politically damaging that we might end up with a Government in that country who leaned towards the east rather than the west.

The independence of Kosovo is not something that can be undone. It is no good saying, "Oh, we got that wrong, we did not mean it." It is disappointing that we are where we are, but that is the situation. I agree that a huge amount of help must go to Kosovo itself because, as we know, it is not exactly at the top of the list of viable states. The EU will have to send in money and resources. However, the Serbian people and the country of Serbia are being asked to acknowledge the splitting off of their territory. The only way forward is for this country, together with the EU or whoever, to provide help. Britain is a great ally and always has been.

Mr. Cash: Turning to the question of the legality or otherwise of the EU's recognition, does my hon. Friend agree that what is de facto is not de jure and that, for all the reasons he has given, a range of further problems might be precipitated down the line with other countries?

We were deprived by the Government's timing of the debates of discussion on the foreign policy and defence aspects of the Lisbon treaty, which confers legal personality on the EU. In that context, it simply cannot be justified or intra vires—lawful, in other words—for the EU to make decisions that are based only on a percentage of EU member states. Therefore, that raises serious questions about whether the use of resources for this purpose is, first, legitimate and, secondly, legal.

Mr. Randall: My hon. Friend is leading me down paths where it would be treacherous to try to match his knowledge. However, I am sure that he is right that it is de facto and not de jure.

I am thinking back, long before I was even dusting nests of tables, to the unilateral declaration of independence by Rhodesia against which a Labour Prime Minister stood resolutely. I was only a young man when that happened—actually, I was a boy—and I do not know what the mood of the country was then. However, it was resolute. I remember the discussions on HMS Tiger, which sat somewhere off Gibraltar. That has a wonderful resonance. We stood up for the rule of law then, and we have to do something now. I have suggested a few things, including how we can show Serbia that, despite everything, the United Kingdom remains a good friend of Serbia.

Last year, I took a small group from the Inter-Parliamentary Union to Serbia and Kosovo. We met Kosovan politicians as well as Serbian ones. It would be useful if a similar visit could be arranged, perhaps through the Foreign and Commonwealth Office, although the IPU might not look so quickly at a repeat visit. However, it is important for parliamentarians to meet others, not just people like me who know the area well. It would be a good idea for people who do not know the area well to go and talk to politicians.

I would like to leave one thing with the Minister and my party's Front-Bench spokesman, because this matter will endure for years.

Mr. Christopher Chope (Christchurch) (Con): My hon. Friend has been mild-mannered in addressing the issue. What does he feel about the state of the Kosovan economy? Many people think that the viability of the Kosovan economy, in so far as it has anything, depends on the trafficking of drugs, arms and people. It is propped up by a bit of money from the EU. Beyond that, there is nothing. How can a country such as that be called a country in UN terms and be capable of recognition? It does not have a viable economy.

Mr. Randall: My hon. Friend is right in that I am trying to be mild mannered. I have said that I do not think that an independent Kosovo heads the list of viable states. I am concerned by what goes on in that country. The EU will have to get a grip on that; we should all be concerned about it.

Andrew Mackinlay: The hon. Gentleman raises an important point that relates to comments he made earlier. If the boundaries of Kosovo are now those of the historic Kosovo, there is a quarter, or perhaps an Ulster, of Kosovo where the writ of Pristina, or for that matter of Belgrade, does not run. There will be a void in the map of Europe in those areas north of the city of Mitrovica—the north bank—where there will be no police who show adherence to Pristina, because the police are ethnically Serbian, although the writ of Belgrade cannot run there. The prospects for criminality, lawlessness and de facto independence of that particular area have not yet been addressed and that will be a growing problem, which invites the comment that, if the boundaries of Kosovo can be determined by the Kosovans, the people in the north have a right to self-determination as to whether they should go to Serbia.

Mr. Randall: The hon. Gentleman is right.

I shall conclude shortly to allow others to speak, because a lot of hon. Members want to speak on the subject.

There is also a question about what would happen if the Kosovan state were not viable. If it is not viable, will it want to join Albania? What would our view be on that? In the same way, what if Republic Srpska suddenly said that it wanted independence, but after a while said, "We can't go it alone, we want to join up with Serbia."? Those are the things that have been started by the current situation.

I say to the Front-Bench spokesmen and to the wider country, if I can be so bold, that our gaze is on that part of the world only because of recent events. From time to time, things crop up elsewhere and the eyes of the world will go away. That is when I shall fear for the Serbian minority and their religious sites, which are wonderful architecturally but are deeply spiritual sites for the Serbs in Kosovo.

There are Serbs living at this moment in containers, following an incident a few years ago. I have to say to the Minister that it is unacceptable for me to visit a place in Europe—my continent—and see people who have been living for years in containers, regardless of whether they are Serbs or Albanians. Whatever the reason, we have not helped those people. We have a duty to look after minorities, wherever they are and whoever is the majority. We must not think that, because the pendulum has swung the other way, those who suffered can ensure that the minorities under their control are safe, and I am afraid that the idea that people who have suffered know what it is like does not hold true.

[Mr. Randall]

I say to the British Government that we have a duty always to keep aware of what is going on in that part of the world. We must not turn a blind eye and say, "This is now sorted. That is it, we can move on. Maybe the Americans will think that we have given it over to Europe." We must not think that this is sorted. We must carefully watch the situation. We have to give assurances to those people, regardless of who they are, that we in Britain—a traditional good friend of Serbia—and in the EU will look after them and ensure, almost to repeat the words of the dictator Milosevic, that we say, "You shall not be beaten again."

11.28 am

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I congratulate my hon. Friend the Member for Uxbridge (Mr. Randall) on securing this important debate. One of the most powerful points that he made during the course of his speech was his analysis of the British Government's stance on Iraq and how they have ignored the United Nations mandate and its views in their illegal war against Iraq. As I have said many times in the past, my hon. Friend took a great principled stand on that by resigning from the Front Bench.

I agree with my hon. Friend when he talks, in a mild-mannered and polite way, about the sheer hypocrisy of the Government's stance. On one hand, they act against the United Nations mandate yet, on the other, they think that they can somehow impose their own will on Kosovo and Serbia.

I have a few questions. First, why has the matter been resolved so quickly? It has been resolved in the blink of an eye by comparison with some of the major disputes around the world. We talk every day about the problems in Israel and Palestine that have continued for decades. We talk about Cyprus and the terrible problems between the north and the south. Even in Africa—for example, Western Sahara, Morocco and the dispute in Polisario—the difficulties, like many others around the world, have continued for decades, so why have the Government chosen to speed up the process of resolving the conflict in the Balkans, but not other conflicts? Why have the Government selected this conflict over and above all the others?

I believe that one reason is that the Americans have been pushing hard for Kosovan independence. I remember the images of President Bush touring the streets of Tirana a few months ago, when he was waved at and cheered in adulation by Tirana Albanians because of his strong stance on independence for Kosovo. That is one reason why, when Kosovo was celebrating independence two weeks ago, there were almost as many American flags on the streets of Pristina as Kosovan flags.

The Foreign Office, its civil servants and Ministers, as a poodle of the American Administration, have pursued American foreign policy. The Prime Minister may like to appear uncomfortable when President Bush drives him around Camp David in his little golf buggy, but that is just more spin from the Labour Government. If one peels off the surface, how is British foreign policy any different from what it was under the former Prime Minister? Will the Minister explain the difference between United Kingdom and American foreign policy on Kosovo? It is important that we, as a major military power in Europe, show a different stance from that of America.

The United States of America, of course, can easily dictate that Kosovo should be independent, because, luckily, it has no problems with any part of the US wanting to become independent. The United States is lucky to be in that homogeneous situation, and that it is far enough away from Europe that it can make demands and interfere in what is happening in Europe's back yard.

I concur with my hon. Friend who said that a dangerous precedent has been set. The Government have opened up a Pandora's box of huge potential conflicts throughout Europe. We have only to look at another part of the Balkans—Romania—and the long, festering sore of the Hungarian minority in Transylvania. Who is to say that there will not be agitation among the Hungarian minority in Transylvania, and a demand for independence or annexation of that territory by Hungary? Corsicans in France may agitate for independence, and my hon. Friend mentioned the Basques in Spain.

What really worries me is that I heard for the first time yesterday that an organisation is going round the House of Commons lobbying MPs for Gdansk to become a German city again. Being of Polish origin, my sensitivities on that point can be imagined. The outbreak of the second world war was in Gdansk when German boats opened fire—

Andrew Mackinlay: On a good-will visit.

Daniel Kawczynski: They were on a good-will visit to Gdansk, yet they opened fire in the early hours of 1 September 1939. However, just last night I heard from an organisation that is actively conspiring for Gdansk to be returned to Germany. Many parts of western Poland—the area was given to Poland after the second world war—have large concentrations of Germans who want to become part of Germany. The Government's actions are deplorable.

Andrew Mackinlay: I share the hon. Gentleman's anxieties and fears, but surely the difference, which creates a greater danger, is that all the areas to which he referred—Transylvania, western Silesia, Pomerania and so on—are at least in the European Union, and have free mobility of labour with the right to purchase property and ways of resolving title. Two weekends ago, we allowed the division of Kosovo from Serbia without their being in the European Union. If the energies of the United Kingdom and the United States had been devoted to getting them into the EU first, we would at least have diminished the scale of the problem. In the areas that the hon. Gentleman mentioned, the problem is diminished because of the consequences of European Union membership, free mobility of labour, the right to buy and own property, and so on.

Daniel Kawczynski: I wholly concur with the hon. Gentleman, and later in my speech I shall come to some of the points that he raised.

It is not politically correct to be antagonistic towards the Kosovans, because we all remember the crowds cheering the former Prime Minister in Kosovo and we

all saw on camera how Kosovans suffered, but I shall be critical of them. They started the killing in their revolt against the sovereign country, and drove out between 150,000 and 200,000 Serbs. During the past eight years, 1,248 non-Albanians have been killed with many more kidnapped, now presumed dead; 151 spiritual and cultural monuments in Kosovo have been destroyed by Albanians, and 230 mosques have been built; and 80 per cent. of Christian graveyards have been destroyed or desecrated with no response from the international community. The Albanians have turned Christian graveyards into car parks, playgrounds and rubbish dumps. Anything relating to Serbia or Christianity in public records, books and the names of places and even towns has been wiped out. That is ethnic cleansing on a huge scale.

Mr. Chope: All that ethnic cleansing has taken place when there was supposedly an international force to prevent it.

Daniel Kawczynski: Absolutely, and we have apparently sent 1,000 troops to the borders of Kosovo recently, so the situation is outrageous. I hope that the Minister listened carefully to my points about the sheer scale of ethnic cleansing against the Serbian people.

I want to make another controversial point before winding up—I know that colleagues are keen to speak. It has been reported in the press that the BND, the German intelligence service, has confirmed that the 2005 terrorist bombings in Britain were organised in Kosovo. That is apparently something that the German intelligence service is putting out. Has the Minister had any discussions with his German counterpart about that?

I want some assurances from the Minister. What protection will the Serbs in Mitrovica receive now that they are cocooned in an artificial statelet? What rights will they have, and what will the Minister do personally to ensure that the thousands of Serbs living in Mitrovica will be protected? I have heard worrying reports in the media that as a result of some of the riots outside the American embassy, to which my hon. Friend the Member for Uxbridge referred, the wheels might come off Serbia's application to join the European Union, and that we might do less to help the country to join. Will the Minister give me a guarantee that he will do everything possible to help Serbia to join the European Union?

Jo Swinson (East Dunbartonshire) (LD): Does the hon. Gentleman accept that although such violence should not be condoned, it should not, in itself, necessarily be a stumbling block to Serbia joining the EU? The biggest difficulty at the moment is surely the refusal to deal with Ratko Mladic and Radovan Karadzic. That is perhaps one issue that the Government should be pursuing for a quick resolution to Serbia's entry into the EU.

Daniel Kawczynski: I am sure that the hon. Lady will want to put that matter to the Minister herself. I am dealing purely with the issue of Kosovo.

Finally, how will Serbia be compensated for the loss of 14 per cent. of her territory? Normally, if there is a divorce, there is some sort of settlement. Even in international disputes, there is arbitration. I remember when Czechoslovakia split apart, decisions were made about assets—who was going to have what, and how much of the national debt each side was going to take. How is Britain helping the Serbian nation in its divorce proceedings?

I will end on a personal note about the Serbian people, whom I greatly admire. They are a truly wonderful race. I remember participating in my first ever political demonstration in 1999. I stood outside Downing street in the cold with my Serbian friends, demonstrating against the bombing of Belgrade. I thought that the Government's participation in such a bombing was a heinous crime. Why was the crime so heinous? It was simply because the Serbian people had the misfortune of being led by a dictator. Milosevic was the last communist remnant of the iron curtain age, when the countries of eastern Europe had communist dictators. He came to power in 1989 under a communist system and held on to power through various methods of intimidation and ballot-rigging; yet because of the actions of one man, a demagogue and communist, the Serbian people suffered much as a result of our own Government and the bombing that took place.

Many Serbs have lost their homes in Kosovo—as my hon. Friend said, they are living in camper vans. I cannot imagine losing my home or having someone take it away. It happened to my grandfather's generation in Poland, but I cannot imagine coming back to Shropshire and finding that somebody had taken away my home from me and that I had nowhere to live. People face that reality today; it is all very nice for us in the House of Commons, but they have lost everything as a result of an arbitrary move by the Americans and our Government. I repeat that the liberal elite in the Foreign Office and among civil servants and Ministers have come up with a solution, but the ramifications of their mistakes will long outlast them.

11.42 am

Mr. William Cash (Stone) (Con): The starting point for my contribution to the debate is very simple. I personally do not feel inclined to take sides between Kosovo and Serbia because we all recognise that a considerable dilemma exists at the heart of this. My position rests on the fact that I believe very strongly that we have to act in accordance with the rule of law. The problems that we had in Iraq, and that we have had periodically over the past 75 years—even going back to the origins of the first world war—have all been associated with problems that have arisen from a failure to recognise the rule of law. I am quite sure that sooner or later, as my hon. Friend the Member for Uxbridge (Mr. Randall) said in relation to Northern Ireland, if a decision is taken in a responsible manner over an extended period against a background of extreme opinions, it is possible to arrive at a solution. The solution may not be perfect even when the final settlement is struck. What is certain is that nobody believes with any certainty—whether they are from the UN, the European Union, the United Kingdom, or the United Kingdom Parliament—that what has been decided in the past few days and weeks represents a settlement of any description.

[Mr. David Marshall *in the Chair*]

At best, it is a de facto recognition. Nobody could say that it was a de jure recognition. It would be extremely unwise of anybody to make that assumption because that in itself would lock the whole of the future of the

[Mr. William Cash]

Balkans, not to mention Serbia and the recognition of Kosovo, into an impossible situation. It would make the dilemma even worse. I would strongly counsel caution in relation to precipitate assumptions about what various declarations so far amount to in practice. Underpinning de facto recognitions is the question whether there are de facto resolutions, solutions and results. I remember Sir John Harrington's famous observation:

"Treason doth never prosper: what's the reason? For if it prosper, none dare call it treason."

Against that background, we need to be extremely careful about what we do.

In specific terms, I would say that when bombs were being dropped on Sarajevo from the hills above, I was one of very few people who went on record to condemn the actions. Furthermore, I strongly urged that we should take military action to stop that bombing, which seemed to be wholly unnecessary and contrary to any kind of humane behaviour. I also believed strongly that it was important that the people in Serbia should be entitled to a proper understanding and recognition of the rule of law. Therefore, I hope that I have an understanding of what the situation is on both sides of the equation. I am not merely trying to sit in the middle and not make a decision.

My ultimate question is about the rule of international law. I find it rather ironic that on 16 February the EU launched EULEX Kosovo, which is

"an EU rule of law mission in Kosovo."

Its objective is

"to support the Kosovo authorities by monitoring, mentoring and advising on all areas related to the rule of law, in particular in the police, judiciary, customs and correctional services."

It is also expected to assist the Kosovo institutions, judicial authorities and law-enforcement agencies on a range of other matters. The EU fact sheet goes on to state:

"The key priorities of the mission are to address immediate concerns regarding protection of minority communities"—

which, of course, is enormously important—

"corruption and the fight against organised crime."

The fact sheet also states:

"EULEX Kosovo will have some limited correctional powers in the broader field of rule of law, in particular to investigate and prosecute serious and sensitive crimes."

When I see the European Union, through this organisation, apparently assuming powers to investigate and prosecute serious and sensitive crimes, I have to ask myself by what authority? There is no such EU power, as I pointed out earlier. The EU is divided over this question. There is no certainty of any UN Security Council power. I will explain in a moment why that is almost certainly ultra vires. I know that there is a dispute about this, but to jump from a disputed situation to apparently having—I use the words of the European Union fact sheet—

"some limited correctional powers in the broader field of the rule of law, in particular to investigate and prosecute serious and sensitive crimes"

is to make assumptions that there is a rule of law that lies behind the creation of the rule of law mission.

Mr. Chope: Does my hon. Friend think that that extends to the fraud, corruption and misapplication of EU funds that are so rife in Kosovo at the moment? For example, when I was there as part of a delegation of the Council of Europe looking at the constitutional referendum in Novi Pazar, it was well known that substantial EU funds had been put into a power project in Kosovo. The power project had never been produced, but the funds had been expended.

Mr. Cash: I do not know about that particular case, but it reinforces my concerns. In relation to the European Union, as we know and as I mentioned yesterday in the debate on international development, the European Court of Auditors stands accused of not being able to balance its books properly. That could be yet another example of that, and from what my hon. Friend says, there appears to be substantial evidence to support that view. Indeed, in relation to the EULEX Kosovo organisation, the European Union fact sheet states:

"The initial mandate is for 2 years…to be terminated when the Kosovo authorities have gained enough experience to guarantee that all members of society benefit from the rule of law. The financial reference amount intended to cover the expenditure related to a period of sixteen months will be €205 million."

I simply make the point that the whole of the structure has been set up as though there were a legitimate authority for doing so. It goes without saying that I question whether British taxpayers' money is being legitimately spent in this sort of context. In a parliamentary context, one cannot go through life calling for democracy and for the rule of law, on which the constitutional arrangements of this country are supposed to be based, and then simply say that this case is sui generis, as the United Kingdom representative did in the Security Council. The Security Council minutes state that the United Kingdom representative made the following comments:

"the Council was facing an extraordinary set of circumstances, he said in conclusion. It was not ideal for Kosovo to become independent without the consent of Serbia and without the consensus of the Council. The unique circumstances of the violent break-up of former Yugoslavia had made it a sui generis case, which created no precedent".

Did the fact that this was a difficult case make it inevitable that recognition would follow? The short answer is no. That is not to say that I do not want the Kosovan or Serbian people to have an entirely fair and peaceful society. Frankly, I recognise that there is a dilemma, but I do not want either the Kosovan or Serbian people to face a repetition of past difficulties. It troubles me when Mr. John Sawers says on behalf of the Government that

"when in the middle of the status process the Government of Serbia had changed its constitution to exclude any future for Kosovo outside Serbia, it had effectively ended any chance of a negotiated settlement. The international community could not be party to a settlement that was opposed by over 90 per cent. of a territory's population. Apart from anything else, it would be contrary to its overriding priority of upholding peace and security".

I have mentioned that the recognition of Croatia was a precipitate and fatal move, which Herr Genscher said at the time was the greatest victory for German foreign policy since 1945. Despite hopes that there would eventually be a peaceful situation in Croatia, what happened was a mistake that precipitated the most awful situation. When I see that the centre of gravity of the problem lies in the

fact that the Government of Serbia changed their constitution, the question that comes to mind is this: which country determines the constitution of another country? If the Government of Serbia changed their constitution, is it possible, legal or legitimate for any other nation to step in and say that it is not possible for that constitution to be sustainable? I go further on that. John Sawers says that it would be

"contrary to its"—

the United Kingdom's—

"overriding priority of upholding peace and security."

I put the problem as simply as this: will it uphold peace and security to precipitate what could be a serious consequence? That is part of the problem. John Sawers goes on to say:

"NATO had agreed to continue to provide security in Kosovo, and the European Union had agreed to deploy a rule of law mission to oversee the build-up of Kosovo's capacity"

and that

"The European Union was committed to the future of the region as a whole".

Any responsible person wants to ensure that there is peace and security in the area, but from what I have seen, it is extremely difficult to envisage that the spokesmen for those who recognise Kosovo will be able to justify their arguments. I notice that Belgium spoke up in the Security Council meeting and said that realities on the ground could not be ignored. There are those who are uncertain about the stability of Belgium with respect to international law in terms of its internal arrangements.

Andrew Mackinlay: Except that they need each other.

Mr. Cash: As the hon. Gentleman says, it may well be that they need one another, as we all do in an interdependent world. I am striving not to be in any way unfair to those on both sides of the equation, but I strongly counsel that we must remember that might is not right. Forcing a situation does not produce the best results and de facto solutions do not solve problems, as we have found internationally. There is a range of other consequential circumstances in other states. For example, there are difficulties in relation to Cyprus and, as my hon. Friend the Member for Uxbridge said, Timor. All over the world it is vital that we stick to the rule of law and if in doubt, stick to the rule of law and do not make assumptions, as the European Union and the Government are doing about the direction in which they must go. I recognise the dilemma, but I also say unequivocally that the European Union itself does not to my understanding have any legitimacy or legal right to recognise Kosovo at this stage. In the case of Croatia, the consequences of recognition led to a very serious situation.

With regard to the acquisition of legal personality by the European Union under the Lisbon treaty, the European Union seems to be operating on that basis irrespective of the fact that, first, it has not gone through yet and, secondly, several member states of the European Union are vigorously opposed, for extremely good reasons within their own countries, to recognising Kosovo. That is critical to the questions that arise in this case. Europe is not, as we are told, a state. The bottom line is, therefore, that the European Union should not be recognising Kosovo and making assertions that it cannot justify.

12 noon

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Member for Uxbridge (Mr. Randall) on securing the debate. Clearly, this is a particularly timely week for us to be holding it. The hon. Gentleman rightly highlighted the historical background, of which we are well aware, and the potential for conflicts in the Balkans to spill over into the rest of Europe. It is true that we need to take great eare with foreign policy in that area, which is why the opportunity to scrutinise Government policy and put questions to the Minister is welcome.

I am sure that we all remember the horrors of the ethnic cleansing and violence in the Balkans in the 1990s. It was perhaps all the more shocking because it was taking place so close to home in a country that for many years had been a popular holiday destination for many Brits and was familiar to many of our constituents. It was particularly moving to see such scenes unfolding on our television screens because they were from somewhere so close.

I shall strike a slightly different note from what we have heard so far, because I and my party very much welcome the Kosovan declaration of independence and the recognition of Kosovo by the Government. However, we agree that it must not be allowed to set a precedent, and that must be made very clear indeed.

Andrew Mackinlay: I am truly bewildered by the statement "We welcome Kosovan independence." As I said, many of us wish Kosovars well, but how on earth does the hon. Lady expect or hope that Kosovo will come into the European Union, particularly given the fact that if the criteria on war crimes are met and Serbia is admitted, it will have a veto on expansion of the European Union? Kosovo cannot and will not be advanced by the declaration of independence, because it cannot become a member of the United Nations or the European Union. I am bewildered as to how it is a great leap forward for Kosovars.

Jo Swinson: I believe that it is a step in the right direction. It would be premature to describe it as a great leap forward; these are clearly early days. In the rest of my speech, I shall outline how I hope that in future Kosovo will be able to be a member of the European Union, but the process will not be without difficulties, as it will not be without its difficulties for Serbia. The hon. Gentleman makes a good point that underlines just how difficult and sensitive the issue is. There will be no magic solution to the situation in the Balkans. There never was such a solution during the past century or before it, and it would be far too optimistic of us to imagine that one will suddenly present itself now. The question is more one of judging what the best path forward is, while recognising the difficulties.

Mr. Randall: If possible, will the hon. Lady give an indication of where her party stands with regard to the United Nations resolutions?

Jo Swinson: If the hon. Gentleman is referring to Kosovo, obviously United Nations resolution 1244 is in place and we very much hoped that it would be possible to get Russia on board. However, it became obvious during the months and years of negotiations that that

[Jo Swinson]

would not happen. That was similar to the situation when the UK Government, through NATO, took action in Kosovo. We recognise that in some cases, when there is pressing humanitarian need or ethnic cleansing is going on, it will not always be possible to achieve unanimity across the United Nations.

Mr. Randall: I am grateful to the hon. Lady for allowing me to intervene a second time. If I am not mistaken, her party was very keen on a United Nations mandate for the bombing of Iraq and the invasion of Iraq.

Jo Swinson: That is certainly true. At the time, we were also keen to preserve international consensus and to follow the international diplomatic process to its end through the inspectors who were in the country under Hans Blix. Of course that process was not followed through to the end. What we have seen in this case is different because there were exhaustive attempts to bring the parties together but it became clear that there was an immovable obstacle that could not be got round, whereas in the Iraq situation there was quite a lot of international consensus on giving Hans Blix much more time to do the job on weapons of mass destruction, which might have led the international community to come to more of a consensus.

I shall return to the subject of today's debate, as I am sure you would wish me to do, Mr. Marshall. In addition to welcoming the declaration of independence, I shall touch on the importance of preventing ethnic violence and protecting minority rights, as the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) in particular mentioned. I shall then touch on the challenges ahead for Kosovo and the future possibilities for it and the other Balkan states within the EU.

The status quo was not an option. UNMIK was always a temporary measure; it would never have been able to continue in perpetuity. It is right that we recognise that and then look for the best solution. For the past seven or eight years, my father has been working in eastern Europe on a variety of regeneration and economic development programmes for the World Bank, the Department for International Development, the EU and so on. Most recently, he has been working in Kosovo for the Ministry of Health, so I have enjoyed many fascinating conversations with him, to try to understand the country and mindset a little better. He has the advantage of being in the interesting position of working in the Ministry with both Kosovans and Serbs, who obviously often have slightly different perspectives on an issue.

The hon. Member for Uxbridge mentioned the apparent parallel with Northern Ireland. However, the situation is very different from that faced in Northern Ireland because of the sheer extent of the ethnic cleansing that took place in Kosovo. This morning, I telephoned one of my dad's colleagues, Albana, whose story he had mentioned to me, and she told me of her experience. In March 1999, there was a knock on her door. It was soldiers from the Serbian army who told her that she had 24 hours to leave her home and that if they came back in 24 hours and she was still there, she would be killed. She and her husband took their eight-month-old son and drove towards the Macedonian border. They had to abandon their car because of the sheer volume of traffic and queues and walk the final 20 to 30 km across the border into Macedonia. They had to wait at the border for two days before they could finally leave.

The hon. Member for Shrewsbury and Atcham mentioned just how appalling such a situation would be, and I think we all agree that it would be appalling if it happened to anyone, but what I have described was not happening to just one person. Albana's story is replicated by many, many Kosovars, within such recent living memory—just the past decade—that it becomes clear that it would be impossible for Kosovo to prosper as part of Serbia; it would not be acceptable for it to remain part of Serbia. It is ironic, given the intentions of Milosevic, that many of his actions made it impossible for Kosovo to remain as part of Serbia and to make the case for a very different solution.

Of course, dialogue and a mutually agreed political solution would be the best way forward. That is what everyone aims for and there have been exhaustive attempts to secure it. A well-respected plan was put together by Martti Ahtisaari. When even that seemed to falter, further efforts were made in the later months of 2007 to reach a solution, but it became clear that it would not happen. At such a point, we have a choice. Do we just do nothing and say, "Well, that's it. It'll just stay as it is," or do we act? We have seen sometimes in the past the consequences of inaction in that area.

I do not believe that what we have seen is the best option, but in the absence of the best option, people have to go for the least worst option, which is what I think the declaration represents. That is why I welcome it. Of course no one has a crystal ball; no one can predict every future consequence but, on balance, I believe that it will prove the best way forward.

I would like some clarity from the Minister, particularly about the Foreign Secretary's written statement on 19 February in which he talked about the situation being the "last remaining issue" in the Balkans. That may be slightly optimistic. Can the Minister tell us whether he really believes that there will not be similar issues in future? It seems to me that we are at the start of the process rather than reaching the end of it, as the phrase "last remaining issue" might suggest.

Clearly, the prevention of the ethnic violence must be a priority. British forces—1st Battalion the Welsh Guards—are on stand-by. We hope that they will not be needed, and it will be interesting to find out whether the Minister believes that they will need to be deployed. It is right that we take that responsibility and that we aid the security of the area. The hon. Member for Shrewsbury and Atcham set out some of the great problems for the Serb population within Kosovo, and it is important that the rights of that minority are safeguarded—it should have guaranteed places in Government, Parliament, and the police and civil service. EU staff have a crucial role to play in that regard.

The challenges ahead for Kosovo are not only political. The economic situation in the country is dire: unemployment is more than 40 per cent., there is little industry, and even electricity and other infrastructure is intermittent. As in so many countries, sadly, corruption is a problem. We clearly do not yet have success. That should be measured not only by peace and security in

the general area, but by the development of the Kosovan economy, if the country is truly able to become a stable part of the region.

The future vision is for Kosovo, Serbia and the other Balkan states to join the EU. Even critics of the EU agree that for the past 60 years, it has been good at preserving peace and security among its members.

Mr. Cash: A European Union based on an association of nation states co-operating, but not co-ordinated, would be a solution. They should not be put into a compression chamber.

Mr. David Marshall (in the Chair): Order. Members are now eating into the other Front-Bench spokesmen's time, so they should please be brief.

Jo Swinson: The hon. Gentleman makes an important point. It is a sensitive situation in its early stages. The prize is a wonderful one to aim for, but the Government will know how important it is to secure peace and security in that troubled region.

12.11 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I congratulate my hon. Friend the Member for Uxbridge (Mr. Randall) on raising the debate. He has considerable experience and knowledge of the area and has spoken frequently on it in the past. I do not have quite the same expertise, although I spent hours preparing lectures at the Army staff college on German anti-partisan operations in the area and recall the names of Ante Pavelic and the Ustase, General Nedic of the Serbian puppet Government, the Waffen SS division Handschar, which was recruited from Bosnian Muslims, and, of course, Mihailovic and Tito. The history of the area is complex; the cultural and racial mixtures, and the capacity of all sides to carry out massacre and counter-massacre, is familiar to us all.

I must begin by disappointing my hon. Friends the Members for Shrewsbury and Atcham (Daniel Kawczynski) and for Stone (Mr. Cash) by saying that it is on record that the Opposition support the Government's position on the independence of Kosovo, although we recognise, as my hon. Friend the Member for Uxbridge pointed out, that there are a series of unanswered questions on the matter, not least on the attitude of the Serbian Government and people. We all accept that Kosovan independence is now a given, so I shall ask the Minister a series of questions on the consequences.

As my hon. Friend mentioned, the British embassy in Belgrade came under attack as protests against Kosovo independence swept the Serbian capital last week. The damage to the building was limited and embassy staff were safe, but will the Minister tell the House what additional measures have been taken to ensure their safety and security?

The Russian Ministry of Foreign Affairs stated on Monday that there must be

"a decision based on law and compromise between Belgrade and Pristina"

on the future status of Kosovo. It did not say what compromise Russia has in mind. On the ground in Kosovo, ethnic Serbs in the north, with the support of Serbia and Russia, are making steady efforts to resist the authority of the new state. Will the Minister tell the House what assessment he has made of the Russian statement and does he agree with analysts who believe Kosovo is headed for partition, with the risk of a frozen conflict emerging in the country? Will he assure the House that the Government will oppose that, and does he not agree that our goal must be the promotion of a successful multi-ethnic and democratic Kosovo, and not a new division along ethnic lines?

Last week, the European Union announced the withdrawal of its staff from northern Kosovo because of the security situation. Pieter Feith, the European Union envoy supervising Kosovo, said that was not intended to formalise the current division between north and south Kosovo. Is the Minister confident that that is the case? What conditions have been set for the return of EU staff to the area so that they can continue preparations for the transition to an EU mission in Kosovo? Does the Minister agree that Kosovo should not be allowed to drift into partition and towards the creation of an entity in the north that severs links with the central Government and answers only to Belgrade?

Western officials have accused Slobodan Samardzic, Serbia's Minister for Kosovo, of inciting disorder, both in Belgrade and along Kosovo's northern border, since Kosovo Albanian leaders declared independence on 17 February. Do the Government agree with that assessment of the Minister's actions?

Additionally, does the Minister share my view that any partition of Kosovo along ethnic grounds would create pressure on neighbouring countries such as Macedonia, Montenegro, and even other areas in southern Serbia where Albanians constitute a sizeable minority? I emphasise that point because there is such a patchwork of different ethnic groups in the region that if we start to unravel it we could return ultimately to complete chaos and widespread ethnic cleansing.

The repercussions of Kosovo's declaration of independence are already being felt in Bosnia and Herzegovina. The leadership of the entity of Republic Srpska has tried to link the independence of Kosovo with their aspirations for secession from Bosnia, which was touched on by some of my hon. Friends. Does the Minister agree that any attempt to undermine the integrity of Bosnia and the Dayton peace accords must be resisted?

The annual threat assessment made by the US director of national intelligence, dated 5 February 2008, states that any move by the Bosnian-Serb entity towards secession would

"put pressure on US and NATO forces in the region to assist".

With an untested EU military force on the ground in Bosnia, NATO presumably has contingency plans to redeploy in an emergency. Last December, the Conservatives called for deployment of a NATO reserve force in Bosnia to cushion the country from any attempts by separatists to break it. Will the Minister clarify the Government's policy regarding additional deployments to Bosnia and Herzegovina? Many hon. Members, however they see the situation in Kosovo, fear that if there are insufficient forces to deploy immediately, forces that arrive two or three days later may be too late.

The debate has been excellent and I praise my hon. Friend, who has strong views on the issue, for the way in which he put forward a case that is sympathetic to the

[Mr. Keith Simpson]

Serbs, but which recognised that some of the unfortunate actions in which they took part in the past have not helped their cause. We should be sensitive to Serbia and to the aspirations of its democratic leadership, and to the fact that it rejected some extremists who would only have made the situation much worse.

12.18 pm

The Minister for Europe (Mr. Jim Murphy): I am delighted that you are chairing the proceedings, Mr. Marshall, and that Miss Begg oversaw the earlier part of the debate. I congratulate the hon. Member for Uxbridge (Mr. Randall) both on securing the debate and on the way in which he argued his case. All three main parties disagree with him, but the careful way in which he argued his case continues to earn him respect for the sincerity and depth of knowledge that he brings to debates. Perhaps that is a unique feature of debates that we have here in Westminster Hall.

My hon. Friend the Member for Thurrock (Andrew Mackinlay) has stayed with us—I know that he must leave early, which we all understand—but the last time I had to respond to a debate, he spoke with equal passion and knowledge about international politics in relation to Ireland and the Commonwealth. He encouraged me to read some more. I can confirm that I took up his suggestion: I was up until after 1 o'clock this morning reading about the nature of Ireland and the Commonwealth and got to the meeting of the Irish Cabinet on 8 December 1921. I think I know how it ends, and I am looking forward to reading the last couple of chapters. However, although we should never forget the lessons of history—current dynamics and contemporary decisions should not be motivated exclusively by recent or long-standing history—it is nevertheless incumbent on us all to analyse these issues in much greater detail. In the limited time available to me, I shall try to deal with many of the comments made by the hon. Gentleman for Uxbridge, who made a carefully argued case.

The hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) argued his case with even more passion, but I hope that he does not mind my saying that his speech was perhaps a little less considered. On occasion, his arguments were lopsided. *Hansard* will record verbatim what he said, but he suggested that we showed a different policy position from the United States on this issue. If that is the starting point, I passionately disagree. One cannot determine international politics and foreign relations by trying to find ways to disagree with America. I am content that, more often than not, we agree with the USA. It is one of the great democracies of our globe, and I am comfortable, politically and personally, in finding common cause with America more often than I disagree with it. Based on his comments today, the hon. Gentleman does not share that assertion. His trite repetition of international politics being seen through the prism of some contemporary poodle-ism, which he offered again today, was unfounded.

I look forward to debating the European Union with the hon. Member for Stone (Mr. Cash) again this afternoon. In his unique way, he argued on these big issues through the aspect of EU legal personality. I shall respond to his comments if time allows, but I put it on record again, as the hon. Member for Mid-Norfolk (Mr. Simpson) did, that the Government and the major Opposition parties support and recognise Kosovo's declaration of independence. My right hon. Friend the Foreign Secretary set that out in more detail in a written statement put before the House on 19 February, giving the rationale and reasoning behind the decision. I understand that 29 countries have recognised Kosovo's independence, and the number continues to grow almost daily.

Although a good speech has been drafted for me by well-informed civil servants, who do a fantastic job in implementing Ministers' decisions—I respond to a point made by the hon. Member for Shrewsbury and Atcham—I hope that the House would prefer me to respond to the specific points raised during the debate rather than read a well-crafted speech. It is for hon. Members to decide whether my comments formulate themselves into a well-crafted argument.

The hon. Members for Uxbridge and for Shrewsbury and Atcham asked about the Government's attitude to Serbia more generally. I say clearly to the House, and therefore more widely—to those in Serbia who listen, and particularly to the Government in Serbia—that the United Kingdom is determined to have strong bilateral and multilateral relations, based on issues of common concern, where Serbia continues to look westwards and joins a family of European nations that respect democracy, human rights, the rule of law and free, open and transparent economic markets—the norms that the European Union increasingly expects member states to follow.

In that regard, if Serbia so wishes, we would certainly support its destiny in Europe, in time—as, of course, we would in respect of Kosovo. Indeed, the hon. Member for Uxbridge was fair enough to say so. We have made it clear that we are willing to sign a political agreement with Serbia, but the violence that we have seen over the past couple of days aimed at diplomatic missions does nothing to help create a conducive environment to enable that to happen. Serbia is damaging her standing across the globe by allowing such events to happen on the streets of her capital. To respond to the question asked by the hon. Member for Mid-Norfolk, we have made it clear to the Serbian Government that those actions are utterly unacceptable. We condemn them without reservation, and we demand that they are not repeated. The Serbian Government have given assurances on these matters; they are determined to ensure that they are not repeated.

In response to further points raised by the hon. Member for Mid-Norfolk, the international community is not interested in partition. We will put in place the necessary investment of people and diplomatic effort to ensure that that does not happen. We are committed, as he and his party's Front-Bench team are, to a multi-ethnic and democratic Kosovo. Indeed, I have read over the past couple of days that the courts in northern Kosovo are being protected and supported by Portuguese forces, to help ensure that that is happening. It is incumbent on all in positions of responsibility in Kosovo, Serbia and the wider Balkan region, to realise the consequences of their comments. Indeed, the hon. Gentleman raised a particular example that, at best, was unfortunate; reckless is another way of interpreting what he said.

United Nations Security Council resolution 1244. It left Kosovo within Serbia on an interim basis, pending the outcome of a process to determine Kosovo's final status. The nature of that outcome is not constrained in

any way by that resolution. The status process was duly taken forward by the UN special envoy Ahtisaari. It resulted in his proposals for supervised independence. References to the territorial integrity of the Federal Republic of Yugoslavia in resolution 1244 are related to that interim stage, but not to Kosovo's final status.

On the question of EU unity and EU action, on 18 February the General Affairs and External Relations Council set out a clear EU response to developments in Kosovo. It agreed to a range of political and practical assistance to Kosovo, including the deployment of an EU special representative to Kosovo, and the deployment of a European security and defence policy mission to assist with reform of policing and the justice sector. It will also provide support for Kosovo's political and economic development, in line with the EU perspective for the region. That, the largest EU deployment of its kind, was agreed unanimously. It is not for the European Union or the United Nations to recognise nation states bilaterally. It is for other sovereign nations to do so, which is why the United Kingdom, with 20 other nations thus far, recognises Kosovo's independence.

The question was posed whether that sets a precedent. I understand the issue clearly. The hon. Member for Uxbridge, fairly and in a measured way, outlined his concerns. I do not wish to disappoint him, but we clearly argued the case at the UN and elsewhere. In the case of Kosovo, given its tragic recent history, there is a range of circumstances that are not replicated anywhere else in the world.

Security Council resolution 1244 has provided for a political process to determine Kosovo's final status. That process has taken place and it resulted in the proposal for supervised independence. That, of course, was not agreed to unanimously because Russia indicated throughout the process that it would not allow a UN process to be concluded. It has now been agreed that the Ahtisaari proposals should be the bedrock for the principles and specifics of what needs to be delivered on the ground. They propose extensive powers for local government, and they guarantee thresholds of representation in Parliament, a police force, a judiciary and a civil service that reflect Kosovo's ethnic diversity. The House will be aware that the majority of Serbs in Kosovo do not live in that northern region, but 60 per cent. live in the south.

Marconi Pension Fund

12.30 pm

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): What a pleasure it is to have the opportunity to raise this important issue in the debate today. There are concerns about the so-called defined benefit market and pension buy-outs. The Marconi/Telent pension fund involves an unusual approach by a Guernsey-based company, Pension Corporation, to buy out the whole company to achieve control of the pension fund. Why is that a potential problem? First, it allows for 93 per cent. of the buy-out to be funded on a conventional insurance buy-out basis.

Mr. Edward O'Hara (Knowsley, South) (Lab): Before my hon. Friend moves on, it is worth noting that the value of the company is £200 million and the value of the pension fund is £3 billion. That shows the scale of the fund.

Mr. Howarth: Typically, my hon. Friend makes a strong point, and it raises a question: why is Pension Corporation interested in Marconi/Telent?

As I say, 93 per cent. of the buy-out is to be funded on a conventional insurance buy-out basis, which means that Pension Corporation cannot touch the funds for 12 years. However, questions arise as to how the remaining 7 per cent. of the buy-out is to be funded. If, as many people think will be the case, this shortfall is funded with riskier developments, what would happen if those riskier developments did not pay off? We have seen many examples of that happening and the people who end up suffering are the pension holders.

Similarly, if Pension Corporation exceeds 105 per cent. of the buy-out sum, the corporation has access to the escrow. For the benefit of clarity, I should say that an escrow is an arrangement whereby the employer pays funds into an account, which passes to the pension scheme under certain conditions, but is otherwise returned to the employer. Again, that raises the question of who owns the pension. Is it the pensioners, or is it the company seeking its assets?

Also, what happens after the first 12 years have passed? In the lifetime of a pension fund, that is not a huge amount of time for a well-managed fund. However, any losses during such a period—due to poor investments, for example—can seriously undermine the fund. Again, we have seen examples of that and they have always been to the detriment of the pension holders.

In my view, Pension Corporation's business model represents a serious potential conflict of interest. In November 2007, the pensions regulator determinations panel noted that the potential conflict of interest in this model was so compelling that it was not clear that it could be resolved. The chief executive of Pension Corporation, Mr. Edmund Truell, has rebutted that and argued that the company's model is a "hedge" against the "risk" of longevity. By that, I take it that he is referring to the fact that people are living longer and the actuarial arrangements in the fund do not cover that fully. However, to date no successful hedge of this kind has ever been operated. It would be exciting if the claim were true and we would avoid dampening innovation, but it is such a bold claim that it feels like the 21st century financial equivalent of a perpetual motion machine. If it does not work, how can pensioners' risks be mitigated?

Mr. O'Hara: As my hon. Friend is quoting Mr. Truell, is he aware of another quotation from him? In Mr. Truell's own words, when Pension Corporation took over Threshers:

"We took a number of steps. We replaced the company's trustees with our own partners."

Does that sound rather ominous to my hon. Friend?

Mr. Howarth: My hon. Friend has again raised a very pertinent point, and I will cover that issue towards the end of my speech.

So strong are the concerns about the approach of Pension Corporation that a strong case is being put for an urgent review to clarify the regulatory framework for such developments and to identify any outstanding regulatory requirements, including the responsibilities of the Financial Services Authority and the pensions regulator. I have reason to believe that the TUC, among others, shares this concern.

It is also important that we should seek to close the so-called wind-up lump sum legal loophole, which is a very technical matter but one that has profound implications, particularly for low-paid and part-time workers, who are often from vulnerable groups or are women who are already very much at risk.

In addition, there is strong concern about the legal and regulatory issues that govern the relationships between members of schemes that are bought out and the insurance companies that eventually take over responsibility for them. My own trade union, Unite, which has many of the remaining 2,000 workers at Marconi within its membership, has made it clear that it has great concerns about what Pension Corporation is up to. A national officer of Unite, Peter Skyte, put it succinctly:

"The pension fund belongs to the present and former workforce and should not be used as a piggybank to be raided for short-term gain."

I have complete sympathy with that viewpoint.

Mr. Lindsay Hoyle (Chorley) (Lab): I thank my hon. Friend for securing the debate, because it is pertinent to the people who are represented here. I can see four MPs here—one from Coventry, two from Liverpool and me, the MP for Chorley—who have had or who still have in their constituency factories for Telent/Plessis/Marconi, whichever name people want to use.

This issue involves the pension fund. Fine words are not good enough; we need belt-and-braces legal protection to be put in place. I hope my hon. Friend agrees that that is what we need the Minister to reassure us about today.

Mr. Howarth: It is significant that my hon. Friends the Members for Chorley (Mr. Hoyle), for Knowsley, South (Mr. O'Hara) and for Coventry, South (Mr. Cunningham) are here, because we all have large numbers of Marconi pensioners among our constituents. I know that my hon. Friend the Member for Chorley has some current employees of the company among his, and I think that that is also the case for my hon. Friend the Member for Coventry, South. This issue is vital to a number of areas right across the country.

I want to conclude by putting some questions to my hon. and learned Friend the Minister. First, will he commit to a review of the regulatory regime governing schemes such as that of Pension Corporation? If so, will he take into account the following issues, which I believe should be covered by such a review?

The first issue is governance—that is, protecting the role of trustees, including member-nominated trustees, and ensuring that they have clear information and are involved early on and at every step in the process. It is essential that trustees are in a position to ask difficult questions and to get good advice.

Any such review also needs to take into account transparency. It goes without saying that without transparency there is no way that pension holders and those paying into a pension fund can know whether their investment is being properly managed.

There is also the issue of risks and protections for members' benefits—an enormous concern in undertakings of this kind, which are unproven and untested. Being positive, such undertakings could be called innovative, but there are also a number of risks involved and in those circumstances the protections against those risks are hugely important.

There is the issue of breaking the link between the employer and the pension scheme of its employees. Again, that is a large step to take and one that I believe should be considered by such a review of the regulatory regime.

Of course, there are the potential regulatory gaps. It is important that those gaps are properly reviewed and it is also important that, where such gaps exist, they are closed, so that pensions are much better protected.

Finally, specifically on Marconi, will my hon. and learned Friend put pressure on the pensions regulator to extend the remit of the independent trustees imposed on Pension Corporation, whose term is due to expire in April? That would maintain the protection available to pension holders, which the regulator saw as absolutely necessary as recently as last November.

This is an enormously important issue for those whose pensions will be affected by such schemes. I know that my hon. and learned Friend has concerns and that he took careful note of the issues that were raised in this regard when the Pensions Bill was considered in Committee. I hope that he can give us some reassurance that our fears will be dealt with adequately within the relevant regulatory arrangements.

12.40 pm

The Minister for Pensions Reform (Mr. Mike O'Brien): It is a great pleasure to respond to this important debate under your chairmanship, Mr. Marshall.

My right hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) and other colleagues have raised an important issue in relation to Telent/Marconi. To lose one's pension is to suffer an injustice. Through the Pension Protection Fund and the pensions regulator, we have sought to renew confidence in pensions and we have resolved to maintain and deepen that confidence by being vigilant in the face of new challenges. It is incumbent on the Government to guard against any injustice, and my right hon. Friend has played his part by prompting this debate and raising concerns that an injustice might be done.

Let me set out why my right hon. Friend is right to say that this is an important issue, before explaining what I see as the emerging risks and setting out what I intend to do.

Mr. Hoyle: I know that my hon. and learned Friend will deal with all the issues, but may I say that we are talking about past pensioners, current employees and future employees? We must also look after future employees, although I do not know whether my hon. and learned Friend can discuss that, too.

Mr. O'Brien: My hon. Friend is entirely right that we are talking about all three. However, we are talking about not just the pensioners at Telent, but how the financial services industry has decided to deal with pensions. What concerns me is that that seems to involve treating pensions as just another commodity.

Mr. O'Hara: To put it simply, does the Minister agree that instead of treating a pension as a trust to protect and grow for the benefit of the pensioners, the financial markets see it as an instrument for making profit?

Mr. O'Brien: That is exactly the concern. Until now, companies have broadly regarded pensions as a trust or, in the case of an insurance product, something that is backed by capital, and there has been a relationship with an employer or insurance-based capital backing. Pension Corporation has some very reputable people on its board and is backed by significant resources, and my concern is not so much that it is up to no good. The model that is being used raises concerns, however, about the future and about the possibility that pensions will be treated as just another commodity, with losses and gains being arrived at in a way that could put people at greater risk than they should be.

As I said, the Government want to establish confidence in pensions, and we also want to watch out for emerging risks in the financial services industry. I understand that Pension Corporation may still be discussing the Telent case with the regulator, so I will not comment too much on it. As I said, however, my concern is that the model that we are looking at could be used by less reliable parties than those running Pension Corporation, some of whom might not be UK based.

Mention has been made of the fact that Pension Corporation is based in the Channel Islands, although there is some regulatory control here. Organisations dealing in pensions could, however, be based elsewhere, in which case we would want substantial reassurance about their capacity to deal properly with pensions. The issue of people treating pensions as just another commodity—as something with which they can wheel and deal—is one that we need to approach with some caution.

The Telent case has alerted us to the scope for others to use such a business model, which may pose risks not only to the members of pension schemes, but to the PPF. I therefore welcome the support that came from across the pensions industry when the regulator installed independent trustees in the Telent scheme. Those trustees play a critical role in protecting members, and we must continue to support that important control and the regulator's ability to put independent trustees in place.

I hear what my right hon. Friend says about what will happen in April. The pensions regulator is independent, and it is important that the City and everyone else sees it as independent and as not susceptible to Government pressure or Government intervention in day-to-day decisions on issues such as this. As he said, there are concerns about what will happen after April, which pensioners have voiced directly to me. I will pass his comments to the regulator and ensure that it is aware of his concern.

Mr. Howarth: I am grateful to my hon. and learned Friend for that assurance. I recognise that the relationship between him and the pensions regulator is complicated, but people will be assured that the concern that has been expressed today will be passed on to the regulator.

Mr. O'Brien: I will certainly ensure that that is done and that the regulator is also made aware of the concerns that the Government have about protecting the scheme's future.

As I said, I welcome the support that has come from across the industry for the actions of the pensions regulator. When trustees find themselves in difficulty, they need to know that they are not alone. The regulator provides not only key information and support, but the capacity to intervene. Last week, in the Committee considering the Pensions Bill, I acknowledged the vital role played by the independent pensions regulator by strengthening its powers to install trustees, where that is in members' interests. That was an important step, but let me tell my right hon. Friend and other colleagues who are concerned about what is happening that it is a first step. I have asked officials at the Department for Work and Pensions to look urgently at what more can be done to maintain confidence and to signal to the City our concern about such models of pensions investment.

I want to consider the views of employers and pensions experts as we examine the options. I am ready to listen, but I also want to signal our willingness to act and to intervene, if necessary, by giving the regulator the legislative ability to deal with such issues.

Mr. Howarth: Again, I am grateful to my hon. and learned Friend for that assurance. Will he confirm that trade unions will be included in the definition of "experts"? He will readily acknowledge that they have a wealth of experience on, and knowledge of, the intricacies of pension funds.

Mr. O'Brien: I certainly recognise, and have valued, the contributions made by the TUC and a number of trade unions to the development of pensions policy. Clearly, particular trade unions have a deep vested interested in this issue—

Mr. Howarth: A legitimate vested interest.

Mr. O'Brien: A legitimate vested interest. However, there is also a wider interest, because the pension schemes of members working in other companies and organisations could also be affected by the development of a new model.

I want to ensure that the regulator has the right powers to protect people's pensions to ensure that

[Mr. Mike O'Brien]

confidence in pensions will be strengthened. Traditionally, and rightly, a pension has been backed by the covenant of a sponsoring employer, or by capital resources: that means an employer or capital standing behind the pension. In some new models emerging in the buy-out market, the security of an employer is taken away, but adequate capital has not been put in place to replace the certainty and security that the employer brings. That creates an asymmetry of risk—a business model where the provider benefits if all goes well, but scheme members or the PPF pick up the bill if things go badly.

It would not be fair to members, or to all those schemes that pay the PPF levy, if we allowed new business models to develop in which a provider assembled significant financial risk without having adequate structures in place to manage that risk. Traditionally, if trustees are confident in the employer, they can decide on a funding and investment strategy that reflects the employer's ability to underpin the risks undertaken. The employer will benefit from lower contributions if the risk pays off, but will pay more if the investments underperform. Under the regulatory regime with respect to insurance companies, they must back their investment, longevity and other risks with capital, so the capital or the employer must stand behind the pension, which provides important security for the members.

For those regulated by the FSA, the capital requirements are clear. Any new approaches to pension scheme risk management should have similar security. There should be capital or other supporting structures underpinning the risks. Where providers are based offshore—outside the UK regulatory regime—that causes concern. If it happens, we need further reassurance that appropriate controls are in place.

Mr. Howarth: My hon. and learned Friend has made a point about the need for capital standing behind the scheme to mitigate risks such as longevity or anticipated longevity, but is not that the problem—the loophole that is not covered by regulatory arrangements in schemes such as Pension Corporation's?

Mr. O'Brien: Of course, Pension Corporation will have its own view on that. As I have said, because there are some quite difficult legal and other issues, I do not want to comment too directly. I want to focus more on the model, and concerns could arise with the model of companies buying, perhaps, an under-priced company with a pension scheme, using either valuation or a bid from an insurance scheme to try to get a grip on the liabilities of the pension scheme and taking the surplus from it. That is essentially to treat the pension scheme merely as a commodity from which to seek a profit.

We need to be careful about our approach, because there are circumstances in which buy-outs are right and work, but there are others where they do not. However, it is important to tell trustees that they need to look carefully at the security of member benefits and involve the regulator early if they have concerns.

I am concerned that the intrinsic risks of the new business models present a real downside. Suppose that investments fail to perform as expected. If the link between the scheme and the employer has been severed without adequate capital being put in place to back the risks of the scheme, there might be no backstop to ensure that benefits will be paid as promised. In a worst-case scenario, the provider could be driven into insolvency and the scheme could enter the PPF with a funding deficit. That would mean scheme members receiving PPF compensation that was lower than the pensions that they had expected, the PPF having to cope with new costs and PPF levy payers—that is, continuing pension schemes—having to pay higher bills.

We cannot avoid every risk, but that does not mean that we should take reckless risks with members' benefits, or with the finances of the PPF. We need to look critically at new business models to ensure that we have the tools to manage risks proportionately. We should all recognise the potential of confidence and the dividend of stability in the pensions industry. However, I also want to emphasise that we recognise the importance of innovation in financial services. It is important that I say that.

I welcome the innovation that has flowered in the pensions industry in the past couple of years—greater competition, novel product development and, indeed, some of the buy-outs. There are clear benefits in some cases. Innovation can be good, but not all innovation is good, and supporting innovation generally should not mean condoning proposals that could be harmful to pension members' interests. For example, in another area of pensions policy, I had to judge yesterday whether it was the right time to allow new providers such as Brighton Rock to compete with the PPF by exempting schemes that have bought its products from paying PPF levies. I took the view strongly that this is not the right time to do that. For the moment, I believe that we need stability in the pensions market to strengthen confidence.

My right hon. Friend asked how we can ensure that regulation will be effective in relation to the new models. Paul Thornton's 2007 review of pensions institutions concluded that current arrangements are working well and made recommendations aimed at strengthening the system, including the relationship between the pensions regulator and the FSA. I am glad that both organisations have taken those recommendations seriously, but I also recognise that changing market environments prompt us to keep the boundary between their remits under review. We are considering whether change is required to clarify which body is responsible for regulating providers in the pension buy-out market.

I welcome innovation and recognise that we need to ensure that regulation keeps pace with a changing market. We are dealing with a fast-changing market, with new models in it. We will need to ensure that key risks are managed effectively by watching what is happening in the market, identifying the risks and being prepared to act early and quickly to demonstrate that the Government are prepared to deal with problems. I am willing to consult formally, and to bring amendments before Parliament to increase the regulator's powers, if that is the best way forward.

I have already demonstrated that willingness through the changes that I have made to the Pensions Bill as it has progressed through the House, increasing the abilities of the regulator to appoint trustees, as in the case raised by my right hon. Friend.

It may be appropriate to strengthen the regulator's anti-avoidance powers further, and I am prepared to consider that. Such powers need to be focused on

dealing with a particular mischief. Where they are broad because they have to deal with a constantly adapting innovative sector, they need to be targeted by guidance. When the pensions regulator was created, there was concern in the City, but the regulator has done an excellent job of reassuring the City while tackling particular problems.

I have no wish to give the regulator unconstrained powers to reopen old wounds, but I cannot allow the development of business models that raise serious concerns. I know that well-intentioned legislation can bring undesirable consequences if it is not thought through effectively, and we recognise the importance of deregulation, which is why we set up a rolling deregulatory review to strip out unnecessary legislative requirements and costs, but I am keen to continue to discuss the issues to see whether, in the light of changing developments in the relevant area of the market, we need to take further steps in the coming weeks and months.

I want to hear the views of the financial services industry and the pensions industry, trustees, trade unions, employers and business. Our shared aim should be to ensure that pension promises are kept and pensioners are secure in retirement, and that we are in a position to build renewed confidence in UK pensions, for which all hon. Members have a responsibility, so as to protect, deepen and advance the circumstances in which pensioners today and in future—and indeed those who have already retired—can look forward with a degree of confidence and security.

Health Care (Norfolk)

1 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): It is a pleasure to serve under your chairmanship, Mr. Marshall, for the second time this morning. We move seamlessly from Kosovo to Norfolk. I welcome this opportunity to speak in this short debate, which I am holding against the background of Norfolk primary care trust's proposals, published in July 2007, for intermediate care services and, more recently, the Darzi review, which is proposing further reconfiguration of health services, which when firmed up will obviously have an impact on Norfolk and my constituents in Mid-Norfolk.

As in other parts of the country, health care in Norfolk depends very heavily on the work of our health professionals—doctors, nurses, specialists and carers—who do more than just the statutory hours that they are expected to work for the money that they earn. Between February and June last year, Norfolk PCT conducted a review, as I have said, of intermediate care services. There was quite widespread public consultation, which produced considerable local opposition to what was seen as a cost-cutting exercise at a time when Norfolk, along with many other PCTs, was heavily in debt, and to the closure and possible reduction of local community hospitals.

On 16 May last year, I initiated a half-hour debate in Westminster Hall on the future of St. Michael's hospital in Aylsham in my constituency. On 24 July, Norfolk PCT approved a set of proposals that provided for 178 beds spread over five community hospitals in Norwich, Dearham, Kelling, north Walsham and Swaffham. Unfortunately, St. Michael's hospital was down to close. On 18 October, Norfolk's health overview and scrutiny committee effectively put that closure on hold for four months, because it was concerned about the alternative care plans proposed for Aylsham and the surrounding area. I declare an interest in that I live not in Aylsham but eight miles away in Reepham, so for me and my family what happens there is more than just academic.

Since the closure was put on hold, Norfolk PCT and the Aylsham group, which brings together local representatives, and on which I sit, have been in negotiations. I want to lay before the Minister a series of points, which I suspect that he will say are not his direct responsibility to a certain extent, owing to devolving responsibilities down to PCTs on many such matters. Nevertheless, he should have taken a view, not least because of the resource implications and the fact that we might very well be overtaken by the Darzi review.

The PCT is concerned, because St. Michael's represents the only community hospital serving in the old Broadland PCT area, but has said that an analysis of the usage of the hospital established that only 24 beds on average were used by patients registered with Aylsham practices. It has been considering the most appropriate way in which to sustain the outpatient and therapy services provided at the hospital and to commission beds in the prospective nursing home planned for the site. It points out the requirement for sufficient beds to meet the needs of Aylsham people and that the consideration is for five beds at the nursing home. However, that figure is for guidance rather than prescription.

[Mr. Keith Simpson]

I consulted with local doctors who believe that the number of beds—five—is far too small, not only for meeting the current criteria but for meeting the likely population growth in the area over the next five to 10 years based on Government statistics, not those provided locally. That last point is important. The re-development of the site has, from the outset, involved a close partnership between Norfolk PCT and the Aylsham care trust. At the beginning of December 2007, the PCT's provider services made available to Aylsham care trust the spatial requirements for the therapy and outpatient services that could be provided within a community facility, which was to be built for Aylsham care trust with the development of the overall site. Negotiations are now going on between the Aylsham community and Norfolk PCT.

I bring that to the Minister's attention because my constituency is a microcosm of problems affecting health care throughout Norfolk. Pressures are greater or smaller, and I am not suggesting that Norfolk necessarily has tougher health care challenges than other parts of the country. It has specific health care challenges—not least an ageing population. There is also the sheer size of the area covered. One of the biggest challenges facing the health authorities, as in education, is presented by the distances involved in people getting to some form of health care or in merely transporting them around. It is obviously a different matter for urban areas.

Norfolk PCT has proposed the Aylsham health campus project. I do not think that that would have come about if the scrutiny committee had not deferred the matter for consideration for up to four months—it is fascinating to see what a little pressure does in getting PCTs to introduce proposals. Its objectives are to

"examine the health needs of the population of Aylsham ... consider the ways in which a health campus at Aylsham could meet those needs ... consider whether a health facility in addition to the Aylsham Care Trust Community Centre is needed or viable ...consider how co-ordination can be achieved between the Community Centre, health services and the residential home"

and to

"consider the appropriateness of a 'well-ness' facility".

I have not yet managed to find out what a "well-ness" facility means. Is there such a thing as an "unwell-ness" facility? If there is, I think that I, and many other MPs, would meet every criterion. The final objective is to

"consider the appropriateness of facilities for GP training and other GP activities not necessarily required to be provided at the two practices"

in Aylsham.

At the moment, therefore, the decision has been made to close St. Michael's hospital, and many of its supporting facilities, which will affect the health care of an area larger than Aylsham. A number of beds at the hospital have been used by people from as far away as the north Norfolk coast and Norwich, which demonstrates that there is a bed shortage throughout Norfolk, although I accept fully that health services must be flexible. Nevertheless, negotiations are ongoing between the PCT and the local community. As I said, I do not think that, if the scrutiny committee had deferred the decision, we would have reached that stage.

What do we, the local community, want for the future of health care in Aylsham and the surrounding area? That forms part of the negotiations. The Aylsham group believes that the hospital should remain open, but has expressed a willingness to compromise to the extent that

"replacement services should be in place and proved to be effective before the hospital is closed."

The date for the closure of the hospital is 2009.

The PCT has now been asked to keep the hospital open for five years for the following reasons. If at all possible, I would like the support of the Minister, at least indirectly. The reasons are that the percentage of elderly population in the area is about 30 per cent., which is 10 per cent. above the Norfolk average, which itself has a fairly high percentage nationally, although it cannot beat places such as Bournemouth and Eastbourne, and that we must consider the further projected population growth. Current discussions, as part of the local development framework, indicate additional housing for the town of Aylsham and the surrounding area. I know that from talking to the local authorities.

We have no way of knowing the success of staff recruitment for the nursing home, or indeed for the home care teams. The Minister knows that the combination of looking for savings in health budgets, and the medical assessment that the best way of dealing with many people who are ill or have had an accident is by looking after them in their home, will mean the redeployment of staff, and challenges in recruiting and retaining staff in areas where, given the geography and road communications, many of them will spend a great deal of their time on the road.

Mr. Christopher Fraser (South-West Norfolk) (Con): My hon. Friend makes a valid point about the diversity of Norfolk; it is a wide area, the use of health care facilities is diverse, and on occasions, people are far away from them. I draw his attention to a story in *The Daily Telegraph* today, which reports that Norfolk and Norwich university hospital NHS trust, and the Queen Elizabeth hospital in Kings Lynn, have been criticised for

"'fleecing' patients and their families"

through high car park charges. Does my hon. Friend agree that if those hospitals were properly funded, they would not have to resort to funding shortfalls through such schemes?

Mr. Simpson: There is a problem. When my father was seriously ill a year ago, and I took my mother regularly to the Norfolk and Norwich university hospital NHS trust, the issue was not just about the financial aspect. Indeed, we MPs, as we know, are well paid, so with all our pay and allowances we can afford car parking charges, but many of my constituents cannot and most of the car parks are not large enough. The car parking aspect has been franchised out, but the Government must re-examine the problem, because I am sure that Norfolk is not the only area where it is an issue.

Mr. Fraser: It is funding shortfalls.

Mr. Simpson: The issue may be not just about funding but about the whole business of the car parking contracts. I am grateful to my hon. Friend for mentioning the issue.

Bed blocking has been much in the news, including the local news. The *Eastern Daily Press* ran a series of articles showing that there were bed-blocking crises at the Norfolk and Norwich University Hospital NHS

Trust and the Queen Elizabeth hospital in Kings Lynn. St. Michael's hospital, along with others, has offered a safety net. Sadly, however, bed blocking will remain a problem, and it must be addressed.

Following recent alerts at the Norfolk and Norwich University Hospital NHS Trust, the number of beds at St. Michael's hospital was increased from 24 to 26—a clear demonstration of the need for community beds in Aylsham and in the county as a whole. Currently, St. Michael's hospital operates at 80 per cent.-plus capacity, and the effectiveness of the PCT's alternative intermediate care strategy ought to be measurable by specific endpoints that include a significant reduction to below 50 per cent. in admissions to St. Michael's hospital. As yet, the evidence is not available.

The PCT and the Aylsham care trust will provide intermediate care. The health campus project is insufficiently developed, and indeed, I do not think that most of us are clear about what the PCT means by a health campus. It has a warm feeling about it, invoking the idea of a multi-disciplined university campus, and it may well be the answer to the area's health care requirements. However, as yet, I have not seen sufficient details, and I suspect that one will have to pay the money up front in order to deliver such a campus and provide the health care that we want.

The Aylsham group has also been led to believe that there is a strong bid for the stroke unit to be developed in conjunction with the Norfolk and Norwich University Hospital NHS Trust, albeit with a greatly reduced number of beds—24 instead of 40. That, once again, may mean pressure on the local community hospitals.

Home care has been trialled in west Norfolk, and it must work there, because that part of the county lacks community hospitals. The Minister will be only too well aware if he plots health care centres and community hospitals on a map of Norfolk, that owing to its sheer size, little in the way of a safety net exists to deal with any future health care crisis.

Based on the points that I and other people have made, the PCT should at the very least think about postponing its original closure date for St. Michael's hospital. The Minister should at the very least take an interest in the issue, and perhaps consult the PCT on whether it has enough financial resources to deal not only with that change, but with the impact of the Darzi review. I have been examining health care in Norfolk at the micro level, but I wonder whether the Minister might—to use the old music hall expression—show an ankle and give us some indication of the outlines of the Darzi review. We heard some of it when the Prime Minister, being desperate to recover from the non-election, performed like a clapping seal a few months ago, and Lord Darzi had to rush through with some initial ideas.

In conclusion, the issue is important for my constituents and for myself, but it is not unique to my constituency. There are major challenges throughout Norfolk, and I should therefore be interested in the Minister's views.

1.16 pm

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): I congratulate the hon. Member for Mid-Norfolk (Mr. Simpson) on securing this Adjournment debate about an issue that is important not only to his family but to his constituents and the local community.

The description of the dialogue, both in the hon. Gentleman's presentation today and in my briefing for the debate, is almost an example of best practice. He said that the process would not have happened without the overview and scrutiny committee's referral, but that is the very reason why the Government gave local authorities for the first time the statutory right to comment on NHS reorganisation proposals locally and, if they were dissatisfied with the proposals, the right, as he knows, to refer them to the Secretary of State, who would then refer them to an independent review configuration panel. Although I agree that it is probably unlikely that those discussions would take place without the role of the overview and scrutiny committee, I hope that the hon. Gentleman agrees that the new role for local government in scrutinising NHS decisions, which can be uncomfortable and difficult, is right.

The hon. Gentleman, understandably, represents the views of the local community, which feels, also understandably, that it would like to preserve what it has. People are attached to the hospital, which they believe provides an excellent service. The hon. Gentleman referred to demographic change, so the issue is not just about the existing situation, but about projections of future need. The local community would like the hospital to be preserved in its current form.

I do not live in the area, so I am less able to comment than the local people who make those decisions and live there, but the vision is for a much wider range of community-based services. The hon. Gentleman rightly raised the question of what a wellness facility is. These days, we use all sorts of jargon in public services, which confuses people, but the principle of a wellness service is the recognition that the modern health service—this is at the heart of Lord Darsi's review—is as much about preventing sickness and ill health as about intervening once somebody becomes very ill. That can be achieved through better health education, promotion, screening and so on, and by intervening early to prevent people's health from deteriorating, which is particularly relevant to older people. Once they deteriorate, the danger is that it is difficult to get them back on their feet and living independently. The notion of a wellness approach is about prevention, early intervention and ensuring that people are aware of how best to stay healthy.

We must get the right balance of prevention and early intervention services in the hon. Gentleman's community and ensure that there are some beds, which is indeed part of the plan. Those beds might not be in the existing hospital environment, but there is a commitment to develop a nursing home-type provision in the community. That seems to me a better outcome for health care provision in Aylsham than the current position. The cynicism and scepticism among residents and professionals may be because they have not yet seen a tangible vision of what the alternative will look like. In defence of the primary care trust, it seems to me that it is trying to develop that vision in partnership with the local community rather than simply impose on it a "managers know best" or "professionals know best" approach.

From all the information I have, from both the hon. Gentleman's contribution and my briefing for the debate, I think that what is happening is what we would want to happen in communities where change is essential. We want engagement between the health bodies and local communities, and we want the local authority, Members

[Mr. Ivan Lewis]

of Parliament and local residents to be involved to try to come up with a solution in the best interests of the relevant community.

The hon. Gentleman asked about resources. It is important to point out that if the PCT can emerge from the process with a credible, sensible vision, which will improve health care and be more up to date, modern and responsive to the needs of the community, and if it puts a credible and robust bid to the strategic health authority, demonstrating improved outcomes for patients, of course resources will be available. There are resources both regionally and nationally—SHAs can seek resources from the Department of Health—to support the reorganisation and reconfiguration of services. The hon. Gentleman says that has not yet happened, so resource problems are not preventing progress. We need a clear vision about a new range of health services that best meet the needs of the Aylsham community.

I will be happy to meet the hon. Gentleman at a later stage if he is dissatisfied with the outcome of the engagement and consultation process. I urge him to show a little leadership in the local community—I am not saying that he is not already doing so, because I have no reason to believe that—and to say that, although not all change is good, if there can be change that leads to a better range of services, focused on prevention, early intervention and ensuring that older people do not deteriorate and need acute hospital care, it will be in the interests of all families in Aylsham. The hon. Gentleman was right about the impact on the work force and on professionals, recruitment and so on, but the changes mean that a different mix of professionals—doctors, community nurses and social care staff—will need to work together to ensure that there is a shift to prevention and early intervention.

I understand that it was originally feared that, under the proposals, the five existing beds would be removed and not replaced, but from what the PCT has said, it seems that as well as an NHS campus with integrated services and a shift from acute to primary health care, there will also be guaranteed protection of at least five beds in any new organisation of services. I ask the hon. Gentleman to see the proposals as a major opportunity, not as a threat. He must consider the range of services currently provided and the consequences for patient care in Aylsham and surrounding areas, and whether the proposed changes would lead to better outcomes in the long term. It is easy to hang on to the status quo and, understandably, people are emotionally attached to existing services. They are not necessarily persuaded of the need for change until it is clear to them what the change will be and whether it will lead to improvement or to the diminution or undermining of existing services.

The hon. Member for South-West Norfolk (Mr. Fraser) made an important contribution, but it is difficult to see how he can argue that we should seek maximum devolution for managers and professionals on the front line and minimal Government interference—his party supported the foundation hospital model on the whole, for example—and then ask the Government to intervene in individual hospitals where he feels the car parking charges are excessive. Although it is acceptable for hospitals to charge for car parking, and there is no law or rule to prevent them from doing so, they certainly should not abuse that right by charging extortionate amounts. The test of reasonableness should be applied to decisions on the matter.

As a Member of Parliament, the hon. Gentleman has the right to make strong statements and representations if it can be demonstrated that the charging regime is either extortionate or disproportionate. I do not know the details of the case that he mentioned, so I cannot make a definitive comment, but charges should be proportionate and reasonable.

Mr. Fraser: I am enormously grateful to the Minister for giving way, given that this is not my debate. Does he accept that because of budget balancing issues hospitals are put under undue pressure over parking charges?

Mr. Lewis: I have great respect for the hon. Gentleman, whom I met for the first time over dinner last night—I am not going to show him my ankle during the debate, by the way—but I do not believe that is the case. The NHS has had unprecedented resources in the past eight or nine years, including in Norfolk, and there will be a continued increase in resources over the next three years as part of the comprehensive spending review settlement, so even if it is true that parking charges are extortionate and disproportionate, I do not accept that it is necessary. If the high charges are for resource reasons, why are they not happening in hospitals throughout the country, and why are there such different approaches to charging? There has been unprecedented sustained investment in the NHS, so although car parking charging is perfectly acceptable under current rules, we expect proportionality and fairness.

I say to the hon. Member for Mid-Norfolk that I hope that the PCT's engagement with the local community leads to a clear vision about how a shift in health services can be provided, with maximum local support, which leads demonstrably to an improved range of services, particularly for older people. I urge him to consider the fact that moving towards prevention and early intervention is, on the whole, in the interests of maintaining the independence of older people. My ankle will not be shown in the debate, but my door will remain open to the hon. Gentleman as the process evolves in case he wishes to discuss it further with me.

Middle East Peace Process

1.29 pm

Andrew Gwynne (Denton and Reddish) (Lab): First, I draw hon. Members' attention to my entry in the Register of Members' Interests. I am pleased that we are having this debate, and it is a pleasure to see you in the Chair, Mr. Marshall. I thank the Speaker for affording me the opportunity to discuss this issue at this important time. There is always a case to be made for debating the peace process, and this topic comes up frequently in parliamentary debates. I am sure that it will not have escaped the Government's notice that so many Members on both sides of the House display interest in and commitment to this foreign policy issue, and I am pleased that it remains high on the Government's agenda.

The debate is particularly timely, and I hope that it will refocus attention on the positive developments that are being made following the Annapolis conference. This year got off to a difficult start with the deterioration of the situation in Gaza and the dramatic increase in the number of rocket and mortar attacks being fired into Israel. I will return to that distressing situation a little later. First, I remind the House that, despite the unwelcome developments in Gaza, there have been plenty of good-will gestures and confidence-building measures from both President Abbas and Prime Minister Olmert in an effort to sustain the Annapolis momentum and to ensure that dialogue between both sides continues.

Since Annapolis, Olmert and Abbas have had bi-monthly meetings, and Palestinian and Israeli negotiators have continued to sit and talk through the difficult issues on the table in order to realise the objective of reaching final status talks by the end of 2008. I shall return to some of those developments later. First, I shall discuss my experiences of the conflict, drawing on my trip to the region with the Labour Friends of Israel in September. During that visit, my parliamentary colleagues and I spent time in Jerusalem, Tel Aviv and Ramallah. We held extensive meetings with Israeli and Palestinian parliamentarians, academics, opinion formers and Government Ministers. When talking to that wide range of people, the complexities involved in achieving the two-state solution for which we hope were obvious at all times.

The trip took place as early discussions about Annapolis were being considered, and the common message that we got from everyone whom we met was that it was time to act—time to return to the road map and to seize an opportunity for lasting peace. It was obvious why so many felt that way. The deplorable daily suffering of Israelis and Palestinians was making life too hard for too many people, and the impetus was clearly there to seek a sustainable, two-state solution, with both parties living side by side in peace and security. However, despite the renewed efforts made towards peace at the end of 2007, tensions between the parties have been rising in 2008 amid increased violence and casualties.

In January, there was a dramatic increase in mortar and rocket attacks fired from Gaza into Israel, causing several serious injuries, including to an eight-year-old Israeli boy, who lost a leg in a Qassam rocket attack on 9 February. A woman was killed in a suicide bomb attack in Dimona on 4 February—the first suicide attack in Israel for nearly a year. The upsurge in violent attacks on Israel has resulted in mounting pressure on the Israeli Government to take action. As a result, Israel has implemented a number of measures to counter the barrages, and the Israel Defence Forces have launched several incursions into Gaza in the past six weeks, with the intention of targeting militant cells responsible for the rocket attacks. As part of that, Israel closed border crossings into Gaza between 17 and 22 January, and imposed electricity and other fuel restrictions to curb rocket production.

Neither the incursions nor the restrictions have proven effective in stopping the rockets. In the past few weeks, hundreds of Israelis have marched in protest to Jerusalem and Tel Aviv to demonstrate against their Government's inability to put an end to the Qassam attacks. In the wake of those events, it is all the more important that we sustain momentum in the peace process, and I urge the UK Government to ensure that it remains at the forefront of their international agenda.

Mr. James Clappison (Hertsmere) (Con): I congratulate the hon. Gentleman on securing the debate, and I am listening carefully to the powerful case that he is making. Does he agree that the situation for Israeli citizens that he has so movingly described is absolutely intolerable, and that the rocket attacks have continued every day since Hamas took control of Gaza? Should not the international community share some responsibility for holding Hamas to account for causing or permitting those rocket attacks, which are simply intolerable for people in Israel?

Andrew Gwynne: I agree entirely. When we went there in September, we saw the effect on ordinary people living in the towns around the Gaza strip in Israel proper. They are experiencing the barrages on a daily basis, and it is quite intolerable. If they were my constituents in this country, I would demand that my Government did something about it. As a member of the international community, the British Government ought to do all that they can to stop the rocket attacks and to secure daily life for ordinary Israelis who live close to the Gaza strip.

In the wake of such events, it is all the more important that we should sustain the momentum in the peace process. We should actively work to build on the achievements of Annapolis. At the conference, the Israelis and Palestinians committed to meeting their obligations as laid out in the first stage of the re-launched road map, and pledged to agree on final status issues by the end of 2008. General James Jones was appointed as US middle east envoy to monitor the situation and to help Israelis and Palestinians to live up to those commitments. We also welcome the work of our former Prime Minister, Tony Blair, who, as the Quartet envoy, has the difficult task of Palestinian institution-building. We met Mr. Blair when we were out there in September, and he was motivated to try to make the most of Annapolis and to engage the international community fully in this challenge. Some of the fruits of his labour are already being realised.

One of the most encouraging outcomes of the diplomatic momentum engendered by Annapolis was the Paris donors conference on 17 December, at which a total of £3.5 billion was pledged by the international community to support Palestinian institution-building and economic recovery in the next three years. I commend the UK Government for pledging £243 million, which will establish the UK as one of the leading world donors to the Palestinians. The UK has long been at the forefront of

[Andrew Gwynne]

the economic road map. When he was Chancellor, my right hon. Friend the Prime Minister asserted that political progress had to be underpinned with economic development; that has become accepted wisdom for solving the conflict. I hope that, under his leadership, the Government will remain actively engaged in the economics of peace, and will continue to lead the international community in those efforts.

Let us also recognise that both the Israelis and the Palestinians have taken important, confidence-boosting steps to facilitate the negotiations. Israel lifted 25 roadblocks in the west bank in October and released 429 Palestinian prisoners in December. The Palestinian Authority deployed 500 policemen in Nablus in November, which was an important step towards cracking down on militant cells operating in the area. The Fatah-strong force has won local respect for arresting criminals aligned with its own faction as well as with its Hamas rivals. It, along with the rest of the 7,000-strong force in the west bank, has been bolstered by Prime Minister Fayyad's security plan, which is being implemented incrementally and in co-ordination with Israel.

Despite those measures, the west bank is still far from secure, and Israel continues to police Nablus at night. It will not hand over fully to the Palestinian Authority until it can be sure that their forces are equipped to deal sufficiently with the security threat. Ordinary Palestinians still face daily challenges because of the roadblocks. I can partly understand their frustration as they attempt to go about their daily lives. On the other side, however, Israel is reluctant to remove those security measures until it can be sure that it will not suffer repercussions in the form of terrorist attacks.

Richard Burden (Birmingham, Northfield) (Lab): I am following my hon. Friend's comments with care. Does he agree that it is a little troubling that the number of roadblocks and closures has risen in the past three months rather than fallen?

Andrew Gwynne: I hope that those statistics will be reversed as talks between the Palestinians and Israelis continue and as the process gathers momentum. Clearly, at the forefront of Israel's concern is ensuring the security of the state of Israel and of the people who live within its boundaries. However, I take on board what my hon. Friend says about those numbers rising.

Since Annapolis, Olmert and Abbas have met twice a month, and high-level negotiations teams have been set up to discuss final status issues. On Sunday, those teams agreed to set up three committees to deal with civil affairs issues: water and the environment, legal matters and economic subjects. That is an encouraging step, and it is vital that the UK Government continue to support the negotiations in every way possible.

There are plenty of sceptics who are doubtful as to what negotiations can achieve. They criticise renewed American interest as President Bush's search for a legacy. They say that the Israeli and Palestinian leaderships are too weak to deliver, and that the growing political isolation of Gaza spells an end to any peace process. But, in full recognition of the challenges ahead, we cannot let this opportunity pass us by. Whatever the motivations of the Bush Administration, surely the efforts of the United States must be welcomed by us all.

Prime Minister Olmert and President Abbas should be congratulated on the very real work that they are doing to bring the two sides together, and we should do all that we can as British parliamentarians to bolster their efforts. To those who argue that Hamas's Gaza is now a separate entity in the peace process, we need to re-emphasise that a three-state solution is not on the table for negotiation.

We in the United Kingdom and the European Union need to do all that we can to bring Gaza and the west bank back together under the single entity of the Palestinian Authority. I know that some people say that Israel has to deal formally with Hamas as part of the process, but, if that is to happen, Hamas should accept the Quartet's three conditions: renouncing violence and terrorism, respecting past agreements and recognising Israel's right to exist. Until it does, the UK Government should continue to work actively with the Palestinian Authority to strengthen President Abbas and Prime Minister Fayyad, and they should encourage Egypt in its mediation between the different Palestinian factions.

Instead of scepticism, let us recognise and build on the momentum of the past six months. Let us offer our support to all who are working on the plans to exchange land for peace, and let us help to build two viable, democratic states—Israel and Palestine—living side by side in peace and security. Let us be more optimistic about the peace process being back on the agenda.

I am not naively idealistic. Having visited Israel and the Palestinian territories, I am keenly aware of the obstacles that block the road to peace, and of the huge challenges that will need to be overcome to turn hopeful rhetoric into reality. According to the first phase of the road map, the Palestinians must renounce violence in exchange for an Israeli freeze on all settlements. There are many difficulties with that first stage. Prime Minister Olmert has pledged to freeze settlement building in the west bank and immediately dismantle all illegal outposts.

There is, of course, internal settler opposition to the pledges, but more troublesome for the Israeli Government are security fears. Israel's experience of unilaterally dismantling all settlements in Gaza in August 2005 demonstrated that unilateral gestures are ineffective. Therefore, action in the west bank would need to form part of a comprehensive peace package that would safeguard Israel's security.

In the past six weeks, Palestinian violence has escalated significantly. In January, there was an increase in rocket attacks launched at Sderot and the western Negev from Gaza, with 241 rockets fired in that month alone. Two thousand rockets have been fired since Hamas took control of the Gaza strip in June 2007. Ninety per cent. of Sderot residents have experienced a Qassam rocket falling on their street, and 70 per cent. suffer from post-traumatic stress. In the past 18 months alone, more than 1,600 cases of trauma have been recorded.

It is the daily rocket barrages that are the biggest short-term obstacle to peace. When we were there, we visited a mother who was clearly traumatised by her experiences. She wanted us, as British parliamentarians, to see how two near-misses that involved her and her young son had destroyed her and her family's life. It was a truly distressing experience for me, because, as the father of three young children, it brought home the reality of daily life in that part of Israel.

But it is not just the use of Qassam rockets that are of concern. I am particularly concerned about the increasing use of Iranian-produced Katyusha rockets, which are smuggled into Gaza via tunnels from Egypt. They have a maximum range of 20.5 km, and threaten large populations centres in the south of Israel, including the industrial town of Ashkelon, which has a population of 190,000.

Israel has to find a way to halt rockets from Gaza to be able to withdraw from the west bank. One such way is to work closely with Egypt to find, destroy or block smuggling tunnels that run across the border into Gaza by which arms and bomb-making materials are brought into the strip. The British Government must continue to make representations to Egypt and to support the efforts of its authorities.

No sovereign state could reasonably be expected to ignore such daily attacks. Israel has tried everything to protect the civilian population and stop the rockets. Incursions, targeting of rocket-launching cells, fuel blockades and crossing closures have proved futile. Rocket defence systems are expensive and are feared to be incapable of fully preventing attacks. So what is Israel to do?

As domestic pressure mounts on the Israeli Government to take serious action to alleviate the rocket attacks, there is talk of a large-scale ground operation into Gaza as the only option available. Clearly, that concerns me, and I am eager to know how the British Government would respond if Israel was placed in the unfortunate position of having to launch a large-scale operation in Gaza. In the event of such an operation, would the British Government consider supporting a subsequent disengagement of Israel from Gaza, perhaps with the help of a multinational force? I hope that the Minister will shed some light on the British position on the issue.

Israel has been more successful in countering suicide bombings, and there is a clear reason for that—the security barrier. The security barrier is a regrettable consequence of the conflict. I have seen it for myself, and it is ugly and unpleasant. I experienced, for a very short time, some of the discomfort and irritation involved in waiting for hours to cross the fence, and I fully sympathise with those people who have to bear the situation twice a day to go to work or school, or to see their families.

There are areas where the route is contentious, and where the barrier deviates from the internationally recognised green line and cuts Palestinian communities off from each other without any obvious security motivation. Where that is the case, representations have been made to Israel's Supreme Court, and the Israeli Government have been ordered on several occasions to move the route of the barrier. That does not serve as any sort of justification for it, but I hope that it highlights the strength of Israel's democratic institutions.

In March 2002, there were 37 suicide bomb attacks in Israel, most of them in the major cities of Jerusalem, Tel Aviv and Netanya. They claimed 135 lives in one month alone. The sad truth is that the barrier has been undeniably effective in preventing suicide attacks. There has been a 90 per cent. reduction in attacks and a 70 per cent. drop in the number of Israelis killed per year.

Finally, I would like to take a moment to consider the regional stage on which the Israel-Palestine conflict is played out, for it does not exist in a vacuum. The flames of the conflict can be fuelled and fanned by the actions of neighbouring countries. I urge the British Government to continue to support those nations that are willing to engage constructively in the peace process to do so. Saudi Arabia played an important role in the creation of a national unity Government, and, together with the Arab League, re-launched the Arab peace initiative to play a role in future negotiations.

Likewise, Egypt has a crucial role to play. I am sure that the Minister is aware that Egypt can play an important role in preventing smuggling and in policing its border with Gaza, as well as in acting as a mediator between the Palestinian factions of Fatah and Hamas.

However, there are people in the region who appear committed to sabotaging the peace process. The regimes in Iran and Syria continue to support, fund and train terrorists who operate in the middle east and threaten regional stability. Groups backed, bankrolled, armed and, in some cases, even controlled by Iran and Syria include Hezbollah, Palestinian Islamic Jihad and Hamas. Iran's rhetorical attacks against Israel, together with its attempted procurement of nuclear weapons, pose an existential threat to Israel and the wider middle east region.

I commend the British Government for leading efforts to secure a third round of UN sanctions, and I hope that the resolution will be successful when it is voted on in March. It is easy to become cynical about the prospects for resolving the Palestinian-Israeli conflict, which has lasted for decades. We have all witnessed the wax and wane of progress and setback that has characterised the negotiations over the years. However, cynicism and pessimism will achieve nothing. I hope that I have emphasised that our common goal should be to show support for the bilateral peace process, which continues to unfold, between Israel and the Palestinian Authority. The answer to building two viable states—Israel and Palestine—living side by side in peace and security will come from focusing on the positive momentum created by Annapolis, facilitating negotiations between the parties and concentrating on constructive solutions to current problems.

The British Government have shown a laudable commitment to the middle east peace process over the years. I hope that their commitment will continue, in spite of whatever challenges and unwelcome developments lie ahead, for eventually that support and assistance will help in achieving a sustainable resolution with the state of Israel sitting alongside a Palestinian state in peace within the family of nations.

1.50 pm

The Minister for the Middle East (Dr. Kim Howells): As ever, Mr. Marshall, it is a pleasure to serve under your chairmanship.

I congratulate my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) on securing the debate. The middle east peace process, as he has told us, continues to be a high priority for the Government and a topic of great interest to the House. With the support of our Quartet partners, the United Kingdom is committed to supporting Israel and the Palestinian Authority in their attempts to negotiate a peace. We recognise that there are huge obstacles to be overcome. However, 2008 has the potential to be a significant year in the progress towards peace in the middle east. The UK will do all it can to aid that progress.

Since the Annapolis conference in November, for the first time in seven years we are able to talk about a real process. At the conference we saw substantial political movement on both sides. President Abbas and Prime Minister Olmert committed to fortnightly meetings and both restated their commitment to their road map obligations, meaning the improvement of Palestinian security and a freeze on Israeli settlements. The US undertook to monitor the process and all parties agreed to seek to conclude negotiations by the end of 2008. Furthermore, the conference signalled renewed international commitment to the peace process, led by the United States, and President Bush's visit to Israel in January has since demonstrated US support. Annapolis was remarkable for the strong Arab attendance, showing that the Arab world is prepared to be involved in the process in a meaningful way.

As my hon. Friend has told us, Annapolis was followed by the donors conference in Paris in December, which matched political engagement with economic support of £3.5 billion raised in donor pledges for the Palestinian reform and development plan devised by Prime Minister Salam Fayyad, including a UK contribution of £243 million over three years, linked to tangible progress in peace negotiations. Significant contributions were also made by several Arab states, including Saudi Arabia. That money will help to create an economic environment that supports peace and allows the formation of an economically viable Palestinian state.

The political barriers remain considerable. Israel must work harder to implement its road map obligations on settlements. We consider settlement building anywhere in the occupied Palestinian territory to be illegal under international law. That includes Israeli settlements in both East Jerusalem and the west bank. Settlement construction is an obstacle to peace. We support President Bush's view that there should be, first of all, a complete freeze on settlement construction and the removal of outposts. He advocated the removal of outposts and we support him. I have expressed concerns about the issue many times, inside and outside the House. The Foreign Secretary recently made clear our concerns about the matter to his Israeli counterpart, Foreign Minister Tzipi Livni.

The Palestinians, too, must step up their efforts towards implementing their road map commitments. A reformed Palestinian security force will continue to be the key to the success of the peace process. The UK has provided senior advisers to the US security mission and the EU's civil policing mission to help Palestinian security reform. Israeli security and Palestinian hardship can be tackled only through a political process that creates an economically and socially viable Palestinian state at peace with Israel. Those issues must be addressed together.

My hon. Friend asked if we have plans to take part in a multinational force, should Israel decide to mount a large military incursion into Gaza, presumably to help the Israelis retreat from that position after they did whatever they were going to do there. We have no intention of doing that. I saw for myself the situation in southern Lebanon last July during the conflict with Hezbollah. The United Nations Interim Force in Lebanon, which is doing sterling work down in south Lebanon, could never have fought its way in during a bombardment, while parties were firing rockets at each other and slaughter and mayhem were continuing on a huge scale. In those circumstances, it is difficult to get a peacekeeping force in. I reiterate what I said a moment ago: the way forward is through a political process. We intend to try to strengthen the political process and to follow it.

The situation in Gaza makes progress difficult for both sides. Since Hamas seized control of the strip last summer, as my hon. Friend told us, well over 2,000 rockets and mortars—perhaps as many as 2,500—have been fired at Israel from Gaza. We fully accept that Israel has a right to defend itself against rocket attacks. We deplore the fact that Palestinian groups fire rockets out of Gaza with the stated intention of harming civilians; they are not aiming at military targets, but at civilians. However, even in the course of self-defence it is imperative that Israel remains committed to undertaking its obligations in international law.

My hon. Friend knows what it is like inside Gaza—I have heard him speak on the subject before—and that we must find a way forward that protects the interests of innocent Palestinian people living in Gaza as well as looking after the real needs of Israeli citizens in towns and villages in respect of decent security and an absence of bombing. The Foreign Secretary has said clearly that restrictions on fuel or electricity supplies will not achieve Israeli security and that the political aspirations of the Palestinian people will not be furthered by rocket attacks. The UK supports Prime Minister Fayyad's plan to open the Gaza crossings to relieve the humanitarian suffering of the Palestinians.

I should like to take a moment to deal with the events at Rafah last month, when holes were blown in the wall between Gaza and Egypt, demonstrating that attention must be paid to Gaza. There cannot be a settlement if we choose to try to separate off Gaza. We support the Egyptian Government's efforts, in response to the influx of tens of thousands of Gazans through Rafah, to find a peaceful and orderly solution to the situation on 28 January. On that date, with his European Union colleagues, the Foreign Secretary announced support for the proposal by the Palestinian Authority to take control of the crossings and we support the Arab League in that respect. The EU is ready to consider resuming its border mission at Rafah, which has been dormant since Hamas took over Gaza last summer, as soon as conditions allow. As I have said, we want Gaza to be included in the peace process.

The international community must send a clear message that, whatever the disappointments of the past, peace is possible. It is the job of all of us to send a strong signal that we are prepared to play our part in achieving peace. The international community needs to work in partnership with the Israeli and Palestinian leaderships to realise the vision of a just and lasting peace in the middle east.

I have just returned from meeting the Saudis and the Omanis. I was glad that my hon. Friend said that we should try to push aside and eclipse the cynicism that exists, because wherever I go in the middle east or elsewhere in the world there is a huge desire among people to see Israel and the Palestinian people living side by side as prosperous, sovereign states in peace. There must be a way of harnessing that good will and energy.

There are countries that are not playing helpful roles. The fact that the Syrians are supporting the rejectionists in Damascus as well as financing other terrorist groups is worrying—

It being Two o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 27 February 2008

[JOHN BERCOW *in the Chair*]

Israel and Palestinian Territories

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Khan.]*

9.30 am

Mr. Alistair Carmichael (Orkney and Shetland) (LD): It is a pleasure to serve under your chairmanship, Mr. Bercow, and to have the opportunity to address this issue.

It is perhaps appropriate to remind the House of my entry in the Register of Members' Interests, which discloses that in September last year, I was sponsored to visit the Palestinian territories in the west bank and Gaza strip by the Welfare Association UK. It was an eye-opening visit. I have taken an interest in the issue for almost all of my adult life, but I had never been to the area before and the visit made real many of the issues in which I had previously taken only a theoretical interest.

I pay tribute to a few of the people whom I encountered on my visit. I am lost in admiration for the work of Betselm, the Israeli human rights organisation; those working in the field for the United Nations Relief and Works Agency; and the United Nations Office for the Coordination of Humanitarian Affairs. The latter's work on closures in the west bank in particular is essential in providing us with an authoritative and objective analysis of the situation on the ground.

I also place on the record my appreciation of the various interest groups within the Liberal Democrats. Like all parties, we have both a friends of Palestine and a friends of Israel group. My own thinking is influenced by many such groups. I pay tribute to Councillor Monroe Palmer, the chairman of Liberal Democrat friends of Israel. His engagement with the issue and with me is an example from which many in that organisation should take a lead.

I have sought to draw the terms of the debate fairly tightly to the question of settlements within the occupied Palestinian territory and the related question of closures in the area. Obviously and inevitably, the focus of my remarks will be on the application of Israeli Government policy. That lays me open to the accusation that I am not being even-handed in my treatment of the issue, but I ask people not to read into my comments on Israeli policy in this tightly defined debate any significance beyond the generality.

The question of settlement development as an instrument of Israeli Government policy has massive and perhaps fundamental long-term implications for the two-state solution. By its nature, the permanence of the settlements creates that significance.

Michael Fabricant (Lichfield) (Con): Will the hon. Gentleman at least acknowledge that the Prime Minister of Israel, Ehud Olmert, has said that if there could be a lasting peace, and if the road map could be achieved, the settlements that the hon. Gentleman is talking about, which are so contentious, would be withdrawn and demolished, as a number already have been in Gaza and north of Jerusalem?

Mr. Carmichael: Later on, I shall come to Ehud Olmert's engagement with the issue following the Annapolis conference. From what the hon. Gentleman says, I take it that he roughly shares my view—I presume that when he talks about settlements, he means both legal and illegal settlements, in Israeli terms. It is my view that those settlements will need to be removed, which will involve a massive displacement of Israelis who are currently in the occupied Palestinian territories. At present, about 450,000 Israelis live there, so what will happen to them if we return to the 1967 boundaries? About 200,000 such people live in the immediate environs of East Jerusalem. Ehud Olmert and others have made a commitment to a two-state solution, but if we judge them on their actions, we might find that that commitment is not as strong as we would wish it to be.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does the hon. Gentleman recollect that Israelis left all the settlements in Gaza? Indeed, the settlements were demolished and 8,000 settlers were removed, many forcibly, by the Israeli army. However, the consequence was that last year alone 2,000 rockets were fired from Gaza deliberately on civilian targets in Negev.

Mr. Carmichael: I hesitate to draw an immediate comparison between the Qassam rockets, which I unreservedly condemn—I have seen the trauma they cause in communities such as Sderot—and the removal of settlers from Gaza. With respect to the hon. Lady, whom I know has long taken an interest in such matters and whose views I listen to carefully, the situation is more complex than that.

The significance of the removal of settlers from Gaza is important for two reasons. First, it has made it clear that there is a difference in the Israeli Government's attitudes to Gaza and the west bank. Secondly—the real significance—it demonstrates that when there is political will within Israel and the Israeli Government, the removal of settlements is possible. However, political will underpins everything. At present, there is an increase in the amount of settlement building in the west bank, so I see no such political will. As we know from studying conflicts in every part of the globe, without political will, there will be no solution.

Mr. Brooks Newmark (Braintree) (Con): The hon. Gentleman is talking about good will and sending messages, but what good will and messages does he see from Hamas? One of its spokesmen said recently:

"The Hour will not take place until the Muslims fight the Jews and the Muslims kill them, and the rock in the tree will say, 'Oh Muslim, servant of Allah, there is a Jew behind me, kill him!'"

Mr. Carmichael: If the hon. Gentleman is looking for an apologist for Hamas or for that sort of statement, he should look elsewhere; he will not find one in me. As ever when dealing with this situation, to pray one extreme as a justification for another does not really advance the argument.

[Mr. Carmichael]

I have spoken for eight minutes already, and I am being tempted by the hon. Gentleman to stray rather wide of the narrow focus of the debate, although I am delighted that so many hon. Members are present. Normally, when I am in Westminster Hall it is to discuss the most recent round of fishing cuts—curiously, that never seems to attract the same sort of audience.

Entrenchment is what concerns me most about settlement, because it makes the medium to long-term solution in the Palestinian territories difficult to achieve. I hope that the Minister for the Middle East will say something about our ongoing engagement in the area, particularly in relation to settlements. I appreciate that he will speak under certain constraints, but I hope that he addresses either today or at some later date the way in which our diplomatic representatives in Tel Aviv engage with the settler community. It was reported to me recently that the ambassador in Tel Aviv had hosted a dinner in the embassy specifically for representatives of settlements. If that is true—I do not know whether it is—such an approach leaves us open to criticism.

Secondly, when one considers the legality of the situation it seems that we should not permit the marketing and sale in the UK of property in the settlements in the present unregulated way.

David Lepper (Brighton, Pavilion) (Lab/Co-op): Constituents of mine who visited the west bank recently raised with me the role of the Jewish National Fund in acquiring and developing land in the west bank. I believe that the company is registered in the UK. Has the hon. Gentleman formed a view of its activities, and does he believe that it would be appropriate for the Government to look into them, as the company is registered in this country?

Mr. Carmichael: I know nothing about the company, although there may be grounds for investigation. Structures certainly exist in the UK for the propriety of incorporation to be investigated, particularly of limited companies. The company's activities will obviously be prescribed by its articles of association and memorandum of incorporation. That will clearly be the basis on which it can operate, and if it runs wide of that it will be open to criticism.

Jeremy Corbyn (Islington, North) (Lab): I congratulate the hon. Gentleman on securing the debate. During his visit, was he able to discuss the problem of the sale of goods from the settlements in Europe, which is obviously illegal? It follows logically that Israel has put itself in breach of the EU-Israel trade agreement by selling illegally produced goods.

Mr. Carmichael: Yes, that issue was discussed; indeed, it was discussed before our departure and has been again since our return. The engagement of the European Union and the way in which its agreements are enforced causes me great concern. It is something to which the EU could bring a great deal more rigour, and it concerns me greatly that that is not the case. At the end of the day, the bottom line is that continued financial support of settlements, direct or indirect, will make the situation more entrenched, and thus more difficult to resolve.

John Barrett (Edinburgh, West) (LD): I congratulate my hon. Friend on having secured the debate. Does he agree that the subdivision of the west bank by the settlements, the division wall, the razor-wire fences and the access roads makes a two-state solution impossible for as long as those settlements and that division exist?

Mr. Carmichael: That is my concern. Indeed, if my hon. Friend visits the United Nations Office for the Co-ordination of Humanitarian Affairs website, he will see its tremendous maps—I would never have believed how excited people could get about maps until I visited the UNOCHA offices in Jerusalem. When illustrated on a map, the picture is graphic. It is obvious that if the status quo is allowed to persist, there cannot be a two-state solution. We have three Palestinian islands on the west bank—one in the north, one in the centre and one in the south, perhaps linked by tunnels: who knows?—but in no way, shape or form does it appear to be a viable state. For a two-state solution, the two states must be viable within their own boundaries.

I see, Mr. Bercow, that I have taken almost a quarter of an hour. I was concerned that I might not have enough to say; perhaps I should throw away my notes.

Mrs. Ellman: Will the hon. Gentleman give way?

Mr. Carmichael: Yes, but for the last time.

Mrs. Ellman: Does the hon. Gentleman agree that rather than putting forward a counsel of despair he should give full backing to the Palestinian President in his negotiations with the Israeli Prime Minister, which have the backing of the Quartet envoy, and the potential financial support for major investment in the Palestinian state being planned by our Government and other European countries?

Mr. Carmichael: I hope that what I have said so far is not a counsel of despair, although I accept that matters are fairly bleak. From the general situation, I take a degree of hope for this simple reason: the ordinary Palestinian and Israeli citizens whom I met have a will for peace and for a settlement. It comes down to the question of political will to which I referred earlier.

My frustration is that at present neither community has effective political leadership. I am quite happy to support the President of the Palestinian Authority; indeed, I am quite happy to give support to Ehud Olmert as the democratically elected Prime Minister of Israel, but my support does not mean an awful lot. It is necessary for both of them to engage with their own communities and give them leadership to bring about some sort of solution. Frankly, my despair is that I do not see that happening, and my support will not make a great deal of difference.

I turn to the point raised by the hon. Member for Lichfield (Michael Fabricant). According to a report published last week by Peace Now, the Israeli human rights organisation, since the Annapolis conference there has been a dramatic expansion in the amount of building in the settlements on the west bank. In 2002, 315 units were built, and 728 in 2005, and there has been a significant increase since November last year.

The question that comes to mind is whether Ehud Olmert is able, with his Government, to follow through the good intentions that he expresses on the international

stage. Does he have the authority to make them work? He says that there is a freeze on Israeli construction in East Jerusalem, yet it is reported in *Ha'aretz* that the Housing Minister says there is no freeze, which was corroborated by the mayor of Jerusalem, who said that he would not see Jerusalem turned into an illegal outpost.

The Peace Now report to which I referred earlier also deals with demolitions. Settlement construction : only half the story; settlement demolition is the other side. It is apparent from figures published by Peace Now that construction applications from Palestinians to the Israeli authorities result in a 94 per cent. refusal rate, but that 33 per cent. of all demolition orders against Palestinian structures are carried out and only 7 per cent. against Israeli settlements. According to the Israeli central bureau for statistics, only 91 construction permits were granted to Palestinians, yet in the same period 18,472 housing units were constructed in the settlements.

I commend to hon. Members the work of Peace Now and its report, which is thorough and based on the Israeli Government's own figures. I would have liked to say more about the subject, particularly about the impact of the policy on Palestinian communities, but because of the pressure of time I do not feel able to do so.

I turn—regrettably only briefly—to the issue of closures. Again, I commend to the House the work of UNOCHA in the region, and I share with Members a couple of paragraphs from the report of the special rapporteur, John Dugard, on the state of human rights in the Palestinian territories, which was published on 21 January. In paragraphs 34 and 35 of the report, Mr. Dugard says:

"Checkpoints and roadblocks seriously obstruct the freedom of movement of Palestinians in the West Bank, with disastrous consequences for both personal life and the economy. There are 561 such obstacles to freedom of movement, comprising over 80 manned checkpoints and some 476 unmanned locked gates, earth mounds, concrete blocks and ditches."

I saw such checkpoints and roadblocks for myself while I was in the west bank. The report continues:

"In addition, thousands of temporary checkpoints, known as flying checkpoints, are set up every year by Israeli army patrols on roads throughout the West Bank for limited periods, ranging from half an hour to several hours. In November 2007 there were 429 flying checkpoints. Palestinians are subjected to numerous prohibitions on travel and to requirements for permits for travel within the West Bank and to East Jerusalem. Checkpoints ensure compliance with the permit regime. These restrictions violate article 12 of the International Covenant on Civil and Political Rights which has been held to be binding on Israel in the OPT"—

the occupied Palestinian territories—

"by the International Court of Justice in its Advisory Opinion on the construction of the wall."

Michael Fabricant: May I take this opportunity to congratulate the hon. Gentleman on securing the debate?

I understand precisely the points that the hon. Gentleman is making about the checkpoints, but does he not also accept that every state has a duty of care to protect its citizens? Since 2000, more than 1,000 people in the region have been killed by suicide bombers and other terrorist attacks. God forbid that a similar situation should exist in the United Kingdom, but if it did would we not have to have checkpoints, too? Would it not be our duty to protect our citizenry?

Mr. Carmichael: Of course Israel has a right to protect its citizens. Equally, however, Israel should not be in the west bank in the first place, because that, of course, is an illegal occupation under international law. The hon. Gentleman will also be aware—if he is not, I again commend him to the UNOCHA website and its maps—that a vast number of the checkpoints are well distant from the Israeli border.

There is a question of proportionality. I recognise that there is a threat to Israeli citizens from suicide bombers and of course Israel is entitled to enforce defence against that type of attack. However, the hon. Gentleman must not forget that it is not just Israelis who have been killed since 2000; a substantial number of Palestinians have been killed, too. I do not even know if data on the number are gathered centrally.

Furthermore, the disproportionate effect of the wall, the checkpoints and all the rest of the defences on the daily life of Palestinians living in the west bank really shows, quite graphically, that it is not an even-handed situation. If Israel is serious about achieving a long-term solution, it will have to accept that it will have to live side by side with Palestinians and that oppression of that type will never bring any such long-term solution.

There is a lack of proportionality, particularly in the way that the Israeli defence force operates, as I have seen for myself. I saw how our Palestinian driver, who was in a badged United Nations vehicle, was treated by what looked like a 19-year-old Israeli conscript from the IDF. For me, sitting there with my British passport and all the rest of my identification, it was an intensely frightening and disturbing experience. Goodness alone knows what it must be like for an ordinary Palestinian citizen with none of the protections or the UN-badged vehicles that I was privileged to enjoy.

Mr. Bercow, I have taken rather longer than I intended, but I hope that I have been able to address the issues raised by other hon. Members. There is much more that I would love to say and doubtless I will on other occasions, but in the interests of allowing a wider debate I conclude my remarks at this stage.

Several hon. Members *rose—*

John Bercow (in the Chair): Order. No fewer than six Back-Bench Members have indicated to me that they want to speak. Colleagues should be aware that I will need to call the Front-Bench winding-up speakers at, or very close to, 10.30 am. Hon. Members are perfectly capable of doing the arithmetic for themselves; a certain self-denying ordinance is required and I should very much appreciate it if they tailored their contributions accordingly.

9.55 am

Martin Linton (Battersea) (Lab): Thank you, Mr. Bercow. It is a pleasure to have you in the Chair today.

I start by congratulating the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing this debate. I, too, was on the visit of the all-party parliamentary group on Palestine last September, and I would like to thank Welfare Association UK, which enabled that visit to happen. I would also like to commend the United Nations agencies in the region, particularly UNOCHA—the United Nations Office for the Coordination of

[Martin Linton]

Humanitarian Affairs—and the United Nations Relief and Works Agency, especially John Ging from UNRWA, who briefed us while we were there and looked after us. I would also like to thank Julia Wickham and Allan Hogarth of Amnesty International, who accompanied us on the visit.

I should also say that, although we were a group of Liberal Democrat and Labour MPs, that was not intentional. There was a Conservative group of MPs that visited the same places the following week, staying in rather better hotels, I think, but they were briefed by exactly the same people. I hope that we will hear from Conservative MPs about their experience during the debate. Of course, the week after their visit there was also a visit by Tony Blair, on behalf of the Quartet, and he was briefed by the same people.

I should say at the outset that I deplore the habit that people have got into of calling other people either pro-Israeli or pro-Palestinian, as though the two were mutually exclusive. I regard myself as a friend of Israel every bit as much as my hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman) does, and I also regard myself as a friend of Palestine. It is really as a friend of Israel that I think that we should be urging the Israeli Government, in their own interests as much as in the interests of justice, to stop expanding the settlements, because they cannot expect the Palestinians to engage in meaningful negotiations at the same time as they are encroaching every day on yet more Palestinian land. It is like asking people to play football while moving the goalposts.

It is the continuing expansion of settlements that cuts the ground from under the feet of moderate Palestinian politicians, metaphorically as well as literally, and strengthens the extremists. The Secretary of State for Foreign and Commonwealth Affairs, my right hon. Friend the Member for South Shields (David Miliband), saw the bulldozers and cranes still at work building new settlement houses when he travelled from Jerusalem to Jericho last year, through the settlement of Ma'ale Adumim, which is now a town of some 30,000 inhabitants about six miles to the east of Jerusalem. When I asked him about his trip in the Commons, he said that he took comfort from a speech made by the Israeli Prime Minister, Ehud Olmert, the preceding week, in which Mr. Olmert promised, as a confidence-building measure, to fulfil his responsibilities under the first phase of the road map, which my right hon. Friend understood to mean that he would stop building in the settlements.

However, when one looks more closely at what the Israeli Prime Minister said, one finds that he did not actually promise to stop building; what he promised to do was to stop expanding the outer boundaries of settlements, but to continue building within them. Therefore, I fear that that is an empty promise, since all the Israeli settlements have large areas set aside for future building. Next to Ma'ale Adumim, there is an area known on the maps only as E1, which is a military area closed to Palestinians but is also, in fact, reserved for future expansion of Ma'ale Adumim, and it could take more than another 30,000 settlement houses.

All the other settlements also have areas reserved for future expansion. In fact, a study by the World Bank found that, although the built-up areas of settlements cover only 3 per cent. of west bank territory, the municipal areas around them cover 9 per cent., and then there are areas called reserved settlement jurisdiction, which cover a further 9 per cent. When we add the closed military areas and the various other categories, we find that nearly 50 per cent. of the west bank is closed to nearly all Palestinians. The state of Israel already occupies 77 per cent. of the land of the Palestine mandate, so if and when the Palestinians get their own state with the 1967 boundaries, they will be renouncing their claim to 77 per cent. of the mandate area and agreeing to occupy and live in only 23 per cent. of it.

I sometimes wonder how the English would react if we were confined to 23 per cent. of our original country. Let us imagine that the original inhabitants of England were cooped up in an area the size of Wales, which is proportionately the same size as the area that we are talking about.

The Minister for the Middle East (Dr. Kim Howells): Mr. Bercow, you are a student of history, so you will know that that is exactly what happened to the Welsh people.

Martin Linton: That is the very point that I was about to make. Over the past 2,000 years, that is what has happened to the Welsh, and I look to them to understand how the Palestinians must feel about what has happened in the Palestinian territories.

As well as imagining that the Welsh were confined to Wales, we would have to imagine a wall that sometimes strayed far west of Offa's dyke, in addition to English-only roads leading to English-only settlements deep inside Wales. We would have to imagine pass laws that prevented Welsh people from visiting their relatives in England, as well as an English Cardiff from which the Welsh people were banned. The Palestinian people see such things every day, but it is difficult to explain that to people in this country without drawing such an analogy.

Michael Fabricant: The hon. Gentleman makes an interesting analogy, with which I identify very much as someone who is half-Welsh. However, he is not making a direct comparison, because his analogy does not suggest that Welsh people would be coming over to England to blow themselves up. That, however, is the reality on the ground in Israel, and it is very different from his analogy.

Martin Linton: If the Welsh people were treated in the way that I described, they might do that—I do not know. The only incorrect thing about my analogy is the size, because England is much larger than Israel. Wales is, in fact, exactly the same size as Israel, so if we wanted an analogy that was to scale, we would have imagine that most of the original population of Wales had been squashed into an area the size of the west bank and Gaza.

It so happens that there is a county in Wales that is the same size as the west bank, Powys, and a city the same size as Gaza—Swansea. We could easily imagine all the original inhabitants of Wales being pushed into Powys and Swansea or crammed on to the Gower peninsula and into the mountains of Powys. We would then have to imagine the dominant power—let us leave aside who that might be—building 133 settlements in

Powys, with another 100 unofficial outposts and a row of houses on the top of every hill or mountain in the Brecon Beacons. We would have to imagine that most of the roads had been taken over for the exclusive use of settler communities, with the Welsh confined to the mountain roads and the dirt tracks. We would have to imagine the settlements cutting so far into the Usk and Wye valleys that it would be impossible for Welsh people even to get from Brecon into Radnor or from Radnor into Montgomeryshire.

What started as a single country would therefore end up divided into three almost completely separate blocks, and that is exactly what has happened in the west bank. It is almost impossible for Palestinians to travel between the separate parts of the west bank.

Mrs. Ellman: Does my hon. Friend not think that he is doing the people of Wales a great disservice? Is not the nub of the Israeli-Palestinian problem that peace has been thwarted by Palestinian terrorists determined to kill as many Israelis as they can, with the deliberate objective of ruining peace initiatives?

Martin Linton: We do not have to know much about Welsh history to know that the Welsh would fight tooth and nail to protect the remaining 23 per cent. of their territory if they were put in the position that I described. They would fight even more bitterly if the settlements gradually expanded until they were left with only half their original land. That is what is happening in the west bank, and the Palestinian west bank state as it now exists is only 12 per cent. of the original area of the Palestine mandate.

We must face the fact and make people in this country understand that all settlements in the west bank are illegal under the fourth Geneva convention. On top of that, the Israeli Government have accepted the road map, under which they should—this is a quote from the road map—

"freeze all settlement activity, including the 'natural growth' of existing settlements."

What has actually happened is that the number of settlers in the west bank has doubled since the Oslo agreement from 125,000 to 250,000.

This month's report from the Israeli organisation Peace Now, which the hon. Member for Orkney and Shetland quoted, shows that settlement activity has intensified around East Jerusalem even since the Annapolis conference in November, when the Israeli Prime Minister promised to stop expansion; indeed, activity has increased exponentially, compared with the previous five years. A ring of new Israeli settlements is planned in East Jerusalem, in another clear attempt to change the geographical facts on the ground.

My hon. Friend the Member for Liverpool, Riverside is right that 8,000 settlers were withdrawn from Gaza, but that number pales into insignificance compared with the 30,000 settlers who have been put into the single settlement of Ma'aleh Adumim in the west bank, and there is room for as many again. That is the litmus test for the Israeli Government. They can defend themselves against most of the accusations thrown at them by talking about security: they need a wall for security, they need checkpoints for security, they need to prevent Palestinians from coming into Israel for security and they need to keep Palestinian cars off the settlers' roads for security. We may not always accept the argument, but I agree with the hon. Member for Lichfield (Michael Fabricant) that no one can deny the Israeli Government's right to put Israeli citizens' security first, at least in their own country, and we would do exactly the same. However, the expansion of settlements has nothing do with the issue of security: building more houses in the west bank does not make Israel more secure and nor does putting Israeli settlers in the centre of a Palestinian city such as Hebron.

So why do the Israelis do it? The BBC "Today" programme asked that very question of the Israeli ambassador last month, and I have a transcript of the conversation. It is an absolute master-class—

John Bercow (in the Chair): Order. I am listening with great interest and respect to the hon. Gentleman, but may I just point out that he has been speaking for 12 minutes? If he were able to finish very quickly, and if everybody else who wanted to speak were able to confine themselves to five minutes each, everyone would be able to speak.

Martin Linton: Thank you, Mr. Bercow. I will do my best to draw my remarks to a close.

The transcript of the BBC interview is an absolute master-class in avoiding questions and it should be used as training material for Cabinet Ministers. The point is that there is no answer to the question why the Israelis continue to expand the settlements, and although they remain committed to the road map on paper, it is difficult to believe, looking at the size and number of the settlements and the infrastructure that has been put in place, that they will ever give them all up in practice.

The best thing that I can do in drawing my remarks to a close is to answer the point made by my hon. Friend the Member for Liverpool, Riverside about terrorism. Terrorism is a very real threat. We visited Sderot, which is the one town within striking distance of Gaza and which has been suffering a rain of rockets ever since the Israeli withdrawal from Gaza. The Israelis have a perfectly legitimate point when they say that their fear, if they pulled out of the west bank, would be that they would get even more rockets from even closer to main population settlements such as Tel Aviv. I can understand that logic, but I would put another logic against it. They have allowed Gaza to become impoverished, with 80 per cent. unemployment and 80 per cent. reliance on United Nations food rations. That is why the rockets have kept coming. It is not an excuse, but it is an explanation.

If the same policy of impoverishment is followed, by the strangling of the economy of the west bank through the closures, which is what is happening at the moment, the same thing will happen in Gaza and Hamas will be elected there, as well. There are already terrible levels of unemployment among Palestinians in the west bank, and the same process is going on. It is vital that people in this country should understand, and that our Government should make it clear to the Israeli Government, how important it is—I look forward to the Minister's response on this—that they should stop expanding the settlements, in their and everyone's interests, as the first step toward removing them.

10.11 am

Mr. Douglas Carswell (Harwich) (Con): I shall take three minutes, if I may.

Israel is often criticised for its policy on settlements and the closure of territories. It is easy to make those criticisms, but I believe that they are unfair and that the UK Government must not join in with them. What else is Israel supposed to do? Her actions are essentially defensive, not aggressive. Israel has dismantled settlements in trying to seek a two-state solution, limited the growth of settlements and removed illegal posts. In Gaza Israel went so far as to remove posts, despite considerable criticism within Israel for doing so, and has been paid for that with numerous rocket attacks.

As for the closure of territories, it is easy to portray the erection of the security barrier as a hostile act. We have all seen the photographs of the 5 per cent. of the wall that happens to be made of concrete, but again I believe that Israel's actions are essentially those of a defensive liberal democracy. It built the security barrier to prevent suicide bombings and sniper attacks. What would the Government of any western democracy do? I believe that, if the United Kingdom bordered not the North sea, St. George's channel or the Irish sea, but territories that Israel borders, and if there were numerous suicide attacks from within those territories, we would similarly want to put up a security barrier.

John Barrett: Does the hon. Gentleman agree, however, that the natural place to build the security barrier would be on the borders of the neighbouring country, and not within its territories?

Mr. Carswell: That is an easy point to make, but I have visited Israel and the west bank and I found it interesting that, although it is easy to talk about where the barrier should be, and about the 1967 barrier, one is quite often talking about someone's back garden, where a family happen to spend their afternoon. I simply do not agree about the issue. The barrier needs to be built where it will provide security, not where we, using very outdated maps that take no account of an expansion, think it should go. Having said that, where there are disputes in Israel and Palestinians have objected to the siting of the barrier, there is judicial scrutiny. The process is not arbitrary. There is a mechanism that allows people who are concerned about where the barrier is being built to challenge the decision through the courts.

Mr. Carmichael: On judicial scrutiny, the hon. Gentleman will be aware—indeed, I have made reference to it in my speech—of the view of the International Court of Justice about the wall. Is that not judicial scrutiny that should be observed by Israel?

Mr. Carswell: I am not a great fan of that institution. As for the idea that remote international judges should make the decisions for a democracy, Democratic Governments and national judiciaries should make decisions, and should be accountable to the people. When Hamas abides by all the decisions of international bodies I shall be happy to put pressure on democratic Governments to abide by them, but it is slightly unfair to expect one side to conform to international law when another so clearly violates its principles.

When I hear people posturing against Israel, I sometimes wonder if it tells us more about the person doing the posturing than about the reality in the middle east. It is nice, particularly for politicians, to find a righteous cause or a bee in their bonnet to go on about, but Israeli-bashing is no righteous cause. Israel is a liberal democracy. The UK Government's policy should be to support it against those who want to destroy it. We should stop believing the fallacy that a small country the size of Wales is somehow responsible, and is somehow the big obstacle to peace in the middle east. We should seek peace and should note that Israel has made peace with every neighbour—Egypt and Jordan—that has been willing to do so. Where there are stable and responsible Governments, Israel has made peace. Israel is unable yet to find a lasting peace in the west bank, or with Gaza or south Lebanon. That tells us more about the tyrants who run those territories.

10.15 am

Jeremy Corbyn (Islington, North) (Lab): I am utterly astonished by the contribution that we have just heard: it seems that if we are not fans of international institutions and treaties we are free to break those treaties. The reality is that Israel is in breach of international law by the construction of the wall. As for the idea that it is a poor benighted country, I remind the hon. Member for Harwich (Mr. Carswell) that it is the world's fourth largest arms exporter; it is in possession of 200 nuclear warheads; it is quite capable of taking part in—and frequently does take part in—military attacks on Palestinian places; and, tragic as every death is, including those of Israelis who die in rocket attacks, the death rate is far higher for Palestinians than for Israelis. This is not a struggle of equals, but a war of occupation by Israel of the Palestinian territories.

I pay tribute to the hon. Member for Orkney and Shetland (Mr. Carmichael) for securing the debate, for going on the visit last year, and for choosing the subject of settlements. Those settlements are not an aberration by a few people in Israel who have chosen to live in the west bank or, in the past, in Gaza. They are part of a long-term strategy. Ariel Sharon, who has been around for a very long time, said this in a letter written in 1973:

> "We'll make a pastrami sandwich of them. We'll insert a strip of Jewish settlements in between the Palestinians, and then another strip of Jewish settlements right across the West Bank, so that in 25 years, neither the United Nations, nor the USA, nobody, will be able to tear it apart."

I have visited Gaza and the west bank many times, and have visited many towns in Israel on many occasions. Is it right that those settlements, with their red roofs and red buildings, with walls around them and special settler roads that Palestinians cannot travel on, should increasingly be dotted all over the west bank? Is it right that the Jordan valley near Jericho has now been occupied and taken over by Israeli agricultural settlements? Is it right that Palestinians simply cannot travel from their homes to a place of work without being stopped? Is it right that an army should come in and stop people going about their legitimate business, and hold up farmers

for days on end with their produce, so that it rots in the sun and is therefore of no marketable value? That is the reality of the occupation. That is what the settlement policy is about. I hope that every hon. Member of this House would begin to have some sympathy with an ordinary Palestinian who had to endure that humiliation every hour of every day.

John Barrett: Does the hon. Gentleman also agree that another key factor is the domination of the water supply in the region, because the amount of water being used as a result of the building of the new settlements is further impoverishing the Palestinian people?

Jeremy Corbyn: Absolutely; that is a very good point. The settlements are situated in places with water; that is why they are put there. The water supply is then taken over, preventing neighbouring Palestinian farmers from getting it. The situation in the Jordan valley is disastrous. The massive rate of abstraction of water from the River Jordan—partly by Jordan, but also in large measure by the Israeli settlements—means that the Dead sea is disappearing at the rate of 1m to 2m a year. That is the reality of the question of water in the Jordan valley. On the west bank itself, nearer to Jerusalem, the situation is the same.

I shall be brief, Mr. Bercow, as I can see you nervously looking at your watch and looking around, and I should not want you to be any more stressed than you are now. I just want to make one point to conclude.

From a point when we could have achieved a settlement on a two-state basis, the Israeli settlements in the west bank have grown apace. As the hon. Member for Orkney and Shetland pointed out, the increase in the number of settlements in the west bank is far greater than the number withdrawn from Gaza. Bit by bit, day by day, hour by hour, East Jerusalem is being annexed by Israel, so that in a very few years' time it will no longer be recognisably part of Palestine or a Palestinian city, but an extension of Israel. It is an occupation. Surely to God, everybody can understand that an occupation is wrong and illegal. If a state wants peace, it does not occupy, encircle, impoverish and imprison its neighbours, but talks to and respects them. However, the former is exactly what is happening.

Several hon. Members *rose—*

John Bercow (in the Chair): Three people are still seeking to catch my eye. If hon. Members are willing to confine themselves to three or, at most, four minutes each, all three will get in. Members can do the arithmetic for themselves.

10.21 am

Mr. Brooks Newmark (Braintree) (Con): I hope that you shall indulge me a little, Mr. Bercow, but I shall try to abide by your wishes.

I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing this important debate, which it definitely is. He made a passionate case based, in part, on his own experience of Israel and the occupied territories. I last visited Israel and the west bank in November last year—a month or so after his visit—and I hope that I, too, hold an informed view of the situation. Nevertheless, this debate is notorious for often generating more heat than light—to use a hackneyed phrase. It is difficult to judge the point at which passion gives way to something less edifying, but it is probably true that, in any debate involving Israel's settlement and security policies, the more heated the argument becomes, the less enlightened its outcome is likely to be, which is why I found my most recent visit to Israel and the Palestinian territories, organised, but not paid for—I hasten to add—by the Portland Trust, to be a valuable experience.

The Portland Trust's remit is to promote peace and stability between Palestinians and Israelis through economic co-operation and development. That strikes me as a laudable and pragmatic aim, and one that is well equipped to avoid the worst excesses of both religious ideology and inflammatory rhetoric. The trust employs staff from both the Israeli and Palestinian communities who are able to work together to their mutual benefit, because they believe that building metaphorical bridges is a better alternative to building territorial barriers.

Israel faces a Hobson's choice. It knows that, whatever policies it pursues in order to guarantee short-term security, the only long-term solution is a viable two-state one. There should be no mistaking that Israel is prepared to live in peace with its neighbours and to go the extra mile to achieve that peace. The Palestinian people face a similar choice, as they have all along—whatever else they do, they must first renounce terrorism in order to secure peace.

Regardless of who holds elected political office, the choices before the Palestinian people can no longer be dictated by article 13 of the Hamas charter, which states that

"there is no solution to the Palestinian problem except by Jihad."

In the meantime, it is not helpful for hon. Members, or indeed anyone else, to huff and puff about apartheid, or to use similar analogies, which are neither accurate nor warranted, given that 20 per cent. of full Israeli citizens are Arabs and that the country has the benefit of both a free press and an independent judiciary.

Even in an age of ethical relativism, however, some moral certainties are still in play in this debate. One of them is that the state of Israel has the right to peaceful existence within secure borders. It is regrettable that Israel has needed to construct a barrier to control movement across the west bank border, but there can be little doubt that the need was real and that the policy has been a striking success in improving the immediate security situation. Israel has a proven track record in dismantling settlements in the occupied territories, but, as we heard earlier, the withdrawal from Gaza has been repaid with renewed terrorist atrocities. At the current rate of fire, by the end of 2008 4,500 rockets and mortar shells will have been fired by terrorist organisations from Gaza alone. Given those statistics, it is hardly surprising that Israel's current guiding principle in deciding upon further withdrawals is "once bitten, twice shy". Another certainty is that Israeli citizens have the right to live without fear of attack. Already this year, 31 Israelis have been killed or wounded and the daily strike rate reached its highest ever level in January.

If we are to achieve peace, we must do it through building economic bridges. The Palestinian reform and development plan was presented to the international

[Mr. Brooks Newmark]

community in December last year and will offer both institutional reform and economic and social development, with the support of the World Bank and thanks, in part, to a pledge of $500 million from the British Government. There is an acute lack of affordable housing for Palestinians in the west bank, exacerbated by high levels of unemployment and high construction costs. Some 200,000 housing units are needed in total, with 25,000 needed in the Ramallah region this year alone.

Another significant challenge is the prohibition of new Palestinian building on land designated as area C under the Oslo agreement because such land remains under full Israeli civil and military control. One consequence of that restriction is that in the third quarter of 2007 licences for just 2,109 new dwellings were granted, which is itself a 31 per cent. decrease on the third quarter of 2005.

I appreciate the reasons why the hon. Member for Orkney and Shetland called for this debate, but it would be progress indeed if settlements on the west bank included the need for further affordable homes for Palestinian families. I hope that the Minister will join me in recognising that the Palestinian people need more than just the removal of Israeli settlements from the west bank and an easing of travel restrictions. They also need more fresh investment in their own communities, and they deserve the support of the British Government in securing it.

Several hon. Members *rose—*

John Bercow (in the Chair): Order. Front-Bench spokesmen have been extremely co-operative, and I am grateful to them. The result is that I need to start the Front-Bench winding-up speeches no later than 10.34 am. I would like two speeches in that time, but I am in the hands of hon. Members, in particular those of the hon. Member for Liverpool, Riverside (Mrs. Ellman).

10.27 am

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): It is certainly the case that this debate is on a very unpalatable and unpleasant situation. However, it is very important to understand the context, which is the outcome of the defensive war that Israel fought in 1967 when the Arabs threatened to throw the Jews into the sea. At the end of that war, the Khartoum conference was held by the Arab states at which the three "nos"—no recognition, no negotiation and no peace—led to the beginning of the settler movement, which I have always opposed and which has had negative consequences. It is important to accept, however, that since then Palestinians and other Arab states have mainly been unwilling to accept Israel's existence. Terrorism has deliberately set out to ruin the various attempts to reach a negotiated peace.

Israel has shown itself willing to withdraw from occupied territories: it withdrew from Egypt in 1979 when it dismantled its settlements in Sinai; from west bank towns, such as Jenin, Nablus and Jericho, before the Oslo peace accords were ruined by terrorist attacks; and from Gaza. It is important to recognise that the former representative of Yasser Arafat in Jerusalem, Sari Nusseibeh, stated in his recently published book that the former "blew it" at Taba when the 2000 peace negotiations failed.

It is also important to recognise that there are genuine security concerns. More than 1,100 Israelis have been killed since 2000, many of them through deliberately targeted suicide attacks. The much maligned security barrier—a regrettable necessity—has resulted in a 90 per cent. reduction in the number of people killed by suicide attacks. Incidents such as that at Soroka must be remembered. I refer to a Palestinian woman and her children who were treated for weeks on end at the Soroka hospital in Beersheba. She was stopped at a checkpoint and found to have explosives attached to her. She was on her way to the hospital to blow up the very people who saved her life and those of her children.

We know of many instances in which explosives have been smuggled into the occupied territories. There is the recent example of 6.5 tonnes of potassium nitrate being stopped, disguised as European aid in sugar bags. All those things show that there are genuine security concerns about people who still do not accept the existence of Israel and want simply to kill Israelis. I was pleased that as a good-will gesture, the Israeli Government dismantled a number of checkpoints and barriers prior to the Annapolis negotiations, and I hope that more can be done.

What should happen now? Both sides should honour their commitments. The Palestinians should honour their commitments to cease violence and the Israelis should stop the expansion of settlements and pull down the illegal outposts. The checks required at checkpoints should be commensurate with security and no more should be put in place.

The teaching of hatred by Palestinians towards Jews should end. Particularly disgraceful is the current teaching of hatred to children on Palestinian television stations, where Farfour, the Mickey Mouse figure, advocates martyrdom. Recently, on a young children's programme, Assud the Bunny stated:

"We are all martyrs. We will get rid of the Jews. I will eat them up."

A child presenter on the Palestinian TV station al-Aqsa stated that they will liberate the viewers from the "filth of those Zionists". As long as the Palestinians teach young children such hatred, there cannot be a great deal of hope for the future.

It is essential that the Annapolis negotiations continue and that two states live side by side in peace and security. There must be a political settlement that involves the withdrawal from territories in exchange for peace, a sharing of Jerusalem and the resolution of the refugee issue. It must involve massive economic investment, as the hon. Member for Braintree (Mr. Newmark) stated. I agree with all that he said. To save people's lives, it is essential that everybody recognises that the only valid way forward is a negotiated peace on the basis of two states. I am sorry that it has been so long in coming, but I sincerely hope that the Annapolis negotiations lead to an end that should have been achieved long ago.

John Bercow (in the Chair): For just under two minutes, I call Mr. Michael Fabricant.

10.32 am

Michael Fabricant (Lichfield) (Con): This has been an enlightening but often very polarised debate, as these sorts of debates often are. It has been nice to hear

the hon. Member for Liverpool, Riverside (Mrs. Ellman) and my hon. Friend the Member for Braintree (Mr. Newmark) talk about a balanced approach.

I have been somewhat appalled by some things that have been said. The hon. Gentleman over there quoted Ariel Sharon. *[Interruption.]* What is the constituency?

Jeremy Corbyn: Islington, North.

Michael Fabricant: The hon. Member for Islington, North (Jeremy Corbyn) quoted Ariel Sharon from 1973. At that time Ariel Sharon was a general, and it was immediately after a successful invasion by Egypt of the Sinai. At one point, it was thought that the Israeli army would collapse. Yes, what he said was wrong. Yes, it was extreme. However, to apply the comments of Ariel Sharon in the context of the events of 1973 to the present day is ridiculous, extraordinary and completely irrelevant. The point is that the Palestinians need justice. They need to be assured that they will live in peace and security. However, the point that many hon. Members have made today is that Israel equally deserves that assurance.

The hon. Member for Orkney and Shetland (Mr. Carmichael), who initiated the debate, called in aid a quotation from the newspaper *Ha'aretz*. He is able to quote from that newspaper because Israel is a free, liberal democracy that has a free press. It is interesting that different things are said by different Ministers, but we see that in this country. Is that not a good thing? Perhaps not for the Government, but it is a good thing, because this country, too, enjoys a liberal press.

The hon. Member for Battersea (Martin Linton) drew a strange analogy with the English and the Welsh, but that is not the same situation. There has been talk of a Palestinian mandate. That mandate was created in 1948. It was a very difficult situation then and it has become even worse. There will be peace only when both sides recognise the right to live. That means the prevention and cessation of the Qassam rocket firing and the suicide bombings.

John Bercow (in the Chair): I am very grateful to the hon. Gentleman. I call Willie Rennie.

10.34 am

Willie Rennie (Dunfermline and West Fife) (LD): I see that you are getting more agitated as the debate progresses, Mr. Bercow. You have had to bring your calculator into the debate so that hon. Members know what time limits are required. Leaving them to make their own calculations in the first place was the initial mistake, but I am sure that you will not make it again.

I congratulate my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) on the way that he introduced the debate. Despite the taunting on numerous occasions, he has managed to de-escalate the debate. As we have seen this morning, passions are very strong on both sides of the argument. The hon. Member for Battersea (Martin Linton) said that it is not mutually exclusive to be a friend of Israel and a friend of Palestine. That is important for us all to remember, because if we are to seek a solution to this problem, which has been protracted over many decades, we will have to be the friend of both.

The hon. Member for Braintree (Mr. Newmark) said that the more heated the debate becomes, the less enlightened it becomes. That, too, is true. We need to de-escalate, as my hon. Friend did on numerous occasions when introducing the debate. He told us about his first visit to Palestine, which was only last September, despite a lifelong commitment to the cause. He set out his case extremely well and said that the visit was not a counsel of despair: it was bleak, but there was a degree of hope.

There have been excellent contributions from the hon. Members for Harwich (Mr. Carswell), for Islington, North (Jeremy Corbyn), for Liverpool, Riverside (Mrs. Ellman) and for Lichfield (Michael Fabricant). The contributions shortened as time went on. My hon. Friend the Member for Orkney and Shetland alluded to the Palestinians' difficulties with the 563 physical obstacles that are in place, which include checkpoints, roadblocks, earth mounds, trenches, fences and gates on the roads in the west bank. There are also external closures with 13 designated barrier crossing points, 11 of which are for people.

I found the permits system extremely bizarre. Under it, permits are allowed only for over-35s who are married with at least one child. They must have no security record and they must have an employer within Israel. Each permit lasts for only three months. When people with permits do try to cross the external closure, they have to wait for a very long time. There is also the back-to-back system of passing goods from one side to the other. All those things make it difficult for business and the economy to thrive. In 2006, the crossing points were closed for 91 days, and many are not operational for long periods. That has had a dramatic effect on the number of Palestinians who are able to work in Israel. It has dropped from 140,000 in 1999 to 64,000 in 2006.

We need to ensure that this is a balanced argument and that we also understand the difficulties that people in Israel face. There have been in Israel many rocket attacks and deaths, particularly of children, over a protracted period. Israeli politics is fluid. One coalition partner recently left the coalition, making the whole situation extremely fragile. The Government now have only 67 of 127 seats in the Knesset, so they always have to watch their backs in the politics of their own country. We must be cognisant of both sides' difficulties in this affair and of the insecurity and fear within the populations on both sides.

We have missed numerous opportunities with the various ceasefires and treaties that have been in place. The fact that there is now a unity Government between Hamas and Fatah does not seem to have delivered any results in terms of a return to peace. The road map was allowed to slip in a hopeless way, and the fact that it took President Bush seven years to consider this issue a priority for his term in office was a disgrace. There has also been a host of initiatives over the years: the Annapolis conference, the Oslo accords, the road map, various UN resolutions, the Quartet and the involvement of our former Prime Minister. However, that never seems to result in much progress, or it is a case of one step forward, two steps back. The Palestinian-Israeli issue is a festering sore in the whole middle east, and we need to prioritise it to ensure that all sides give it the weight that it deserves.

The rhetoric is easy, and we all know the elements that need to be in place: the two-state solution, the ceasefire on both sides, the building up of security and a

[Willie Rennie]

growing economy and the public sector. Those things are easy to say, and there is no point in trading the number of casualties on either side, which does not get us much further toward finding a solution. We need the Arab League to be more involved, and we need to ensure that the security barrier is not constructed any further and that the number of Israeli settlements is reduced.

In what order those things should happen is a matter for debate—the question is how we implement the policy proposals that the rhetoric is about. No matter in what order we put them, somebody will always say, "They have to do this first before we do this." There must be common agreement about how to proceed. It is easy to say those things from this Chamber, but much more difficult to implement them in practice.

10.41 am

Mr. David Lidington (Aylesbury) (Con): I welcome you to the Chair, Mr. Bercow, and I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing the debate. I refer the House to my entry in the Register of Members' Interests regarding my visit to Israel and the west bank last December.

The House has been divided on many issues today, but underlying the speeches made has been agreement from practically everybody that as part of an overall peace settlement between Israel and the Palestinians, the settlements, roadblocks and road closures need to go. I agree with that for three reasons. First, as a matter of principle, the settlements are unlawful under international law. The relevant United Nations resolutions and the various attempted peace agreements, most notably the road map, have always envisaged that, subject to any agreement between the two parties to vary the complete dismantling of settlements, they should be removed as part of an overall peace agreement.

Secondly, there is a running political sore. The hon. Member for Battersea (Martin Linton) was slightly unfair and underplayed the genuine fears in Israel about security and continuing terrorism. However, he was accurate in his description of how ordinary Palestinians experience roadblocks, the barrier, settlements, closed roads and so on. When I have been to the west bank, I have talked to people whom we would regard as respectable, educated, professional Palestinians, who have described their resentment and humiliation at being bossed around by some 19-year-old conscript who does not want to be on duty at a roadblock, but who makes his or her day a little less tedious by making life miserable for the people coming through it. If that is the reaction of educated professional Palestinians, it must be far worse among resentful, unemployed young men, of whom there are a great many in the occupied territories. Even moderate Palestinians see the expansion of some settlements since Annapolis as evidence of bad faith on Israel's part.

Thirdly, the existence of the settlements, barriers, roadblocks and so on constricts hopes of economic development. People cannot move goods freely if, every time a lorry gets to a roadblock, it has to be unloaded and its cargo put on to pallets and checked carefully. If people are prevented from travelling and commuting to work, as they are by the barrier and roadblocks, hopes of economic growth in the Palestinian territories are hindered. All the hopes of Tony Blair and those who came from the donors' conference in Paris will be set at nought if we cannot find a way urgently to tackle the problem.

At the same time, we must address the reality of Israeli fears about security. It is not just a bunch of political leaders who are resisting the dismantling of settlements and roadblocks for their own reasons. Israel's electorate yearn for peace—every test of opinion shows that—but still have real fears. They observe that although Israel unilaterally withdrew from Gaza and dismantled settlements there, it was rewarded, in their eyes, with Qassam rockets on Sderot and further attempts at suicide bombing. As my hon. Friend the Member for Harwich (Mr. Carswell) and the hon. Member for Liverpool, Riverside (Mrs. Ellman) said, the ending of the settlement has always been seen as part of the final peace agreement, rather than as something to be offered up in advance.

I would challenge the Government of Israel on this point: in every conversation that I have had with officials and politicians, they have been sincere in saying that they want to work with President Abbas and Prime Minister Fayyad to bring about a move towards a comprehensive peace agreement following the Annapolis conference. The trouble is that Mr. Abbas and Mr. Fayyad need to be able to demonstrate quickly to their population that there will be real material and political gains for the Palestinian people as a consequence of engagement and negotiation with Israel. I fear that some of what has happened since Annapolis, particularly the announcements on Har Homa, is sending a different message to the Palestinians and undermining those whom Israelis rightly want to be their partners in the search for a lasting and just peace.

What, then, can a British Government do? I have two suggestions for the Minister. I shall not pretend that he, or whichever Minister or Foreign Secretary is in office, will be able to wave a magic wand and sort out the problem quickly, but our influence could be exercised in a couple of ways. First, one of the keys to progress is sorting out security along with economic development. Can the United Kingdom, together with its Quartet and EU partners, work on a plan to open up particular highways and help train Palestinian police officers and security officials, so that checks can be provided to a standard that will satisfy the Israelis and persuade them to relax the controls, without feeling that it will endanger their own population, thereby allowing economic development? Helping to build the capacity of the Palestinian Authority in that way is something positive that we could do.

Secondly, one of Israel's great fears is that the Arab world in general is not committed to peace. The hon. Member for Liverpool, Riverside mentioned the Khartoum conference, held many years ago, but since then we have had the Arab peace plan and the attendance of virtually every significant Arab country at Annapolis. Just the other day, a speech by Prince Turki al-Faisal of Saudi Arabia held out a vision of a middle east region co-operating harmoniously and building mutual prosperity—Arab and Israeli together—if a settlement on Palestine can be attained. Anything that the British Government can do to encourage our traditional friends in the Arab world to speak out more, along lines similar to Prince Turki's, would help to provide the reassurance that the Israelis

need, so that we can start to take forward the hopes that were built at Annapolis and not let them crumble to dust, as has happened too often in the past.

10.49 am

The Minister for the Middle East (Dr. Kim Howells): It is a great pleasure to take part in this debate under your chairmanship, Mr. Bercow. You are one of the most learned and erudite voices in Parliament, and I know that you will have listened to the debate with great pleasure.

I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing this important debate. We had a debate on the middle east peace process in this very Chamber just yesterday, in which many of these issues were discussed; many of the Members present have debated them many times. As the hon. Gentleman pointed out, one could describe the contributions that we have heard today as testimonies to the past and continuing tragedies that the conflict has generated. He also said that the point is to find a solution.

There has been heat and passion in the Chamber this morning. I always appreciate the insight and experience of my hon. Friend the Member for Islington, North (Jeremy Corbyn), who has visited the area many times and who feels passionately about the issue. I know, too, that some Members sense that progress toward a solution is held up by those who under no circumstances want to see the existence of Israel. They want it wiped off the face of the map, as President Ahmadinejad put it. The apparently irreconcilable positions have been described this morning. I was particularly taken by what the hon. Member for Braintree (Mr. Newmark) said about article 13 of the Hamas charter, which, in a sense, defines the rejectionist view. That is one end of the spectrum—one extreme of the conflict.

The other extreme is what I have seen with my own eyes and what we have heard described this morning: metal containers with gun portals cut into them being taken off the back of trucks, plonked down on a piece of Palestinian land and surrounded with bits of barbed wire. Some Uzi-carrying extremist then says, "This is now Israeli territory." That is an occupation by any definition, and is illegal. The Government believe that it is illegal and so do the voices we have heard this morning. We cannot state that enough. Those two extremes are what we have to work with. That is the reality of the situation.

There have been other, similar conflicts—some people call them frozen conflicts—in which solutions have been found. We were involved in a conflict in this country for 30 years that often seemed to me to be completely without solution. There seemed to be irreconcilable differences, but we solved it through continuous, professional negotiation and by using our experiences from the Malaya campaign and others. I am absolutely convinced that the situation we are debating is not without solution. I said at the outset that we have to find a way through it, and I think we can do that.

The Government consider Israeli settlement-building anywhere in the occupied Palestinian territories to be illegal under international law. That includes settlements in both East Jerusalem and the west bank. The road map makes it clear that Israel should freeze all settlement activity, including the natural growth of existing settlements, and dismantle all outposts erected since March 2001. That view has been expressed many times both inside and outside the House. I have said it many times, and so have my right hon. Friends the Foreign Secretary and the Prime Minister. We must make the position very clear.

I turn to the arguments that we have heard this morning, which I totally understand, about Israel having to defend itself against the horror of suicide bombings. There is no way of rationalising that: it is the most foolish thing that any defender of the Palestinian cause can do. A few years ago, I heard an hon. Member say, "If I were Palestinian, I'd be a suicide bomber." That is not what a responsible representative in a democracy should say; such a statement contains elements of the insanity that drives people to do that.

Yes, Israel must defend itself, and if it wants to build a barrier, let it build a barrier, but it must be along the route of the 1967 ceasefire line. It must not arbitrarily incorporate tracts of Palestinian land. It might be that when the final negotiations are conducted, there will be land for peace trading. That was the fundamental theme of discussions, and there is no reason why it should not happen. Perhaps there will be agreement with the representatives of the Palestinian people along the lines of, "That can stay there, but we'll need a little bit of this." Similar arguments continue on many borders across the world. When I was in Ottawa recently, I heard that parts of the border between the United States and Canada are still disputed. Those arguments can continue; the issue is finding a way to avoid violence.

We have not had much opportunity today to talk about Gaza. We have heard about the rockets being fired mainly, but not exclusively, from Gaza. As we heard in a recent debate, rockets have also been coming in from south Lebanon, which is very worrying. I was there recently and saw that the situation is fragile. I raise that issue because we have not mentioned today the outside powers that are meddling in the situation, fighting wars of their own by proxy. The influence of Damascus and Tehran is not positive. Nor is the way in which money is given to terrorist organisations when it is known that they will use it to kill innocent Israeli civilians. That cannot help the situation.

Members have expressed their thoughts vividly and in their own ways. They have tried to paint a picture of what life in the area is like and what might happen if a solution can be reached. We must remind Israel of its responsibilities and that it must fulfil criteria under its road map obligations. The Israelis must dismantle their outposts—I will come to the built settlements in a moment. I believe absolutely that if they started to take down those symbols of occupation and oppression—those appalling containers with gun portals and barbed wire—as my hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman) told us they did in Gaza, that gesture would provide a chance for the Palestinian people to see that the peace process can bring real benefits. I know, from having spoken to President Abbas, Prime Minister Fayyad and others that they are looking for that kind of gesture.

The only way in which the Annapolis process will move forward is if it is seen to bring benefits to ordinary people on the ground. That, in turn, will influence opinion inside Israel. I do not believe that the Israeli

[Dr. Kim Howells]

people want to live in constant conflict and in fear of suicide bombings and rocket attacks for the rest of that nation's history. There must be sovereign states living alongside each other. It can be done, and we know that there is a way forward: it is called the road map. There must be concessions on both sides, particularly on the issue of settlement, which must be taken seriously.

John Bercow (in the Chair): I warmly thank colleagues for their co-operation in that debate.

Tanzania (British Investors)

11 am

Mr. Roger Gale (North Thanet) (Con): Good morning, Mr. Bercow. It is a genuine pleasure to be permitted the opportunity to speak under your chairmanship.

In sharp contrast with that sentiment, I take no pleasure at all in having to discuss this morning a matter of considerable concern that arises from my failure to protect the interests of two of my constituents, Mrs. Sarah Hermitage and her husband, Mr. Stewart Middleton, who made the mistake of investing in Tanzania. I know and respect the Minister well enough to say that if she has prepared a speech extolling the virtues of Tanzania as an example of a developing African country that is making progress, and the importance of British investment in and overseas aid to that country, I would be grateful if she would do me the courtesy of tearing it up.

I have heard the arguments from Lord Triesman and Lord Malloch-Brown. I shall read their comments into the record and, in the limited time available, I shall explain why I believe that they and the Government of the United Kingdom are misguided in their naive faith. If the Minister does not have enough time or the briefing to respond in full to my observations, I shall completely understand, because I have a great deal to say. I do not seriously expect her to be able to reply to some of the things that I am afraid I need to say this morning, but I would welcome a written response in due course.

I record my appreciation of the assistance of two people: the Tanzanian high commissioner to the United Kingdom, Mrs. Mwanaidi Maajar, and the British high commissioner in Tanzania, Mr. Philip Parham. Mrs. Maajar received me with great courtesy at a time that, following bereavement, was difficult for her family. I believe that she has exhausted her powers as a diplomat, which, of course, are not the same as ministerial powers, in trying to bring about a fair resolution to the problem.

Mr. Philip Parham has proved an exemplary UK representative. He has gone far beyond anything that might reasonably have been expected in seeking to protect the interests of my constituents and of British overseas investors.

Sadly, all that help and my own meagre efforts have been to no avail. My constituents have lost their investment, lives have been placed in danger and, most important of all, innocent people have been imprisoned. I have a file on the matter that is about a foot thick. The case is complex and interwoven with legal contortions. It is inevitable, therefore, that in 20 minutes I shall skate over some facts in a way that will lay me open to charges of being selective and superficial, but I will do my best to state the case simply.

Between 2000 and 2004, the Silverdale farm in Moshi, Tanzania, was owned by Benjamin Mengi, whose brother—this is relevant—is the Tanzanian media magnate Reginald Mengi. Benjamin Mengi received from Vector US $150,000 and a Toyota Land Cruiser in exchange for the use of 10 acres of land leased for genetically modified organism trials for the production of zero-nicotine tobacco.

On 20 May 2004, the lease to the Silverdale and Mbono farms was assigned by Mengi's company—Fiona (Tanzania) Ltd.—to Silverdale Tanzania for a consideration

of $112,000. The money was paid in agreed instalments and formally receipted. Mengi retained a 30 per cent. shareholding and my constituent Stewart Middleton acquired 70 per cent.

Mr. Middleton is a farmer with years of experience in Africa. He embarked on the production of vegetables for export and employed local labour. The African co-operatives that owned the freehold of the land passed a resolution accepting the transfer on 10 May 2004, and they also accepted the rental paid to them at the time.

In January 2005, Benjamin Mengi, having sold the lease once, sought to sell it for a second time to a neighbouring farmer, Konrad Legg. In April 2005, Mengi applied to the courts to have the investors, Stewart Middleton and Sarah Hermitage, evicted. Simultaneously, it would appear that a contract was to be taken out on Middleton's life. He was to be shot in the head, his body placed in the Kikafu river and his car abandoned at the airport.

In June 2005, Stewart Middleton opened police charges against Mengi for forgery and conspiracy to murder. The Deputy Minister of Home Affairs was informed but the allegations were never investigated. In August 2005, Stewart Middleton and his Tanzanian manager were arrested on the streets of Moshi by armed police and taken before magistrates on complaints made by Mengi. The charges, which do not exist under the penal code of Tanzania, were dropped, and Mr. Middleton was released. No apology was ever offered by the Tanzanian Government.

In November 2005, Mengi declared publicly in front of the Moshi regional crime officer that he would drive the investors out of Tanzania "by any means necessary". To cut a long story short, he succeeded.

Representations were made to President Jakaya Kikwete in January 2007 by the then Foreign Secretary, the right hon. Member for Derby, South (Margaret Beckett), and an intervention was made by Mrs. Cherie Booth, QC, the wife of the former Prime Minister. She raised the issue with Justice Minister Mary Nagu in February 2007. Those approaches were recorded in *Africa Confidential* on 25 May 2007 in an article that added:

"Praising the government's Private Growth Initiative earlier this year at the prestigious United States Yale University, East Africa Tycoon Reginald Mengi stressed the need to be 'careful' when choosing a partner."

How right.

"His younger brother, Benjamin Mengi, is trying to obtain the lease to the lucrative Silverdale and Mbono farms in the Kilimanjaro region which in May 2004 he assigned to Silverdale Tanzania owned by British Investors Sarah Hermitage and Stewart Middleton.

Official pledges of support notwithstanding the Moshe district police have twice arrested Middleton after Mengi claimed he had not been paid the full price agreed—despite Mengi signing a receipt to the contrary which Africa Confidential has seen."

It clearly helps to have a brother who owns newspapers and television stations that are relied upon by the President and the Government for support.

In spite of the Herculean efforts of the British high commissioner, Philip Parham, a three-year campaign of threats and harassment has been waged by a small-time crook. Backed by local police officials, Mengi has been allowed to drive lawful investors from Tanzania in fear for their lives and for the lives of the honest, decent and hard-working Tanzanians whose livelihoods they have fought to protect.

In November 2005, the then British high commissioner, Mr. Andrew Pocock, who is distinguished in his own right, wrote to the director of criminal investigation in Dar es Salaam:

"You will no doubt be concerned, as I am, by what appears to be continuing intimidation of a bona fide investor in Tanzania. Part of this intimidation seems to be coming from the local police force. Mr. Middleton is not a criminal. There is no evidence that he has broken Tanzanian law in any way. Yet he is arrested without charge and taken by armed guard before a magistrate...I am particularly mindful of the efforts of the Government of Tanzania to encourage legitimate investment and concerned that a British National who is the source of such investment—and of local employment and exports—should be subjected to harassment that does not reflect Tanzania's hospitality."

Those comments were copied to the Deputy Minister of Home Affairs, Captain John Chiligati, who took no action.

In June 2006, Stewart Middleton found it necessary to write to the Minister for Planning, Economics and Empowerment following the imprisonment, on trumped up charges, of one of his staff. He wrote:

"The entire judiciary here in Moshi is openly against me because of Mengi manipulating the situation by bribery and by telling key people in the judiciary that their jobs are in jeopardy as I have reported these matters to the Ministers concerned. The worst aspect of all of this is that people who are working with me are now suffering the consequences of doing so. Abel"—

an employee—

"was arrested on the Tuesday and then Mzee Mtenga is attacked in the night of the Wednesday. There can be no doubt that this is a deliberate attempt to eliminate my support and also to have me suffer the guilt that I am responsible for the plight of these two outstanding Tanzanians."

More was to follow. On 9 October 2006, freelance writer Linda Garner recorded:

"The Republic of Tanzania threatened Stewart Middleton, a British investor living in Moshi in the Kilimanjaro region, with arrest for the third time in nine months. The hearing involved the case surrounding Mr. Middleton's arrest and committal to prison for fourteen days on 22nd July 2006."

The article states that three months after that imprisonment, the republic had still not produced prosecution statements and no charges had been laid.

In August 2006, following my representations to the Foreign and Commonwealth Office on these matters, in which I called for a suspension of aid to Tanzania, Lord Triesman of Tottenham, the relevant Minister, replied:

"Tanzania is an increasingly effective State. It has a stable Government committed to reducing poverty and promoting economic growth...To suspend aid would undermine the progress towards improving governance and cause unnecessary hardship for millions of Tanzanians living in extreme poverty".

I will return to the "extreme poverty" issue later. Lord Triesman had the grace to acknowledge:

"We agree that corruption does remain a problem in Tanzania as it does with many countries in the region."

He added that

"President Kikwete has emphasised the importance of tackling corruption and addressing its root causes."

I am not sure that Lord Triesman would have written the same letter after the hour-long meeting that Sarah Hermitage and I subsequently held with him and his officials or after receiving the personal letter, dated 20 March 2007, sent to him by Stewart Middleton's Tanzanian farm manager, technical manager and field operations manager, which stated:

[Mr. Roger Gale]

"We have been imprisoned. We have had false accusations made against us which would have resulted in us being in jail again if it had not been for the efforts of the British High Commissioner, Philip Parham...The rule of law is not being applied in any matter concerning ourselves or our employer and we are very worried for our future."

On 1 November 2007, I wrote again to the Tanzanian high commissioner, Mwanaidi Maajar to inform her of my disappointment at the lack of progress towards a peaceful resolution of the case and of my intention, if necessary, to seek this debate. The letter was copied to our Foreign Secretary and on 2 December the Minister of State, Lord Malloch-Brown, replied on his behalf:

"We believe we should maintain our efforts to support economic growth and poverty reduction in Tanzania. Those efforts are making a real difference to the lives of poor people...Tanzanian budget procedures are better than in many other countries at similar stages of development. But public financial management including corruption certainly remains a challenge. President Kikwete has spoken strongly about the need to tackle it."

The "it" presumably relates to what another UK Minister had described in a parliamentary written answer on 25 July 2007 as

"potential irregularities with the Bank of Tanzania external payment arrears account for 2005-06."—[*Official Report*, 25 July 2007; Vol. 463, c. 1121W.]

At that time, the Department for International Development revealed that it had already given £345 million in "budget support", with a further £105 million disbursed in July 2007 in support for 2007-08.

On 15 January 2008, Sarah Hermitage wrote to me:

"All I know is that for now we have to escape the filth that surrounds us. I feel unclean with what they are doing to us and very, very upset that by omission my own Government is condoning it...I am not being melodramatic and I promise I am not in 'fishwife mode' but we are truly out of our depth now unless we get back up from Miliband".

On 26 January, she e-mailed:

"There is no doubt that we are in extreme danger. Our four key Tanzanian staff were arrested and imprisoned for six months yesterday and the remaining two key workers were told they were going to be beheaded...One of the key workers stated as he was being sent off to prison, 'We will die for this European'. However dangerous it is for us we feel that we cannot go until we have set the appeal for the men in place."

Following further threats of ambush and violence, Sarah wrote on 29 January:

"We are being sensible but I have to say I am scared now. It is not safe to walk on the farm. We will be out as soon as the appeal is filed—before if we need to be...There is nothing left of our operation. Everything has been stolen from the farm including the tin roofs from the field toilets...Incredibly, we were granted a right to see our men in prison. To see these fine Tanzanians walking in filth and mud and crouching before us like criminals was enough to break the strongest of spirits."

By that time, our high commissioner, Philip Parham, had persuaded the Chief Justice of Tanzania to meet Stewart Middleton personally. It was too late. On 7 February, I received a message from Stewart and Sarah via a friend saying that they were fleeing to avoid further arrest. And then:

"We have lost the farm. In the end the threats to our lives, the imprisonment of our staff, was placing everyone at risk...the farm is destroyed and now invaded by Mengi...the British Government was told two weeks ago that the Chief Justice had pulled all the civil cases, then he changed his mind...The British Government is taking the arrest and imprisonment of our management team as a direct threat on British investment...Our aim now is for the release of our men. We accept that we have lost everything".

They have now fled the country.

It would be convenient for those sitting in comfortable ministerial chairs in the Foreign and Commonwealth Office to be able to claim, in the interests of diplomacy and covering their own backsides, that this is an isolated case. It is not.

Biwater is a water and sanitation company that operates and manages successful projects worldwide. Anyone who knows anything about developing countries—you do, Mr. Bercow, and I believe that I have a right to claim that I do, too—knows how important water and sanitation are to the development of a nation and the promotion of good health, so it is reasonable to suggest that the Biwater projects are important.

In February 2003, a local joint venture company, City Water, was set up by a Biwater subsidiary in Tanzania. It was awarded a 10-year lease contract to manage the water and sewerage contract for the Dar es Salaam area, providing technical and commercial services for a $143.5 million donor-funded investment programme designed to transform water and sewerage services for the people of Dar es Salaam.

In the run-up to 1 June 2005, City Water's assets were seized and on 1 June three Biwater executives of City Water were summarily deported by the Government of Tanzania. At the time, Edward Lowassa was the Minister responsible as Minister for Water and Livestock Development. He subsequently became Prime Minister of Tanzania and was then forced into resignation following another corruption scandal relating to an energy deal.

The British Government are pouring millions of pounds of aid into Tanzania and they continue to maintain the pretence that the money is helping the poor. It would seem that the people described by Lord Triesman as "living in extreme poverty" are benefiting little from our aid programme while corrupt Ministers and business men are doing very nicely out of it.

Members do not need to take only my word. I leave the final say to "Joe" who, writing in January this year, adopted an alias to protect friends and associates still working in Tanzania. Joe, who has lost

"only a few thousand pounds"

as a result of corruption in Tanzania, says:

"It's important to realise...that Tanzania is, in effect, a totalitarian regime. The idea that the system is democratic is a sham—the CCM have been in power since independence and it's very unlikely that any other party could win an election. This means that all power—including power over the courts and the legal system—is concentrated in the hands of a few, highly corrupt people. There is no doubt that corruption starts at the very top. Although current and past Presidents say the right words in public in an attempt to mollify donors, they are totally responsible for the industrial levels of corruption in Tanzania...I expect you've been following the Bank of Tanzania case. My friends in Dar Es Salaam say that the vast sums involved in the fraudulent payments to shell companies are just the tip of the iceberg: vast sums are disappearing from both the Bank of Tanzania and the Tanzania Revenue Authority.

The country is, effectively, being run by gangsters. It's worth remembering that some of the donors...have, at least until very recently, held Tanzania up as a shining example of what can be achieved in Africa. Our...own Department for International Development has been at the forefront of such organisations...In fact DFID pioneered a dreadful policy called 'budget support' in Tanzania".

That is the programme into which we appear to have pumped £450 million. Joe says:

"The only slight flaw in 'budget support' is that it takes no account...of corruption...The result is appalling. DFID have been throwing petrol on the fire of corruption and making a bad problem much, much worse. Things were bad enough under Mkapa but since President Kikwete came to power they have, I think, become a lot worse. Some experienced diplomats from the Foreign and Commonwealth Office have, incidentally, been saying for some time that DFID are very naive and have been causing rather than solving problems."

In an article in *Mwananchi*, the Swahili version of *The Citizen* newspaper, under the heading, "British MP calls for suspension of aid to Tanzania", the writer says:

"Many a time issues raised by MPs in the House of Commons lead to problems in African countries. That is what happened in Zimbabwe after several MPs in London pressed their Government to act against Robert Mugabe due to what they considered to be human right violations."

When the "ill treatment" of Robert Mugabe is prayed in aid of a cause I hope we might agree that we have hit rock bottom.

I do not think that the Minister can any longer defend either the promotion of private investment of funds in Tanzania or, under the present regime, the continuation of our aid programme to that country. I rest my case.

11.20 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): I apologise to you, Mr. Bercow, and to the hon. Member for North Thanet (Mr. Gale) for the quality of my voice, but I hope that it will get me through my response.

I congratulate the hon. Gentleman on securing this debate. His constituents have suffered a grievous experience from investing in Tanzania. We are all aware that the topic is of particular importance to him, and he set out his case clearly. I shall talk first about the general situation in Tanzania, before coming to the specifics of his case.

Tanzania remains one of the poorest countries in Africa. More than 12 million people live below the national poverty line from a total population of about 38 million. Maternal mortality and chronic malnutrition remain stubbornly high, HIV/AIDS remains a major cause of premature death, and life expectancy is 48 years. With UK assistance, Tanzania is trying to tackle poverty, and over the past few years has made significant progress in some areas—for example, by increasing primary school enrolment from less than 60 per cent. to 97 per cent., and by reducing child mortality by a third, largely by making major progress in the fight against measles and malaria.

In many other respects, Tanzania is a good performer. The country remains politically, socially and macro-economically stable, and both domestic revenue and aid have increased significantly over the past five years. Donors recognise Tanzania's achievements in improving economic growth and infrastructure. The Tanzanian Government have made budget management more transparent, increased tax collection, and continued programmes to reform public service and public financial management.

The hon. Gentleman referred to the Department for International Development, which is closely involved in that work in the form of the business environment support in Tanzania programme and the Financial Sector Deepening Trust, which it has supported to the tune of £10 million over the past five years. That is in addition to support of more than £50 million for core public sector reforms in Tanzania over the past five years, which strengthen accountability and the state's capacity to deliver services to the poorest people. That is why the British Government are committed to continue to help the Tanzanian Government to reduce poverty. Aid flows are a significant part of the economy and equivalent to more than 40 per cent. of the Tanzanian Government's total spending.

As with all aid programmes, we regularly review our development partnership with Tanzania. The most important criteria must be whether our aid will help to reduce poverty, and to improve the lives of some of the poorest people in the world. However, when reviewing our aid programme, we take several factors into account, one of which is the quality of governance. Unfortunately, as the hon. Gentleman outlined, corruption remains a major issue in Tanzania, as in many other countries. Several cases of grand corruption are being investigated by the Tanzanian authorities, and the hon. Gentleman referred to the Bank of Tanzania. The recent special audit confirmed that more than $100 million was improperly paid from an account operated by the country's central bank. The initial steps taken by President Kikwete are highly commendable, and show that the Government are committed to fighting such cases when they are uncovered. The bank's former governor has been sacked, and a criminal investigation has been ordered to help to recover the money. The Tanzanian Government have made a commitment to produce an action plan, to take forward the recommendations of the special audit, and to strengthen wider public financial management measures.

Budget support donors, including the UK, have delayed confirmation of their aid for the 2008-09 financial year, pending more information from the Government about the way in which the Tanzanian authorities intend to respond to the recommendations of the special audit to strengthen measures to address corruption, and to improve public financial management.

Earlier this month the Tanzanian Prime Minister resigned because of another case of poor governance, as the hon. Gentleman outlined. That resignation led to a Cabinet reshuffle. That suggests that, although corruption remains, perpetrators of corruption or other malfeasance, even at the highest levels, are being held to account for their actions. Those steps towards improved governance should help to rebuild the confidence of budget support donors. Improved governance, and within that an improved judiciary service, is needed in Tanzania to help promote and protect the interests of foreign and local investment, which is desperately needed to help Tanzania lift itself out of poverty. Cases such as Silverdale farm are proof that Tanzania still has a long way to go.

Turning to the specific case of Silverdale farm, I share the hon. Gentleman's deep concern about the events that have unfolded there during the past three years or so. Stewart Middleton and Sarah Hermitage invested in the farm in good faith, and they have suffered from serious harassment in various ways. Since their initial investment in 2004, they and their staff, as the hon. Gentleman rightly emphasised, have been forced to defend themselves against many criminal and civil

[Meg Munn]

lawsuits. Mr. Middleton has been arrested, as have the couple's staff. Several lawsuits remain outstanding, and have been for long periods.

The British high commission and particularly successive high commissioners, Dr. Andrew Pocock and Philip Parham, have been and remain actively engaged with the case. They have provided a lot of support to Mr. Middleton and Miss Hermitage, and have intervened many times and lobbied the Tanzanian Government on the couple's behalf. That engagement has helped to bring the situation back from the brink on several occasions. British Ministers have also raised the case at the highest levels, most recently when Lord Malloch-Brown raised it with President Kikwete earlier this month during the African Union summit. As a result of those interventions, there are signs of potentially helpful movement from senior members of the Tanzanian Government. The Chief Justice is actively engaged, and has offered to mediate between the two parties in the hope of bringing the case to a just conclusion.

The Silverdale farm case is an example of why it is difficult to invest in Tanzania. It demonstrates the constraints on both the capacity and the integrity of the legal sector, which the Tanzanian authorities recognise and are trying to rectify. We will continue to be engaged on that case, with the aim of bringing it to a satisfactory conclusion. As I made clear, the British Government recognise that there are serious issues for foreign investors in Tanzania. We will continue to work with the Tanzanian Government to address those problems, with the ultimate aim of creating a positive business environment open to investment. The Government believe that that is the right way forward and will enable Tanzania to achieve its potential. We should continue to work towards realising that.

11.28 am

Sitting suspended until half-past Two o'clock.

Child Poverty

2.30 pm

Fiona Mactaggart (Slough) (Lab): It is a pleasure to have this debate with you in the Chair, Mr. Bercow—I know that you care more than many people about this issue.

Eradicating child poverty is a bold ambition and in politics it is important to be bold and to say that we can get rid of it. Halving child poverty by 2010-11 and eradicating it by 2020 is necessary because by making bold claims we drive change forward. Without such claims, we bibble along and make the world less worse rather than better. I am glad that we have a target and that we are doing much better than the previous Government; when in power, they managed to double child poverty between 1979 and 1997. In addition, the figures changed from one in six to one in three children living in poverty. The target is not enough; we have to deliver on that target. We know that, if we fail to deliver, we will increase cynicism and a sense of hopelessness about politics, and make poverty seem an ineradicable problem. At a time when the latest figures show that we might be going backwards, it is important carefully to consider what needs to be done to tackle this problem.

The Institute for Fiscal Studies—a body that we all admire for its rigour—predicts that if we just carry on steady as she goes, we will be 700,000 children short of our target. That is not tolerable. All the experts in the field agree that, despite the £2 billion set aside in the 2007 Budget for tax credits and the rise in child benefit to £20 a week by 2010, which adds up to more than £1,000 a year, more money is needed, otherwise we will miss our target. I initiated this debate because I believe that the forthcoming Budget is our last chance to make sure that we do not miss the target.

The recipe is fairly straightforward; we know what needs to be done. For child poverty to fall, the incomes of those at the bottom need to rise faster than average income. It sounds straightforward, but how do we do that? The IFS says that £4 billion is needed. The Government are suggesting that that amount is not available at the moment, although it seemed to be available to deal with inheritance tax issues. It would be nice if we could find some resources to tackle the issue, which I know is this Government's priority. It is absolutely essential to do so. I wish to use this debate to highlight some of the demands we have, many of which have been proposed and worked though by a range of charities that have campaigned excellently on the subject. I thank them, as I am sure other hon. Members will, for the briefings and information that they have provided us with.

One call that is supported by an alliance of groups against child poverty is for seasonal cash grants for children in poverty. If we could deliver that, it would make a massive difference to the poorest children. There are two seasons when the grant is particularly important. In winter, some parents must choose between keeping their children warm and keeping them fed, and an extra cash grant would make all the difference to the cost of keeping them warm. Fuel poverty is one of the most shocking aspects of child poverty because it is an example of the poorest people paying more for the same services than richer people. It is shocking that, for example, people on an electricity pre-payment meter pay a 10 per

cent. premium for their electricity and those on a gas pre-payment meter pay 8 per cent. more for their gas. Nobody who can afford not to have a pre-payment meter has one. The poorest people are paying premium prices for warmth, which is a basic human need.

John Battle (Leeds, West) (Lab): I am grateful to my hon. Friend for raising this topic at this time. Both in relation to electricity meters and borrowing money—whether from loan sharks who come to the door or through adverts on television—the facts show that the poorest have to pay more to subsidise the rest of us, who are either on direct debit or have cards that we can use at the bank. The poorest are charged a higher tariff throughout so their expenses are actually more. The argument could be made that the poor are subsidising the better off.

Fiona Mactaggart: My right hon. Friend is right. It is not only in relation to utilities that the difference in charges exists. For example, when purchasing household goods, if someone buys a washing machine—a washing machine that works is critical for a mother of a large family—the cost in Argos might be about £160. In a cheap credit sales shop it will cost more than £400 for the same washing machine, which will be paid for over time. That is another example of the poor paying more.

As I suggested, we could tackle some of the problems with cash seasonal grants, which would help with fuel poverty. We could reform the social fund so that it could become like a national Grameen bank—the nation owns a bank now so perhaps it could deal with some of these proposals. The poor should have access to credit on reasonable terms. That is a no-brainer for all of us who have been involved in making poverty history. We have been proposing such ideas in relation to poor people in Bangladesh, India and Africa. Why do we not make sure that poor people in Britain have access to credit on reasonable terms, instead of having to pay a premium for credit, which is what happens at the moment?

John Penrose (Weston-super-Mare) (Con): I am listening with interest to the hon. Lady's remarks. Does she agree that the credit union movement in this country is exactly the kind of excellent initiative that she is describing? It fulfils many of the necessary and vital functions that she has mentioned and is aimed at those at the bottom of the income scale.

Fiona Mactaggart: It absolutely does aim to do that. If credit unions work, they are excellent. However, let us be honest: many parts of the country do not have a credit union and people often have to be resourceful and energetic to find their local credit union. That is the other burden on the poorest people. The problem is not simply that they pay a premium, but that access to information is more complicated. Poor people do not have broadband web access in their homes so they cannot comparethemarket.com on insurance. As a result, many poor people are uninsured, even though they often live in areas of high crime and are more likely to be victims of burglary and other crimes.

Although the credit unions are capable of providing part of the answer, we have a responsibility to find universal mechanisms through which people can access cheap credit, so they are not dependent on the credit union movement. Through reforms to the social fund and without fundamental cost to the Treasury, it is possible to provide access to affordable credit, which would mean that large expenditure items do not cause problems.

I am going to talk about the other time of the year when cash grants would make a big difference. In the summer, a poor family is faced with feeding children who are eligible for free school meals at other times of the year. Just to give lunch to a child costs a family at least £50 to £100 over the summer. The family also faces the cost of school uniform. In today's world, they feel that their kids' clothing must compete with that of the other children so that their kids do not feel socially excluded. Therefore, cash grants at that time of year would tackle a specific problem. We all know how much difference the extra cash grant for heating makes to pensioners just before Christmas. It seems to me that we should follow the Government's lead on that and look at whether we can give cash at the other end of the age scale so that we can help to tackle child poverty. Save the Children estimates that seasonal grants could lift 440,000 children out of poverty.

Kerry McCarthy (Bristol, East) (Lab): My hon. Friend mentioned winter fuel allowances for pensioners. Is she aware that the Every Disabled Child Matters campaign has called for winter fuel allowances to be paid to families with disabled children under the age of five because they incur extra heating costs and extra expense at that time of year?

Fiona Mactaggart: In whatever strategy that we develop, we should recognise the features that are most associated with poverty. Compelling evidence exists that shows that, where there is a disabled child in a family, there is more poverty. Initiatives that help families with disabled children—for example, by looking at how the disabled living allowance works—might help to deal with some of those in the most dire poverty.

Cash on its own does not deal with the social isolation that poverty brings. That is another issue that needs to be addressed. While cash is critical to tackle child poverty, services are also important.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Before my hon. Friend moves off the subject of money, does she agree that one of the great scandals of child poverty now is the fact that there are 1 million children in poverty whose families are in work? We often equate poverty with people on benefits, but the real tragedy now is that we are encouraging low-income families off benefits and into employment that simply does not pay. Does she think that there is now a strong argument for revising the minimum wage and backing living wage campaigns, particularly in high-cost areas, to give people the chance to get out of poverty through employment?

Fiona Mactaggart: My hon. Friend is absolutely right. There is a compelling case to look at the minimum wage. The minimum wage is £5.52 an hour at present, and there are too many people who exist on that level of pay. Often, minimum wage jobs not only create poverty, but trap people. People on the minimum wage do not usually get annual upratings unless they

[Fiona Mactaggart]

are forced by increases in the minimum wage. They often do not get anything above minimum holidays. If they have to take time off because their child is sick, they lose pay. One of the things that we need to do in our employment strategy is to follow the Harker report, which states:

"A system which encourages parents to take any job rather than one that offers them good long-term prospects, or leads to parents 'cycling' between having a job and being out of work is neither efficient nor effective in tackling child poverty."

I am glad that the Minister who is replying to this debate is from the Department for Children, Schools and Families. As well as access to better pay in work, we need to give people access to better training and to qualifications. Often, people in the lowest-paid work are expected to train outside working hours. If they have children, that is not possible because of the cost of child care. In our welfare-to-work strategy, we should put some energy into assisting parents in the lowest-paid jobs to raise their capacity to earn more as well as to improve their income. A critical need in my constituency is access to English for speakers of other languages. Such assistance will enable people to step out of the lowest-paid work into potentially better paid work. Often, it is not better paid at the first step but it becomes better paid thereafter.

We should place emphasis on not just getting people into jobs but keeping them in jobs and helping them to get promotion. That can be done by mentoring and supporting people in low-paid work. At the moment, our services do not focus on that. It is not a requirement of the jobcentre, yet assisting women in low pay to hang on to work and to get the skills that they need to get promotion and to improve the quality of their work would do much to sustain levels of employment and to increase their and their families' income.

Mr. Mark Harper (Forest of Dean) (Con): The hon. Lady and the hon. Member for Regent's Park and Kensington, North (Ms Buck) made a good point about the importance of helping couples in work. Has she given any thought to ending the couple penalty in the tax credit system to help lift many children out of poverty?

Fiona Mactaggart: I am not a benefits expert. I think that much has been made of the so-called couple penalty. What I am concerned about, and what this debate is about, is children, particularly the poorest children. The Government need to decide which children constitute the very poor. A lot of our progress to date has been on lifting children who are poor out of relative poverty. However, we have not succeeded in reaching the very poorest children.

A striking fact is that the very poorest children have probably gone backwards compared with the bulk of children who are in poverty. Frankly, I would expect every initiative to be tested against whether it makes a difference to the very poorest children. I would like the Minister to consider creating a measure of extreme poverty and targeting an initiative towards it. That should have a higher priority than pretending to support—or not—the institution of marriage, which I suspect is what the hon. Member for Forest of Dean (Mr. Harper) was getting at.

John Battle: My hon. Friend has been most generous with her time. May I draw her attention to a set of essays—I am sure that she is already aware of them—published by practitioners and experts called "Why Money Matters"? Two lines in the essays struck me, and they relate to the question from the hon. Member for Forest of Dean (Mr. Harper). One stated:

"Families on low incomes typically manage their money well",

which is contrary to popular opinion. I would like the Government to focus on the fact that the essays

"point strongly to the need to support family incomes to a far greater extent if we are to eradicate child poverty once and for all."

Unless we look at how we can get more money to the poor, we will not tackle this problem.

Fiona Mactaggart: My right hon. Friend is quite right.

Mr. Oliver Letwin (West Dorset) (Con): Will the hon. Lady give way?

Fiona Mactaggart: I will not at the moment because I have just found my place, as it were. I had taken quite a detour, so it would be helpful for me to regroup to make the speech that I wanted to make.

I was about to say how services as well as money can change the experience of poverty, and how they are critical to dealing with child poverty. Cash on its own does not deal with the social isolation of poverty, and accessing services can be a struggle for the poorest people. For example, they do not have access to cars so that they can drive their children to the dentist. Indeed, other things that everybody in this Chamber takes for granted are not accessible to those children.

One of the most telling things is that the prosperity premium starts operating very early in children's lives. Children who are born into poor families who are ahead at age two—the testing could be on child achievement, understanding and so on—would be overtaken by more prosperous, middle-class children by the start of schooling. Children are born with a wide range of abilities, but one group of children descends in the achievement and success scale and the other ascends because of parental income and family prosperity, such is the impact of family poverty by the time a child is two years old.

We must concentrate not only on family income, but on how we give children who are born into poor families access to experiences that will enable them to succeed. I thoroughly praise the Government for investing in access to outdoor play for children. The poorest children often have no access to safe outdoor play areas where they live. More prosperous children have a back garden, but poorer children could be stuck in high-rise homes or, if they have a garden, it is shared or dangerous or tiny. There would be no equipment in those gardens; there would be no lovely trampoline on which children can play adventurously, for example, as one sees in many middle-class households. That makes a real difference to what children achieve and how they behave.

I praise the Government for identifying outdoor play as an important issue in the children's plan. My local council, which is run by a "barmpot" alliance of every party except Labour, has managed to fail to achieve a

grant of a third of a million pounds that was identified by the lottery—it had Slough's name on it—because its playgrounds policy was to build on them. The council said, "We'll close the little playgrounds on the council estates, which really make a difference to mums, and put playgrounds in the big parks." The lottery saw through that and said, "You're not getting our money so you can do that".

I am happy to say that today, the Government have identified Slough as a possible play pathfinder, and the town has a one-in-two chance of getting up to £2.5 million to improve its play areas. The campaign that I have been running since the council developed its ineffectual play strategy could give kids in Slough the chance to access safe outdoor play areas.

That is one of the ways in which the children whose parents cannot take them to toddler Tumble Tots, Jungle Gym or ballet lessons could get physical activity that is safe and enjoyable. As a universal service, that would actually make most difference to the poorest children. It is one of the exemplars of how universal services, which do not stigmatise, can make most difference to the most excluded children, and it is useful. Some services should be universal, but we need to target some exclusively at the poorest children at the youngest ages. That is what makes the difference. We know that before the age of two, children have a range of abilities that are not determined by parental income. If we intervene early, we can really make a difference.

There is an example of an excellent scheme in Slough—the nurse family partnership. It works with about 100 families, the women in which became mothers before the age of 20. That is a good way of targeting, because just as we know that families with disabled children are likely to be poorer, we know that children of very young mothers are likely to be poorer. Some 61 babies have been born and only two were premature, which is a much improved statistic. Only one of the 61 babies had a low birth weight, which is a huge difference from the usual situation. The partnership helped mothers to improve their diet—again, that improved the prospects for the children—and to cut down on smoking and drinking. It also alerted them to antenatal appointments by text message, for example. Services are not good enough at doing such things. We need more such early intervention initiatives.

We need to be brave. The High Scope Perry research shows that the payback for intervention with a two or three-year-old is not over five or 10 years, but over 25 or 30 years. In 25 or 30 years' time, such early intervention will mean that those people will have better jobs, will be less likely to be in the criminal justice system, will themselves be better parents and will be more likely to have degrees. Investment in the first two years of a child's life really makes a difference.

Mr. Letwin: The hon. Lady may remember, as I am sure the Minister does, that I was arguing for such early intervention many years back and I continue to believe in it. I also agree with what the hon. Lady said about health interventions at an early stage. However, just before she talked about those things, she spoke about those in dire poverty, which we could define as people earning less than 40 per cent. of median income. Does she agree that in that group, the bulk of the immediate problem is that people are not in work? Does she agree that, above all, if we are to deal with people who are in the direst poverty, we need to find means for parents to get into work so that they are not stuck in dependency, often with chaotic lifestyles to go with it?

Fiona Mactaggart: I spoke about how important work is as a route out of poverty, but my suspicion is that the direst poverty is among people who are not able to take their first step into work at the moment because they or their children are disabled, or because of other complexities. That is one of the reasons why I argued that we need to have a definition of severe poverty, and why we should examine targeted strategies to deal with people in severe poverty. Simply saying to people in the circumstances that I described that their road out of poverty is employment is not, on its own, sufficient for those who cannot take the first step.

Mr. Letwin: I agree with that, too; we are not, on the whole, talking about people who can simply waltz into work. The problem is that there are hurdles to overcome. Does the hon. Lady agree that we need to find a means of getting what many of the third-sector providers provide—a way over the hurdles—if we are to find for people who earn under 40 per cent. of the median income a route into work and out of the chaotic lifestyles of addiction and indebtedness, and the other cycles of deprivation?

Fiona Mactaggart: I have long been an advocate of third-sector providers. I vividly recall visiting an American project that in this country would be classified as a project that deals with ex-offenders. However, it was an anti-poverty project. It recognised that people who had been in the criminal justice system were the most likely to face massive barriers to employment, ranging from having been locked away for so long that they did not know how to use the equivalent of the Oyster card in New York, to prejudice from employers. By providing targeted support to enable them to get into work, or by providing some element of supported employment as a step towards independent employment, the project was able to demonstrate that it could make a huge difference to the experience of some of the poorest people.

We should not romanticise the capacity of voluntary organisations to deal with these issues. Because state provisions have to be scalable and replicable and to meet targets and so on—that is a democratic imperative—the state can sometimes be what I might call stupid. It does not intend to be, but that is a consequence. However, although voluntary organisations can sometimes be fleet of foot, flexible and imaginative, going round the back door rather than the front, they cannot always do so; there are some groups that they cannot help, and if the state starts stitching the voluntary sector into the statutory system, it can sometimes lose those good qualities.

The romanticism that I sometimes see in Opposition Front Benchers—that such fantastic initiatives, many of which are good, are always available to solve the problem—is just that: romanticism.

Ms Buck: I am grateful to my hon. Friend for giving way; I shall soon have to leave for a meeting with Mr. Speaker. Although I endorse what my colleagues said about the role of the voluntary sector in supporting

[Ms Buck]

vulnerable individuals, let us not be seduced by that argument at the expense of recognising that the real barrier for people getting into work is almost always financial. That is particularly so for families. The real dilemma for those living in London—in inner London, 51 per cent. of children live in poverty—is the barriers of high housing costs and high child care costs. Voluntary organisations can support the individual, but they will not overcome those financial barriers. That needs Government support.

Fiona Mactaggart: My hon. Friend is right. She has done some excellent work in showing how, in high rent areas such as in her constituency and mine, a massive poverty trap excludes people from work. We need more intelligent mechanisms for housing benefit and so on to help support those who want to take low-paid work. Such people want to take work because they are desperate to get on, but the interaction between rent levels, housing benefit and tax credits means that taking work costs them, which means that they have less time to spend with their children. We should not expect poor people to have to make such a choice.

I hope that I have managed, in what was a longer speech than I had intended, to show that child poverty is a critical issue for the Government, that there are ways of solving the problem, and that we need to admit the difficulties of meeting the interim targets. We need to be as transparent as possible about that, but we must also keep the determination that we had when setting the target—that it is possible to eradicate child poverty and that we intend to do so.

Several hon. Members *rose—*

John Bercow (in the Chair): Five or six Members are seeking to catch my eye. It is my intention to call the Front-Bench spokesmen to start winding up at, or close to, 3.30 pm. Members are perfectly capable of doing the mental arithmetic, but a certain self-denying ordinance would be helpful. I would like everyone to have the chance to speak, and I simply observe that if everyone called were content to settle for five minutes, I could probably achieve my objective.

3.4 pm

Mr. Mark Harper (Forest of Dean) (Con): It is a pleasure, Mr. Bercow, to serve with you in the Chair. I shall attempt to comply with your ordinance. I note that the hon. Member for Bradford, North (Mr. Rooney), the Chairman of the Work and Pensions Committee, is here; it would indeed be a shame not to hear from him, as I know that the Committee will be publishing next week its report on child poverty deprivation and social mobility—all issues raised by the hon. Member for Slough (Fiona Mactaggart). I pay tribute to the hon. Lady for securing this debate; it is about an important subject, one on which every Member of the House has views.

I shall touch upon four points, Mr. Bercow, and I shall try to keep as close to five minutes as I can. The first point I do not need to discuss at length. The hon. Member for Slough acknowledged that the Government have made some progress, but not as much as she would have liked. Indeed, their performance has been disappointing by their own standards. The Minister will acknowledge that the Government's target was to reduce child poverty by a quarter by 2004-05; the next target on that road is to halve child poverty by 2010. I would welcome it if the Minister did as the hon. Member for Slough asked, and was honest about her assessment of the Government's progress. That issue came up last in questions to the Secretary of State for Work and Pensions, when my hon. Friend the Member for Epsom and Ewell (Chris Grayling) asked whether the Government were on track for hitting that target. The Secretary of State avoided answering the question; he confirmed that the Government were committed to the aspiration of doing so but would not give us a progress report.

John Penrose: My hon. Friend may like to know that when giving evidence to the Select Committee several weeks ago, the Government's child poverty adviser said that it was her firm opinion that the Government would not hit the interim target in 2010.

Mr. Harper: I am grateful to my hon. Friend for that intervention. Given that that assessment was made by a Government adviser, it would help if the Minister shared with us the Government's assessment, so that we know where we stand. The ultimate aspiration is one that we share. My right hon. Friend the Member for West Dorset (Mr. Letwin) put it on the record in 2006 that we were committed to the aspiration of eliminating child poverty by 2020.

John Battle: Our party went for that target a long time ago, and then Conservative Front Benchers signed up to it; it took a little longer for the Liberals to join up. I want to be absolutely clear about whether Conservative Front Benchers are still signed up to that target; there is some ambiguity.

Mr. Harper: I am grateful to the right hon. Gentleman for allowing me to make the position clear. There is no ambiguity at all. Our aspiration is clear.

Mr. Terry Rooney (Bradford, North) (Lab): An aspiration?

Mr. Harper: Yes, it is an aspiration. It has to be an aspiration because we do not know how things will be when we come into office. The hon. Gentleman will know that in the most recent period, between 2004-05 and 2005-06, the number of children below the poverty level increased. There are another two and a half years to go under the present Government, and if we come into office at that point we will not know how things will stand. The hon. Gentleman can make fun of the difference between "aspiration" and "target", but the Secretary of State for Work and Pensions rather avoided using such specific language when talking about the 2010 target. It would be interesting to hear the Minister's assessment of whether the Government will hit it. As I said, the Conservative party is committed to the aspiration of ending child poverty by 2020. That point was made clear earlier by my right hon. Friend the Member for West Dorset—and by my hon. Friend the Member for Epsom and Ewell in an excellent article in the press at the weekend, which made our position clear beyond peradventure.

Returning to your injunction, Mr. Bercow, I shall attempt to move on a little more quickly. We have touched on some of the facts. I did not have the chance to intervene at the time, but the hon. Member for Regent's Park and Kensington, North (Ms Buck), who is no longer in her place, referred to the fact that in London more than 50 per cent. of children are in poverty. That is clearly an important issue—one that will no doubt be discussed during the mayoral elections later this year.

In the remaining few moments, I shall touch on what the Conservative party would do in office. First, I pick up on the point made by my right hon. Friend the Member for West Dorset about welfare reform and getting many more people back into work, particularly the several million people on incapacity benefit. As the hon. Member for Slough said, we should not use only the voluntary sector because some things are not scalable; we should use private sector providers as well, as the Government look likely to announce they will this week. As the Secretary of State for Work and Pensions has made clear, they will adopt the Freud report in its entirety to move a significant number of people into work. Nearly 5 million people are on a range of out-of-work benefits, and that is obviously a significant contributor to child poverty.

The second issue, which I mentioned in my intervention, is ending the couple penalty in the tax credits system. In an analysis that it carried out for the social justice policy group chaired by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), the Institute for Fiscal Studies said:

"Bringing tax credits fully into line with the rest of the benefit system"

would ensure that

"1.8 million of the poorest couples with children will gain on average £32 a week",

which would have the direct effect of lifting

"300,000 children in two parent families out of poverty."

Clearly, that would be a significant achievement. The Conservative party has committed itself to ending the couple penalty in the tax credits system. That would be a powerful tool, and it would be interesting to hear the Minister's response.

Finally, it would be interesting if the Minister indicated which Department has lead responsibility for the Government's child poverty target. According to its website, it is the Department for Work and Pensions whose Secretary of State has the objective of ending child poverty. The Department for Children, Schools and Families does not have direct responsibility, but it works across government to achieve that target. It is important to clarify that, because if the Government miss their 2010 target, we want to be clear which Cabinet Minister the Prime Minister will blame.

3.11 pm

Mr. Terry Rooney (Bradford, North) (Lab): It is a pleasure to take part in the debate. I should just make one correction regarding the report that my Committee will publish on Monday: it is actually a seminal child poverty report, and I hope that people read and take an interest in it.

I want to focus narrowly on the issue of work because of the limited time available. The absolute fact is that moving people into work increases a household's income; it might not lead that household totally out of poverty, but it will significantly increase the income available to it, and we need to remember that.

One key issue is that literally tens of thousands of lone parents start work and stop again within three months, which suggests that some of the support mechanisms are not working. When we meet lone-parent groups, the key issue for them is the point of change. Although such people are on a relatively low income, it is secure and it is there every week, so they can pay their rent and keep a roof over their heads. When they move into the uncertain world of being paid a month at a time and having to make a fresh claim for housing benefit—frankly, some local authorities are abysmal at processing new claims—they say, "No. That is too big a risk for my children. I'm not going to do that."

We can eliminate some of that risk, but the system is, unfortunately, extremely complex, although that is often for good reasons. It is designed to deal with the 0.2 per cent. of people who try to fiddle things, not the 99.8 per cent. who play the game. If a lone parent is willing to take the big step of moving into work, we should pay them 100 per cent. housing benefit for the first three months that they are in work. During that period, the local authority should assess their new level of housing benefit so that it will kick in on the first day after those three months. That would give the individual additional security.

People on incapacity benefit are in exactly the same situation. Many years ago, we had the horrendous system of therapeutic earnings, which was an abuse of individuals' civil rights. We now have permitted working, which allows people to test work and to keep any earnings that they get up to a certain limit. Unfortunately, we have four different systems of permitted working rules. If somebody gets a job after having been on incapacity benefit for five, eight or 10 years, as people often are, I would say, "Well done. You can carry on getting your incapacity benefit and you can keep all your wages. Come back after three months, and we'll talk about how it's going and how we can translate this into a permanent situation." The benefits system does not allow that, however, and we should not allow a system that has grown up over 60 years to hinder the drive to give people more money.

I want to touch on a longer-term issue. Whether the Government meet their target in 2010 or not is now an arcane debate; the direction of travel is right and the policies are getting better all the time. The issue is whether, come 2020, we have in place the longer-term infrastructure that we need to deal with such issues, in so far as that is possible, and there will always be somebody who accidentally falls temporarily into poverty. The major issue that we face is that benefits are increased by the retail prices index, while poverty is measured against wages. Wages will always go up faster than the RPI, so the gap between earnings and benefits will always increase. By 2020, there will be a cohort of people who cannot work because of disabilities or other factors, and we must ensure that the benefits available are such that they will lift those people out of poverty. That raises the issue of work incentives, and we need to start work now if we are to reach a situation in 10 years' time where the benefits system does not trap such people in poverty.

[Mr. Terry Rooney]

There are huge issues relating to child care, and I know how committed the Minister is to promoting child care. Vast sums have been invested in it, and the number of places has increased exponentially, which is fantastic. However, 22 per cent. of places nationally are vacant, which raises a question. Only a third of those who are entitled to the child tax credit take it up, so something structural is obviously not working. We need to marry up those two points, because there is no point in investing in staff and buildings and creating places if they then stand idle.

If I may say so, I think that we have slightly oversold the guarantee on nursery education. We are talking about two and a half hours a day, although it will go up to three hours a day by 2010, but such child care does not assist the welfare-to-work programme or help somebody to move into work. Lots of people—particularly lone parents—will typically want to work evenings and weekends so that they can be around during the school day, but the child care system does not accommodate that. It certainly breaks down totally when we come to disabled children.

There were lots of other things that I could have said, but I have seen the time, so I will sit down.

Several hon. Members *rose—*

John Bercow (in the Chair): As far as I can tell, four Members are still seeking to catch my eye from the Back Benches. I would dearly love to call each and every one of them, but I require some pretty exceptional self-discipline from Members at this stage.

3.18 pm

John Barrett (Edinburgh, West) (LD): I will certainly keep to your guidance, Mr. Bercow.

Before I turn to the issue of child poverty close to home, I shall take one minute to look at the wider problem elsewhere in the world, because the scale of poverty worldwide is hard to imagine. According to a recent UNICEF report, tens of millions of children in developing countries still do not have access to basic human needs such as food, water and sanitation. In many such countries, poverty is increasing, not decreasing, and issues such as malnutrition among the under-fives are particularly significant. Such children are often plunged into poverty through no fault of their own, because of famine, drought, conflict and war, corruption, the scourge of AIDS and natural disasters—the list goes on.

Closer to home, there is a wide variety of reasons why child poverty continues in the midst of wealth in many parts of our country, and I congratulate the hon. Member for Slough (Fiona Mactaggart) on covering many of those issues in her speech. There is no need for any child in the UK to live in poverty. The only thing that is lacking is practical action. A recent report by the Select Committee on Scottish Affairs showed that child poverty levels are at a historical high in Scotland, with 30 per cent. of children living in families whose income fell below the commonly used poverty line of 60 per cent. of median income.

Earlier, several Members touched on the specific issue that I shall concentrate on today: the link between disability and child poverty, which applies all over the world. I hope that the Minister will address some of the relevant issues, as some people have a constant battle every day of their lives and would like to be entitled to the same opportunities that the rest of us take for granted. While we debate today how best to meet the ambitious targets on child poverty, the link between child poverty and disability is a key area that warrants our attention. Indeed, the Government themselves have rightly noted that the 2020 target will be achievable only with targeted help for disabled children and their families.

Disability is both a cause and a consequence of poverty and the link between the two is so strong that policy makers simply cannot afford to ignore it. To tackle it, however, we need a better understanding of why that is the case. I commend the work of the Child Poverty Action Group, Contact a Family and the Every Disabled Child Matters and End Child Poverty campaigns, all of which have played a key part in doing that. According to conservative estimates, there are at least 770,000 disabled children in the UK, although it is likely that there are more than 1 million children living in poverty and affected by disability. A quarter of all poor children have a disabled parent.

On top of the broader social and economic reasons behind child poverty that we have discussed so far today, disabled children face a number of other challenges. Perhaps the most obvious is that they are more likely to live in poverty simply because the incomes of disabled households are 20 to 30 per cent. lower than the income of the average household.

The Government will rightly be commended for recognising the need to re-evaluate the support provided to disabled children, and indeed much has been done. However, there are genuine concerns about the way the current system operates, and a number of changes are necessary to help us to break the link between poverty and disability. I would particularly welcome the Minister's view on Monday's forthcoming announcement about the independent living strategy, and the impact that she anticipates it will have on the matter.

At present, a key tool in the context of disability and child poverty is the disability living allowance. When it works it is effective, but there are too many problems; there is too much distrust of the system, too great a lack of awareness and too many other things outwith the scope of today's debate. Disability living allowance is not having as big an impact as it might. If we are to have any chance of meeting the 2010 target we simply have to do more specifically to target disabled child poverty and to give better support to disabled children and their families.

Child poverty is a national disgrace and a global disaster and is all the more tragic for being preventable. Poverty and disability often go hand in hand, but the link is not inevitable and it will have to break if we are to have any chance of meeting the child poverty targets that we all want to be achieved.

3.23 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I congratulate my hon. Friend the Member for Slough (Fiona Mactaggart) on securing this timely debate.

In 1997 the UK had the worst rate of child poverty in Europe, and one of the worst of any industrialised nation. In 1999 the Government set what is widely recognised as a very ambitious policy objective—to eradicate child poverty within a generation—which was reiterated in the children's plan published by the Department for Children, Schools and Families in December 2007. As I understand it, the target of halving child poverty by 2010 and eradicating it by 2020 remains intact.

It is worth remembering, especially in the light of what I shall say, that through investment in support of children and families the Government have stopped the long-term trend of increase in child poverty, and by April 2009 the poorest families will be an average of £4,000 a year better off. That has meant a reduction of 600,000 in the number of children living in relative poverty in the UK, which is the biggest reduction in any EU country during the period. In the north-east, my region, child poverty has fallen by a massive 26 per cent. However, 31 per cent. of children still live in poor households, which is obviously much too high.

Despite the general downward trend of child poverty, the most recent figures show only a levelling off, or even a slight increase. The Joseph Rowntree Foundation has noted that changes to the child tax credit announced in the previous Budget might lift another 200,000 children out of poverty by 2010, but that would still mean that the Government were falling massively short of reaching the 2010 target. The Institute for Fiscal Studies, which my hon. Friend the Member for Slough mentioned, has estimated that between £3.8 billion and £4 billion is necessary to achieve the target.

The key policies that have been used to reduce child poverty—redistribution of income through the tax and benefits system to provide a safety net for the poorest families, and assistance to make work pay—have been successful so far, but the charity Barnardo's now believes that those policies will produce diminishing returns, because the families that have so far been lifted out of poverty have been the easiest to reach. We know that the families still experiencing poverty are those with the most stubborn problems and the most complex needs. The Child Poverty Action Group has outlined a range of measures, including increasing child benefit, tax credits, getting more reliable child support through to lone parents and a fairer and more equitable tax system. I am keen to hear what the Minister thinks about those measures, and whether the Government intend to look at the CPAG proposals in detail.

There was discussion earlier of universal services, so I shall mention free school meals. Families living on low incomes have huge financial pressures: rent, council tax, utility bills, debt and social fund repayments. The most flexible part of the budget is often food costs. Before the Liberal Democrats took over and stopped it, Hull had a scheme for universal free school meals. There could be enormous benefits from that for all children in helping them to concentrate at school and learn social skills, but it would be excellent if the Government commissioned some research and perhaps set up some pilots to examine the impact that universal free school meals could have on reducing child poverty.

3.27 pm

Kerry McCarthy (Bristol, East) (Lab): I join other hon. Members in congratulating my hon. Friend the Member for Slough (Fiona Mactaggart) on securing the debate. I obtained a similar debate about a year ago and the turnout has roughly tripled since then, which shows the extent to which the issue is now firmly on the political agenda. I welcome that.

Because of the time constraints I want to make just two brief points. First, considering the issue in the context of what the Government are trying to do, particularly through the Department for Work and Pensions, in encouraging more people to get into work, good work is being done on moving people from incapacity benefit into work, and moving lone parents into work. Several other hon. Members have made the point that such movement into work is crucial to tackling child poverty. However, we must make sure that where those measures relate to families with children there is always a child-focused element to them.

For example, the provisions on lone parents having to start work when the youngest child reaches 12 will be introduced later this year—eventually the requirement will be to start work when the youngest child reaches seven. If we do not get the "better off in work" calculations right, or if for example child care arrangements do not stack up, the child will be the one who suffers if sanctions are introduced. I accept that conditionality per se may not be a bad thing, but we must make sure that we do not punish the children because of the parents. Often it is through no fault of their own that the parents are not working. It is not that they do not want to, or that they are undeserving in any respect; it is just that they cannot make all the elements of going back to work stack up. We must make sure that sanctions against the parents do not result in suffering for the children. That is a note of caution that I want to sound.

Secondly, like other hon. Members who are present, I was at yesterday's launch of Save the Children's book "Why Money Matters", which clearly makes the case that, for most children who are living in poverty, household income has a huge impact, not just on the household's resources but on such things as educational attainment, health and the child's development.

I welcome the fact that the Government, by having the Department for Children, Schools and Families take a lead on the child poverty issue, are looking at the wider picture. I particularly welcome the Families at Risk review, because all of us who have people coming to our constituency surgeries know that some families have a multitude of problems. It is not just about the fact that there is not enough money coming into the household; there are other issues.

For example, I think that there are about 250,000 to 300,000 children for whom a parent is a problematic drug user. There are also issues associated with parents who are serving prison sentences and there are parents with mental health problems. It is estimated that families in that situation—where they face a number of problems—often deal with eight to 10 agencies in trying to sort out their problems. Therefore, I welcome the fact that the Minister is taking a lead in looking at a whole family-based approach and is not just looking at income.

3.30 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): May I also start by congratulating the hon. Member for Slough (Fiona Mactaggart) on securing this important

[Annette Brooke]

debate, as we rapidly approach the deadline for the target of halving child poverty by 2010 and also the forthcoming Budget?

A number of organisations must be congratulated on their ongoing campaigning work and I would also like to mention in particular the launch yesterday of "Why Money Matters" by Save the Children, which I was pleased to attend. This has been a wide-ranging debate and in my short contribution I cannot touch upon everything that I would like to, or answer certain points that were made. However, I shall do my best to achieve a wide coverage of the issues.

It is generally accepted that progress has been made by the Government on child poverty targets and we congratulate them on that. We also well remember how rapidly child poverty grew in the 1980s. However, it is clear that more action is needed if both the 2010 target and the longer-term goal of eradicating child poverty by 2020 are to be achieved.

Changes to the benefits and tax credits for families with children have helped to lift a substantial number of children above the poverty line. However, it seems to be a great irony that the policy of tax credits and the complexity of the tax credits system have plunged some families into poverty when they have been overpaid and that money has subsequently been clawed back, sometimes in a very unsympathetic manner. There are also the complexities of the child care element of the working tax credit; I saw today on the website that the guide to that alone is 23 pages long. We need reform and simplification in those areas.

The expansion of child care provision and other policies aimed at reducing the number of out-of-work families has undoubtedly had a positive impact on reducing child poverty. However, as has previously been said, the latest figures tend to show a rise in the number of children living in poverty. I think that it has always been known that, while some families needed only a small change in circumstances to take them out of poverty, the more marginalised families living in persistent poverty would be much harder to reach.

In fact, we have noted today that half of the children living in poverty come from working households. Clearly, there is a need to make progress towards higher-paid work and sustainable work, via education, training and mentoring, as well as by making work pay and making it beneficial for lower-income families. Clearly, there are costs for entering the labour market and we need to look at those.

With the change in policy that requires lone parents with older children to register for work, the extended school programme, which is already operating well, will continue to be important, as are the issues of affordability and parents applying for the tax credits for which they are eligible.

The poorest pay proportionately more tax than the rich and I would like to see some changes in that regard. For example, council tax should be replaced with a local income tax based on the ability to pay.

We have commented today on the "poverty premium" and I am sure that there is more that we can do in that regard across a range of items, particularly utility bills. We have also spoken about securing credit, which is a real drawback for those poorer people who are financially excluded. They pay higher rates of interest, which only increases poverty. Reform could be made to the social fund to make it more accessible to those who need it most. We must also ensure that the poorest people are well advised and supported when they borrow money.

Save the Children has estimated that, at the current rate of progress, the target of halving child poverty will not be met until 2024. We have heard that various organisations have estimated that we need an extra spending commitment of £4 billion annually between now and 2010 to ensure that the 2010 target is met.

The Liberal Democrats have signed up to the child poverty targets, but we were concerned that there should be policies in place showing how those targets might be reached. One policy that we have in place is increasing child benefit, raising it to £5 a week through the elder child rate, which would reduce the number of people living in poverty by 400,000. In due course, we would make further investment in improved child benefit, directed at second and subsequent children, to help to remove larger families from poverty. We would also invest more in the child tax credit and, crucially, we would improve its administration. Furthermore, many benefits available to poor families have poor take-up rates and I feel that we could do much more to improve those rates.

My hon. Friend the Member for Edinburgh, West (John Barrett) has already said that families with disabled children remain disproportionately likely to be in poverty and he has mentioned a number of the things that we desperately need to do to improve that situation. Of course, anyone with a disabled parent in the family has an increased risk of poverty.

There are other groups, besides families with disabled children, that are most likely to suffer from poverty: large families; black and ethnic minority children; Travellers' children; children leaving care; and asylum seekers. Children in those groups are the most socially excluded children and are faced with inequality and poor social mobility. Those are issues that we must address if we are going to reduce child poverty permanently.

We can talk about the extra spending that we need, but to have a sustainable reduction in child poverty entails breaking into that vicious cycle of deprivation and inequality. That cycle means that children growing up in poor families are far more likely to be poor themselves. Britain consistently performs poorly in studies of social mobility by the Organisation for Economic Co-operation and Development, and, of course, we also had the UNICEF report last year, in which the UK came bottom.

There is a strong relationship between family income and educational attainment, which indicates the desperate need to form policies aimed at tackling inequality across society. That involves targeting funding at the poorest, most disadvantaged sections of society in order to improve opportunities for all.

The Government have made considerable investment in Sure Start, but the latest evaluations are showing that the most disadvantaged are not being reached. The Liberal Democrats would like workless families to receive more support with child care, because that would be a way of providing extra early years provision and thereby breaking into that cycle of deprivation that I referred to earlier. We also propose a pupil premium, which will attach additional funding directly to pupils who are

identified as disadvantaged. That funding will follow the pupil to whichever school the pupil attends.

It is well documented in the 2007 UNICEF report that the Scandinavian countries scored highly on all measures, including those dealing with child poverty, in contrast with the UK. So what can we learn from those countries? They have a high proportion of single parents, but a high proportion of them are in work. There must also be lessons that we can learn from them about how to avoid disincentives and how to make it easier and more beneficial for parents to work. Scandinavian countries clearly have a high degree of transfer of earnings between rich and poor and they have high-quality child care, including good early years services and family centres.

Poverty affects so many aspects of a child's well-being: health, cognitive development, achievement at school, aspirations, relationships and employment. We must identify the action that can be taken quickly to combat poverty. I think that it was alluded to earlier in the debate that it would be a very good idea to have "poverty-proofing" of all new measures. I would like to ask the Minister: to what extent has that been considered?

3.38 pm

Tim Loughton (East Worthing and Shoreham) (Con): I add my congratulations to the hon. Member for Slough (Fiona Mactaggart) on securing this debate and also on her frank exposition of some of the problems that are still facing us on the very important issue of child poverty. It is good to see a good turnout from both sides of the House for the debate.

The hon. Lady made some interesting points about the Budget possibly being the last chance to do something about the problem of child poverty, because simply to go on as we are at present will mean that we miss out 700,000 children, as she said. I also thought that her suggestions about seasonal cash grants were interesting.

The hon. Lady began by saying that to eradicate child poverty is a bold ambition. It is a bold ambition and we need to turn it into cold reality rather than just having some of the targets that I fear have failed to be achieved in recent years. Certain matters need to be addressed, therefore, including the couple penalty, which my hon. Friend the Member for Forest of Dean (Mr. Harper) mentioned. We have to tackle the increased cost of borrowing by the poorest—my hon. Friend the Member for Weston-super-Mare (John Penrose) mentioned credit unions. We have to do something about the bureaucracy involved with benefit claims—a point made by the Chairman of the Work and Pensions Committee, the hon. Member for Bradford, North (Mr. Rooney) and repeated today by the hon. Member for Mid-Dorset and North Poole (Annette Brooke)—which means that the most vulnerable have the most hurdles to straddle when filling in forms and getting benefits that they need more than other people.

The hon. Member for Bristol, East (Kerry McCarthy) made some interesting points about the need for all our policies to be child focused. The hon. Member for City of Durham (Dr. Blackman-Woods) said that the Government have reversed a long-term trend. I fear that the reality is far from agreeing with that supposition. The Government promised to reduce by a quarter the number of children in poverty by 2005, but have failed to do so; after housing costs, they missed the target by a whopping 300,000. Last year, the number of children living in poverty actually rose. Again, using the housing cost figures, it rose by 200,000 to 3.8 million.

If we take the 10 years between 1996 and 2006—the last year for which figures are available—the number of children in poverty has barely shifted, after 10 years of a Government who supposedly made it a priority and pumped an awful lot of money into it. In reality, as mentioned by the hon. Member for Slough, those in the most severe poverty have not been helped at all. In fact things have got worse and that group has actually expanded. However, there has been much tinkering around the margins. Many children in poverty have been lifted to just above the poverty line and in many cases are in danger of falling back below it after a short time. The Government point to some shifts in numbers that do not reflect a significant shift in the fortune of those involved.

It is extraordinary that, under this Government, the number of people living in severe poverty has actually increased by 600,000—from 2.5 million in 1996-97 to 3.1 million in 2004-05—according to a report published last year by the Institute for Fiscal Studies, which has been cited already. Social mobility in the UK is lower than in Canada, Germany, Sweden, Norway, Denmark and Finland. Although the gap in opportunities between the rich and poor is similar in Britain and the US, in the US it is at least static, while in Britain it is getting wider, according to the London School of Economics. According to the Joseph Rowntree Foundation, the number of poor households has grown in the last 15 years and the gap between rich and poor is the biggest it has been for 40 years.

Are the Government backtracking from their target to reduce child poverty by half by 2010? Everyone else seems to think so. The Treasury Committee report on the 2007 comprehensive spending review stated:

> "We are concerned that the Government may have drawn back from a whole-hearted commitment to meeting this target."

Will the Minister reassure us that that is not the case? Will she also tell us why, as the Treasury was forced to admit, the Joint Committee on Child Poverty, which was chaired by the then Chancellor, now the Prime Minister, and was supposed to facilitate liaison between Westminster, the Scottish Executive and the Welsh Executive on the Government's child poverty strategy, held its last meeting on 18 September 2002? The Government have apparently forgotten what they set out to do and cannot set up even the most essential of meetings.

Why is child poverty so important? A number of Members have touched on many of the issues. More than 2.2 million British children—one in five—now live in households dependent on state benefits. In some inner-city areas, almost half the children are growing up in entirely benefit-funded homes, as the hon. Member for Regent's Park and Kensington, North (Ms Buck) mentioned earlier with respect to London. Britain has a higher proportion of its children being brought up in workless households than any other nation in Europe, including countries in eastern Europe. In fact, in the past 10 years the number of people aged 16 to 18 estimated to be not in education, employment or training has increased by more than 50,000 to 206,200. The number of homeless families with dependent children in temporary accommodation in England has increased

[Tim Loughton]

from 54,660 in 2002 to 71,560 in 2006. The instability and inadequacy of bed-and-breakfast accommodation is hardly a way out of poverty.

As we have all said, early intervention is crucial. By the age of three, being in poverty makes a difference equivalent to nine months' development in school readiness. Children living in poverty lag two years behind their peers by the age of 14 and if they do badly at primary school are less likely to improve at secondary school. Families living in poverty have less than £10 per day to buy everything they need, such as food, heating, toys, electricity and transport. One third of children in the UK are forced by their parents' poverty to go without at least one of the things that they need, such as three meals a day, essential clothes or adequate heating in the winter, as we have heard. Furthermore, children from disadvantaged backgrounds are less likely to stay on at school and are 10 per cent. more likely than their peers to leave school with absolutely no qualifications.

As we have seen, poverty has an impact on all aspects of children's lives, from their educational achievements to their personal and social interactions. For a child born into poverty, it is very difficult to escape from the poverty cycle. In fact the chance of escaping from poverty more or less rapidly differs largely in Britain compared with other countries such as Denmark, where between 70 and 75 per cent. of children in poverty do not experience poverty for longer than two consecutive years. That compares with the UK where a lone parent with two young children can expect to spend an average of 4.2 years in poverty—more than double.

When a child lives in poverty their aspirations and expectations for their later life can be so low that their potential goes unexplored and the cycle of poverty is repeated for generation after generation. As Save the Children commented, the extent of the poverty suffered by children in Denmark is considerably less than in our country—that goes back to the severe poverty definitions. The particular impact on families with disabled children has been mentioned. They are more likely to live in debt, face higher child care costs and are more than twice as likely to have no educational qualifications.

That simply is not good enough after 10 years of hearing constantly about how child poverty is a priority for the Government. Reducing child poverty must be a reality in practice, not just in soundbites and manifestos. It will be a priority for the next Conservative Government. We endorse and share the widely held aspiration that child poverty in Britain should be eliminated by 2020, but are profoundly worried about the lack of progress made by the Government. We will reform our welfare state; we want a US and Australian-style back-to-work initiative with special centres across the country, where people on benefits will have help with job applications, IT skills and interview techniques. We also want to increase the support we give to families who are in work but on low incomes, which involves using the savings generated by our welfare reforms to abolish the couple penalty in the tax credit system—mentioned by my hon. Friend the Member for Forest of Dean—that leaves many couples better off if they live apart. In doing so, we will be directing an additional £3 billion a year towards many of Britain's poorest families and helping to reduce family breakdown, which is one of the key causes of child poverty. Indeed, children who live with a lone parent have a 48 per cent. chance of living in poverty compared with a 27 per cent. chance for all children. That is not good enough. As the Institute for Fiscal Studies says, that change alone will lift at least 300,000 children out of poverty, and we believe that our radical welfare reform plans will help take the figure towards 500,000.

Furthermore, a report last year by the Frank Buttle Trust found that nearly half the children surveyed who lived in poverty had no grandparents involved in their lives—something not mentioned by Members thus far. Grandparents can make excellent support networks for disadvantaged children, especially after a family split. Why, then, did the Government reject our extended family amendments to the Children and Adoption Act 2006, which would specifically have addressed that problem?

I am keen to hear from the Minister how realistic she thinks her Government's plans are for reducing child poverty over their remaining years of office. Their plan on child poverty is so far off track as to lack credibility. It was less likely in 2006 that a child of parents in a low income bracket would rise to the top income bracket than it was in 1970. All that despite the fact that the Government have made reducing child poverty one of the main planks of their policy statements. Have all their targets and warm words been merely a gimmick, or is the truth that their approach to child poverty has failed to deliver the significant results that we were promised?

All the evidence suggests that child poverty is at the start of a cycle from which it is difficult to escape. It is a false economy not to tackle it now as a priority, with policies that work at the sharp end and impact on the poorest families most of all. It is not just about ticking boxes or shifting imaginary numbers, but about bringing lasting and practical benefits to the most vulnerable people in our communities, who need them most of all.

3.49 pm

The Minister for Children, Young People and Families (Beverley Hughes): I am delighted to see you in the Chair for this important debate, Mr. Bercow. I, too, congratulate my hon. Friend the Member for Slough (Fiona Mactaggart) on securing the debate. With her usual effectiveness, she has secured it at an important time—just before the Budget. She has been a passionate campaigner for the ending of child poverty, as have my other hon. Friends who are present in the Chamber. Many Members have made important contributions to the debate.

There is consensus, at least in this room, about the debilitating effects of poverty, about how early those effects start and how quickly they can become entrenched and affect many dimensions of a child's development and well-being. I assure my hon. Friend the Member for Slough and other hon. Members that my colleagues in the Government and I need no convincing of the need not just to tackle child poverty, but to work vigorously to end it. That is what we are determined to do.

I am grateful to my hon. Friend the Member for City of Durham (Dr. Blackman-Woods) and to the hon. Member for Mid-Dorset and North Poole (Annette Brooke) for reminding us about the context for the debate. In the two decades preceding 1997, we had

become the worst country in the European Union for child poverty, which more than doubled between 1979 and 1997. By 1997, 3.4 million children were living in poverty and one in five families had no one in work.

I am sorry to have to tell the Conservative Members present that that eventuality was not an accident, but a direct result of the policies of the Conservative Government during that period. Although I accept that we want to go further and faster, we are the first ever Government who have had the ambition to reduce and eradicate child poverty. We reaffirmed that ambition recently in the child poverty public services agreement that was reached during the latest comprehensive spending review.

I want to correct some of the claims that were made in an article on the issue in *The Sunday Telegraph* this week by the hon. Member for Epsom and Ewell (Chris Grayling). He wrote that one in five poor children is still in a workless household. That was the case in 1997, but there has been a reduction of 400,000 in the number of children in workless households. There is confusion about workless households and people claiming out-of-work benefits. The hon. Gentleman also said that 3 million people were living in poverty in 1996-97.

Mr. Harper: On that point—

Beverley Hughes: I shall finish the point, if I may. The hon. Member for Epsom and Ewell said that 3 million children were living in poverty in 1996-97—10 years ago. However, the figure was as I have just said—almost 3.5 million children—so that claim is not true either. The figure has now fallen by 600,000. Absolute poverty has reduced by more than half and we expect a further 300,000 children to come out of poverty as a result of the measures in the last Budget.

I understand completely that the Conservative party has a real credibility gap in its record on child poverty and in its current policies. Policies over the 18 years of Conservative Government caused the huge rise—

Mr. Harper: Will the Minister give way?

Beverley Hughes: No, I shall finish this point. The Conservatives' policies caused the huge rise during that period. On current policy, it is clear that we cannot trust what the Conservatives are saying because they are committed to using at least half the proceeds of growth for tax cuts, so I am not clear how they can possibly afford even—

Mr. Harper: *rose*—

Beverley Hughes: I shall finish the point. It is not clear how the Conservatives can possibly afford even the £1 billion that it would cost to improve the couple premium to which they claim to be committed. I give way to the hon. Gentleman.

Mr. Harper: I am grateful to the Minister for giving way, as she has made some very direct points, which I shall deal with briefly. The UK now has a higher proportion of children in workless households. We did not say that—the Joseph Rowntree Foundation did. My hon. Friend the Member for Epsom and Ewell made it clear that the last set of figures for child poverty were for 2005-06 and they showed an increase. Ten years before, there were 3 million children in poverty, so there was a fall of just 200,000 in that period.

Beverley Hughes: That intervention shows how the Conservative party is prepared to play around with figures. The number of children in poverty when the Conservatives lost office—

Mr. Harper: Year zero.

Beverley Hughes: Yes. The number was 3.4 million. That was the high point for the number of children in poverty. If the hon. Gentleman is trying to play around with figures and say that a little before that there were only 3 million children in poverty, he is simply pointing out that in the last year of Conservative Government the figure rose by almost half a million children as the cumulative effect of their policies. He has, therefore, not made his point very effectively.

I will look at some of the more constructive points that Members have made. Many Members suggested refining how the welfare state looks after the poorest families and that is right. We need to uphold people's right to a decent standard of living, particularly if they are in work. There must be an active responsibility for people to take steps to find work and to safeguard their children's futures.

My right hon. Friend the Member for Leeds, West (John Battle) is right to say that we can see clearly from our current work that although being in work is not a guarantee against children being in poverty, it significantly reduces that risk. Work is an important component and we believe that it is the best route out of poverty. However, we must also recognise that some families face additional barriers to work. Some Members rightly said that disability plays a big role in that regard. We must ensure that we can support such families. Achieving a balance between supporting the vulnerable and encouraging the able to return to work is the key, and it underpins our strategy.

We must ensure that measures to end child poverty are sustainable and effective over the long term. It would be a hollow victory if we were to lift children just over the poverty line, only for them to slip back into poverty a generation later. That is why the strategy that we have been pursuing has four important strands, which Members have identified. First, there should be work for those who can do it and we must make work pay. Secondly, there must be direct financial support for those in the most need. Thirdly, there must be a real improvement in public services, particularly for the earliest years and for families, but which goes right the way through the age range for children to ensure that we address issues such as poor educational attainment and general health and well-being, which can be consequences of poverty. We must do all those things at the same time. Fourthly, there must be direct support to help parents to look after their families.

Four recent developments are helping to galvanise our efforts. The creation of the Department for Children, Schools and Families, with its joint responsibilities, is extremely important. As I mentioned, there was a new public service agreement in October, which set a series of tough targets that are laying the foundations for breaking the poverty cycle. Through that PSA, there is

[Beverley Hughes]

real collaboration at the heart of Government between the Treasury, the Department for Work and Pensions and my Department, which includes focused work on how we can narrow the gap between the poorest children and the rest.

Last but not least, there is the children's plan, which my hon. Friend the Member for Slough mentioned. It is taking the focus on a holistic view of children's well-being a stage further. My hon. Friend referred to play and I agree about its importance. I commend what she has done in trying to get her local authority to take that issue seriously. I am glad that it will be bidding to be a pathfinder.

My hon. Friend mentioned the £4 billion question. That has now been recalculated as £3.4 million through various stages to help us reach the 2010 target. The Government are actively examining the options and doing a lot of analytical work to understand the various groupings of families with different characteristics and problems.

It is evident that there is no single mechanism that can help all families. We have to respond to the different circumstances of different groups, whether they are in or out of work, whether there is disability or whether there are other barriers to work. We are making a careful analysis and looking at a wide range of options. My hon. Friend mentioned seasonal grants and they may be an option, but we have to look at whether they are sustainable and at how well-targeted they will be.

My hon. Friend talked about a severe poverty measure. There was some misunderstanding. The poorest children have been helped the most. My hon. Friend the Member for City of Durham pointed out that they will be £4,000 a year better off by April 2009 and that their weekly income has risen faster than anybody else's. We need to keep the focus on the poorest children.

Finally, the fight to end child poverty does not end in Westminster and Whitehall. It involves local authorities. We need concerted action across local government, the third sector and business, but I hope that over the coming months Members will not just have to take my assurances of today, but will see real commitment put into practice.

Air Ambulances

4 pm

Dr. Ian Gibson (Norwich, North) (Lab): We meet again, Mr. Bercow, under the fortunate circumstances of having a debate that can make a contribution to discussing a serious problem in the national health service.

On average, an air ambulance takes off every 10 minutes in this country, and air ambulances fly 365 days a year. To put it another way, there are seven air ambulances attending accidents and medical traumas every hour of every day. Medical trauma is defined simply as a physical injury that may result in permanent disability or death. There is a long history in war zones of helicopters taking troops to hospitals as quickly as possible, and there is the famous Royal Flying Doctor Service of Australia, which was the first national air ambulance programme and involved a pilot, a nurse and a doctor. The idea is not new; it has been around and is well tried, and it has been pretty effective and can be even more so.

Of course, helicopters are generally more manoeuvrable and flexible than they were and can land practically anywhere, including on many occasions in places that land ambulances cannot get to. They are used in all kinds of air rescue work. Emergency medical service helicopter programmes are established in the United States and in countries in western Europe such as Italy and Austria. Germany has a successful helicopter-based emergency service, the benefits of which have been well documented. A network of helicopters has evolved in the past 20 years and covers the whole of Germany, and the statistics show a dramatic improvement in patient outcomes, particularly in cases of trauma. I shall speak about that later.

The first civil helicopter-based EMS in Britain was opened in Cornwall in 1987, and one can see why: the beaches, inaccessible cliff tops, acres of moorland and farmland and roads that are congested, particularly in the summer, make the work of land vehicles more difficult and time-consuming. The distance to the major hospitals from many parts of Cornwall means that the air ambulance has become a vital, life-saving mode of transport.

The idea was picked up by our national medical institutions, and in 1988 a report by the Royal College of Surgeons recommended setting up a network of trauma centres geared specifically to dealing with the types of injury sustained in major accidents, to which patients would be flown directly by a national fleet of EMS helicopters. That recommendation has not come to fruition, but many counties and authorities have set up their own air ambulance programmes. After Cornwall came Kent, Scotland, the west midlands, London, Devon and many more. Nearly all the schemes are funded by charitable donations from the public, and whopping big donations they are, too.

In 2001 the East Anglia air ambulance operation was set up. It services Cambridgeshire, Norfolk and Suffolk, and in 2007 Bedfordshire was added, which I calculate means that it covers a remarkable 11 per cent. of the total area of England. Just the other day, Anglia One, as we call the helicopter, transferred a trauma-stricken patient who had been struck by a vehicle outside Gorleston, on the coast of Norfolk, to the Norfolk and Norwich hospital. A few hours later it responded to a driver

trapped in his van after a collision on the Cromer road at Hevingham, providing support to fire crews at the scene; it then responded to another major collision—there are too many of them—on the M11 highway down Cambridge way. The medical crew attended from the helicopter and gave aid to a male driver and female passenger who had been trapped for some hours.

The helicopter is out four or five times a day. That does not always result in a patient being airlifted, because sometimes something happens to recover the situation. However, the speed of the air ambulance means that it can often arrive at an accident before any land ambulance could, assess and stabilise patients, work with the land crew when they arrive and establish whether anybody needs to be airlifted elsewhere. The speed of the helicopter is clearly paramount to its effectiveness.

David Taylor (North-West Leicestershire) (Lab/Co-op): Air ambulances are certainly quick to respond to crises and accidents, but there is less responsiveness to the fundraisers and communities from which their funds are drawn. The service in Derbyshire almost collapsed last August, but it was restored and the Derbyshire, Leicestershire and Rutland service will recommence from East Midlands airport on 1 April. Does my hon. Friend believe that there ought to be better co-ordination between the various independent county air ambulances, and that the NHS could perhaps pay a little more towards them?

Dr. Gibson: I thank my hon. Friend, who is spot on. I shall make the case for a proper inquiry to find out how the funding has been in the past few years, where the gaps are, how we can improve the situation and whether we can have co-ordination with the NHS. There is some interaction, as I shall describe, but more needs to be done because the service is essential and will be increasingly necessary to provide the national health service to which we aspire.

The Association of Air Ambulance Charities supports the work of the independent charities involved so that there is some co-ordination, and additional resources such as drugs, skills and suitable vehicles are part of that interaction. The association has 22 active helicopters in 16 of the 18 operational services in the UK, which are estimated to undertake 17,000 missions a year—no mean feat. At the moment, those missions are mainly in response to road traffic collisions and traumatic injuries, but that is changing. I shall say why in a minute.

Air ambulance finances, which, like cancer charities, are marvellously supported by a generous public, are said by some to be in a good state, unlike in the case that my hon. Friend the Member for North-West Leicestershire (David Taylor) mentioned. However, the situation is not sustainable, because charities collect £25 million annually, or £70,000 a day, which is a large undertaking. A charity operating at that level obviously needs a lot of support and help. Money comes to the privately operated charities through public donations.

We have two helicopters in East Anglia, and the charity pays the pilots who serve the east and west of the vast territory that I described. People do not really understand the distances involved. In the west of the region, the charity must also fund attending paramedics on the helicopter out of its pocket; in the east, those costs are paid by the local NHS ambulance trust. There is good co-ordination and interchange among individuals who have learned from work on land ambulances how to conduct themselves with patients who have had accidents.

We must also consider the cost of consumable items such as drugs and medicine, some of which are funded by local NHS trusts, and of the important equipment that is being installed in air ambulances, such as defibrillators, monitoring machines and helicopter maintenance equipment. In many places, those costs are covered by charities. I do not wish to go through a freedom of information document that the Department has provided me with, but it includes a column showing whether, in various parts of the UK, the local NHS trust pays for the full cost of clinical staff. The answers are yes, yes, no, yes, no, yes, yes, yes, yes, no and yes. A column on whether they pay for drugs reads yes, yes, yes, no, yes, yes, yes, no, no, yes. You get the picture, Mr. Bercow—the situation varies depending on the trust involved.

Members will know of the important stories that have put the air ambulance in our living rooms and at the forefront of our awareness. In September 2006, the "Top Gear" presenter Richard Hammond was injured when he was going at 288 mph—not on the public highways, I add. A Yorkshire air ambulance crew stabilised him and transported him to Leeds hospital. He is quite a star and made a full recovery, and he and his friends were so thankful to the air ambulance crew for its service that they collected £400,000 to donate to it. That is a feature of the ambulance world, as of cancer care: celebrity interaction brings forward money.

Also as with cancer care, we have learned that there must be interaction with the state. I traditionally say that funding should be pound for pound, and I sometimes dream that that will happen. We should try to attain that and to get equality of funding from the state and the charity sector, through which people want to put in their efforts. The annual income of air ambulance charities is estimated at £25 million—quite big money and not bad for private charities, given that Government support has been minimal. That is a huge feat.

Over the years, there have been attempts to reform the service. Back in 1996, a critical report said that

"the health benefits are small, and there are limited circumstances in which...pre-hospital performance...can be improved."

The air ambulance service took that on board and improved its pre-hospital services. There are now better air ambulances, beds and facilities, and there are paramedics and a trained doctor on board who can treat patients at the scene of the accident or calamity. That is important and may mean the difference between life and death. Doctors sometimes carry out certain procedures at the scene of the accident, before they fly to hospital. That may lead to a small delay, but I have not heard of a helicopter going to the wrong hospital, whereas some land ambulances have to search around to find the right hospital because of communication problems.

There have been other important reports since 1996. One pointed out that 41 per cent. of patients attended by helicopter had their airways opened up at the scene by a doctor—a skilled and vital activity. None of them has been recorded as being taken to inappropriate hospitals. Patients picked up by ambulance often have blocked airways, which is not good for their survival. Secondary

[Dr. Gibson]

transfers were reduced in air ambulance cases, because those patients seem to get to the right hospitals; I shall come back to that point. We need a proper audit of what is happening with the air ambulance service right across the UK. It is not good enough to leave it to each ambulance trust or ambulance charity; we need some kind of co-ordinated activity. That could happen.

Strategic health authorities such as the East of England SHA are beginning to wake up regarding their strategies on injuries pertaining to specialist vascular surgery, coronary thrombosis or acute stroke management. Remember that our stroke policy is that patients must be taken to a stroke unit such as that at the Norfolk and Norwich university hospital in double-quick time to ensure that they survive. Given the geography of that area, only air ambulances can do that, so the scene is changing in terms of how such ambulances can make a real difference. Of course, there is also pre-hospital treatment and care.

We must also consider helipads and ensure that they are lit up. I cannot understand why the air ambulance service does not operate 24 hours a day. It could, given the right facilities and equipment. After all, accidents do not happen only during daylight hours; they also happen at night. That would help in traumatic injury cases.

David Taylor: Problems with night flying usually relate to hazards such as power lines. The aggregate cost of the Derbyshire, Leicestershire and Rutland air ambulance service, at £1.3 million a year, is one twentieth of 1 per cent. of what the NHS spends in Derbyshire and Leicestershire—about £3 billion a year. Does my hon. Friend agree that the cost to the NHS would not break the bank, even if it were to meet more of the running costs?

Dr. Gibson: I welcome my hon. Friend's intervention. I should also like to know how many people have survived because of that low-paid service. It is well worth the money. I invite the Minister to set up an inquiry into the whole service, across the UK, to see how it is performing with all the knowledge that has accrued over the years.

Many colleagues have attempted to support the air ambulance service and have received the usual replies, such as that it is all sorted out in the locality or that "We don't keep that data centrally". Those answers are familiar but long gone, in my mind, because we need to keep that data. Different air ambulance services record in different ways, and we need to unify the way in which we get data.

4.15 pm

Sitting suspended for Divisions in the House.

4.35 pm

On resuming—

Dr. Gibson: Let me try to tie it all up in the last couple of minutes. I would like to encourage trusts to consider funding all the clinical costs of every air ambulance service in the United Kingdom and ensuring that every unit has a pre-hospital care doctor and a paramedic on board, greatly to improve trauma-patient outcomes. I believe that that is possible. Furthermore, if air ambulances are to become an integral part of our national health strategy, we must make sure that every regional hospital has a lit helipad to facilitate safe, speedy inter-hospital transfers.

Lastly, if there are no centrally held data to audit, we must incorporate a national guideline for registering air ambulance records and statistics. We need a good compact to start with between trusts and air ambulance services, and the Department of Health could facilitate that. This service plays an integral role in our health services. It should be recognised and supported and should work throughout the UK. It would be of benefit in respect of vehicular accidents and traumatic events.

I am not talking about a Northern Rock situation—another place and time, perhaps—and I do not advocate nationalisation of the whole service: quite the opposite. I am not asking the Government to step in and save a dying industry, but to help a productive sector survive and thrive. It is doing quite well, but it is still somewhat short of its potential and time is coming up on us fast. Our Government must invest in this life-saving opportunity. I looked forward to the Minister's saying yes.

4.37 pm

The Minister of State for Health (Mr. Ben Bradshaw): I congratulate my hon. Friend the Member for Norwich, North (Dr. Gibson) on securing this debate and thank him for raising a subject that is close to the hearts of many involved in the delivery of health care. My county is not dissimilar to my hon. Friend's: it is rural and sparsely populated, with Dartmoor in the middle of it, which means that it is an appropriate county for an air ambulance to work in. I am pleased to say that we have one, too.

We value the work that air ambulances do and the services that they deliver to patients. They have, as my hon. Friend said, demonstrated time and again that they can make a difference, particularly in emergency care and where road access is a problem and where they can get patients to hospital, and between hospitals, faster.

As I am sure that my hon. Friend will appreciate, as somebody who takes a close interest in health matters, particularly funding, we are taking fewer funding decisions nationally for the health service these days as we give more autonomy to local health trusts to decide on their own spending priorities. We have to take into account the public benefit gained from any increase in expenditure. We have to start by considering where the resources that are made available for the health service will make most difference.

I am sure that my hon. Friend will also be aware that it was this Government, in 2002, who issued guidance to trusts saying that they should support the clinical staff on air ambulances. I am concerned to hear about the list of trusts that he mentioned earlier where that is not so. I was aware of one from my own research, but I will go back and check that and, if necessary, reiterate the guidance that we gave in 2002. Of course, no statutory support for air ambulances had been provided by the previous Government. The increase in funding by this Government was part of a general package of increased funding for ambulance and emergency services since 1997 of 135 per cent. However, the current advice available to me on the cost-benefit for patients in terms of lives saved and improvements in care would not

currently justify extending statutory funding for air ambulances in further areas. However, my hon. Friend identified one or two areas where that could change. For example, if emergency and particularly trauma services were reorganised in the way that he suggests with fewer major trauma centres and greater distances between them, that equation could change. It could also perhaps change more easily and more effectively in the short term with better co-ordination, and he addressed that in his speech.

Where air ambulance services are targeted more effectively—my hon. Friend referred particularly to major trauma, or blunt trauma, as it is called—the research that we have commissioned from Sheffield university, about which I can write to him with the details, showed that if the average air ambulance service in the country saved four trauma victims' lives a year, it would change the balance of benefit in terms of public funding. It might be possible to achieve that benefit with better targeting. However, at the moment, there are still quite a lot of air ambulance dispatches for far more minor cases, and the economics do not stack up. Between just 1 and 2 per cent. of overall ambulance responses are conducted by air ambulances in areas that have them.

My hon. Friend also highlighted a number of areas where there are still drawbacks in using air ambulances. He mentioned the lack of landing pads at hospitals, so that air ambulances must sometimes land some distance away from the hospital with subsequent road transfer of the patient. Night flying is another issue, and my hon. Friend the Member for North-West Leicestershire (David Taylor) was right in saying that there are still considerable safety obstacles for air ambulances flying at night. There are also medical reasons why patients with certain injuries and conditions—for example, maternity patients, neonates, and some head trauma patients—should not be transported by air ambulance.

There are a number of challenges. They are not insurmountable for the air ambulance services and charities, but I wanted to outline them to try to explain to my hon. Friend the Member for Norwich, North that although we warmly welcome the work of air ambulances, based on the current NICE-based calculations—he is on the record as supporting that institution—it would not be worth spending more taxpayers' money than at present on air ambulances. However, that does not mean that we should not encourage trusts to follow our guidance. Nor does it mean that we should not encourage better co-ordination, which is variable and patchy throughout the country between statutory trusts and air ambulance services.

My hon. Friend may not be aware of the review of co-ordination between the NHS ambulance trusts and air ambulance, which is due to report in May, and whether that co-ordination could be better and allow more effective targeting with the sort of cost-benefits to which he referred.

I want to put on the record a couple of other figures that my hon. Friend might be interested in. The Sheffield university research to which I referred found that the average cost of an air ambulance journey was around £1,100, compared with the average cost of a land ambulance of between £139 and £231, so the cost multiple is between fivefold and tenfold.

Dr. Gibson: Was the Sheffield inquiry in 1996?

Mr. Bradshaw: No, I am helpfully informed that it was in 2003. It is a good job that I can lip-read. It was around the same time that we extended public funding that we recommended to local trusts that the salary costs of the clinical staff who crew air ambulances should be met from NHS funds. However, as with everything in the health service, we keep these matters under review.

My hon. Friend knows that there are enormous pressures on the Government constantly to issue diktats from the centre about national framework standards and national priorities. At the same time, we are criticised for having too many targets and too many centrally determined service standards and requirements. The journey of travel is away from that to more devolved decision making at strategic health authority and primary care trust levels. It is important that the PCTs take note of our guidance on their relationships and their funding for their air ambulances, and that they work more effectively and in a more co-ordinated way with them to ensure that existing services are more joined up.

David Taylor: To put the comparative costs of road vehicles and air ambulances into context, will the Minister say whether the cost that he quoted factored in the earlier arrival of assistance, and the improved outcomes that routinely emerge from the use of air ambulances?

Mr. Bradshaw: I think that I am right in saying that the Sheffield university research came up with the comparison in terms of response times, but it also took into account what would be needed, taking those response times into consideration, to change the policy for supporting air ambulances with statutory funding, which goes back to my point about four avoidable deaths saved per year. The Sheffield study found that if, taking everything into account, an air ambulance could save four or more blunt trauma patients each year, the cost per quality-adjusted life year is, as I am sure my hon. Friends who take an interest in health matters will be aware, likely to be acceptable based on NICE thresholds. The Sheffield study also found that that would require air ambulances to be better targeted than at present.

Dr. Gibson: Does the Minister accept that there may be not just trauma savings, but savings on patients with strokes, thrombosis and so on? That would save a lot of money. My earlier point was that some things are not recorded. An air ambulance may pick up a patient and drop them off, and that is the end of the matter. They do not always say what the cause and effect of treatment was.

Mr. Bradshaw: My hon. Friend is absolutely right that the way in which we deal with stroke patients needs a great deal of attention, and I am sure that he will be aware that we recently published an updated stroke strategy. He is right in saying that advances in technology and medical knowledge show that in many parts of the country we have not dealt with stroke victims in the most effective way. It is important to get to patients quickly, to get the right drugs to those who have suffered a certain type of stroke, and to do what can be done in an ambulance environment, but while getting them to a specialist stroke centre as quickly as

[Mr. Bradshaw]

possible. There may be models in future under which specialist stroke centres may benefit from the quick transportation that he is outlining, but that is not currently the case.

I am advised that the best advantage of air ambulances is for serious blunt trauma cases, which is where the main benefit lies. We believe that services have matured and improved since the research to which I referred, and we look forward to any changes and suggestions from hon. Friends on the contribution that air ambulances can make. We value their contribution, and we believe that they should work more closely with the service and with charities to target and deliver the care that patients need. We believe that they have a good future, supported as they are by taxpayers and the fantastic contributions that enthusiasts and volunteers make.

Mr. Brian Peters

4.50 pm

Mr. Don Foster (Bath) (LD): I am pleased to have secured this debate and am absolutely delighted that it is under your chairmanship, Mr. Bercow.

On 1 February 2006, I secured a debate on the events in East Timor in 1975. Today's debate covers the same ground, but it does so in the light of recent events that have revealed additional information. In 1975, Indonesia invaded East Timor and subsequently illegally occupied it for 24 years, until 1999. Following two and a half years of UN administration, East Timor finally celebrated its official independence as Timor-Leste in 2002. Sadly, it remains in the news, not least because of the recent attempts to kill President Ramos-Horte, who is now recovering. His country's commission on reception, truth and reconciliation found that in the period from the lead-up to the invasion and throughout the invasion and the subsequent time in power of the Indonesians, East Timor endured up to 183,000 more deaths than would have been expected.

All those deaths are important, but I want to concentrate on the so-called Balibo five. In particular, I will argue—just as I did two years ago—that the UK Government at that time and in subsequent years had been involved in a disgraceful cover-up. Before turning to the most recent events, which cast further light on those deaths, a bit of background may be helpful.

Portuguese Timor, as East Timor was then, became the focus for Indonesian destabilisation in 1974. A civil war from August to September 1975 killed more than 1,000 people. In control by then was a left-wing movement, Fretilin. Instability and unrest remained. Into this situation flew two British citizens, Brian Peters and Malcolm Rennie. They worked for the late Kerry Packer's Channel Nine network. They headed for the East Timorese border town of Balibo. There, on 13 October 1975, they met three other journalists who were working for the rival Channel Seven network. Three days later all five were dead.

As I said in the earlier debate:

> "When Britons die abroad we anticipate our Government doing all they can to help the relatives. We expect the Government to seek as much information as possible and to share it with the relatives. Sadly, in this case, the opposite happened. From 1975 until 1995, there was almost complete inaction. The Government were involved in a disgraceful cover-up."—[*Official Report, Westminster Hall*, 1 February 2006; Vol. 456, c. 97WH.]

Efforts, by friends, family and campaigners, such as my constituent Hugh Dowson, to uncover the truth about how the Balibo five died were continually frustrated. By the time of my last debate, we knew that plans were in hand for an inquest into the death of Brian Peters, one of the two British journalists, in New South Wales in Australia.

It was an inquest that should have been held long ago and could have been, had our Foreign Office told the British families in 1975 and 1976 what it really knew from its own sources and from Ramos-Horta about the deaths at Balibo. The inquest has now taken place and the state coroner, Dorelle Pinch, issued her report last November. Coroner Pinch's report and her findings also apply to the other Briton, Malcolm Rennie, the New Zealander and both Australians.

In responding to my 2006 parliamentary debate, the then Minister for Europe, the right hon. Member for Paisley and Renfrewshire, South (Mr. Alexander) hoped the inquest would

"reach a clear conclusion about what happened on 16 October 1975."—[*Official Report, Westminster Hall*, 1 February 2006; Vol. 456, c. 103WH.]

The coroner found that Brian Peters was "deliberately killed", and she named those responsible. She said that Peters died

"from wounds sustained when he was shot and/or stabbed deliberately, and not in the heat of battle, by...Indonesian Special Forces"—

including Christoforus da Silva and Captain Yunus Yosfiah. She said that Brian Peters was killed

"on the orders of Captain Yosfiah, to prevent him from revealing that Indonesian Special Forces had participated in the attack on Balibo."

She also found

"strong circumstantial evidence that those orders emanated from the Head of the Indonesian Special Forces, Major-General Benny Murdani to Colonel Dading Kalbuadi, Special Forces Group Commander in Timor, and then to Captain Yosfiah."

Murdani and Kalbuadi are dead. The other two are not. After diplomatic training in Britain, Yosfiah became a general and, later, a Government Minister. The coroner invited him, several times, to give evidence in person or by video link, but he declined.

The coroner concluded that an international conflict was under way once Indonesian forces seized territory in East Timor on 7 October 1975. She stated that thereafter

"the Fourth Geneva Convention (Protection of Civilian Persons in time of War, 1949)"

protected journalists. She said that under that convention, the killings were

"'grave breaches' under Article 147 and may be prosecuted as war crimes."

Thus, by the time the Balibo five were illegally killed, the Geneva convention was applicable and so those responsible are guilty of war crimes. Given that finding, the coroner referred the case to Australia's Attorney-General. Australia's Director of Public Prosecutions will determine whether to prosecute. Given the inquest's thoroughness, the DPP has strong grounds to decide whether the surviving Indonesian nationals have a case to answer and whether they should be brought to justice.

The coroner also helps us to have a better understanding of the role of others, including the British and Australian Governments, at the time. The coroner concluded that in 1975, despite the Balibo murders, the Australian Government continued the "charade" required

"to sustain the myth that there were no Indonesian troops in East Timor."

Britain had a key role in that myth, as documents released by the Foreign and Commonwealth Office in 2002 show. On 15 September 1975, a month before the deaths of the Balibo five, John Ford, our ambassador to Jakarta, told the FCO that Indonesia's Generals planned

"to step up clandestine intervention designed to look like popular uprisings...The only limitation on clandestine activity now appears to be fear of its exposure."

Australian documents show that the FCO advised the Australians on 2 October 1975 that the UK Government would not protest over subsequent Indonesian action in East Timor. Two days later, in a "secret" telegram from the ambassador to the FCO and the Ministry of Defence, Mr. Ford described the military forces ready to invade East Timor. He added that Indonesia's Defence Ministry awaited

"incidents in the next few days that would finally persuade"

Indonesia's President to authorise "early overt action".

So, to one of two Indonesian generals whom he knew was in charge of the takeover, Mr. Ford

"stressed the dangers of overt armed intervention particularly so far as Indonesia's position in the UN and with public opinion in the West was concerned."

In other words, Britain did nothing to prevent the planned invasion and went further by recommending that it be kept covert. Keeping something covert means keeping journalists out of the way. Indeed, the inquest findings comment on that. Intelligence officials testified under oath at the inquest; sometimes, on national security grounds, that was done in closed session. Also in closed-session deliberations was, on subpoena, intelligence material located by long searches and covered by public interest immunity. The coroner states that the closed testimonies and intelligence material show that "from early October" 1975, the Indonesians were

"highly sensitive to the presence of any journalists (both foreign and domestic) in the border area".

However, we know that some 20 journalists were in Balibo between mid-September and mid-October 1975. The Balibo five were among them, specifically to investigate whether Indonesian troops took part in the 7 October seizure of a nearby hamlet in East Timor. Balibo was then attacked and the Balibo five were deliberately killed.

The Australians knew of the attack in advance. The Australian Government admitted in 2002 that their officials were informed by the Indonesians on 13 and 15 October 1975 that Balibo would be seized covertly by Indonesian troops on 15 and 16 October, which is what happened. They also quickly found out about the deaths. As the coroner's report shows, key Australian officials and Ministers knew the main facts about the deaths within 48 hours. From the closed material, including an Australian intelligence review, we can see that they even knew who led the attack. The material reveals that

"Yunus Yosfiah was the field commander in charge of the attack"

on Balibo.

What did the British Government know and what did they do to uncover the truth? They knew a lot, but for a long time did very little. Responding in the 2006 debate, the then Minister implied that the UK Government were not aware of the deaths until their embassy's report of 24 October 1975. The report claimed that the Balibo five were killed

"almost certainly inadvertently".

Already at that time, and contrary to the truth, comments were being made that reduced any need for further investigation, but, worse, it seems that we did not want to know more. It appears that our diplomats

"suggested to the Australians that...it is pointless to go on demanding information from the Indonesians".

[Mr. Don Foster]

The report notes that Australia's embassy was
"inclined to agree but...apparently under pressure from Canberra".
Our own ambassador, Mr. Ford, suggested that
"we should ourselves avoid representations to the Indonesians about them",
to which the FCO replied, "We agree".

From the start, the Australian Government faced press demands to denounce the killings. As a result, Jakarta halted its covert operation to await the response. The Indonesian military was at the time holding on to the British passports of the two dead British journalists, but there was no British response or reaction. Even after 13 November 1975, when the British ambassador informed the FCO that Indonesia's intelligence supremo had given the British passports to the Australian ambassador, Britain's silence continued.

It gets worse. How can anyone justify the subsequent advice from Ambassador Ford to the FCO to deny knowledge of atrocities committed by Indonesian troops in December 1975 after the invasion of East Timor? By January 1976, he had even offered advice to the Indonesian Foreign Ministry on how to hide those atrocities. To compound the cover-up and to add insult to injury, his 15 March 1976 in-depth analysis of the East Timor crisis claimed that Britain's policy
"has so far paid off handsomely. The lack of involvement has largely kept Timor out of the British and US headlines and away from becoming a major public issue".
That dispatch also confirmed that the Balibo attack was an Indonesian military operation.

The FCO stonewalled. These two examples from FCO documents from 1975 and 1976, which were released in 2002, illustrate that point. First, A Canberra-based British official reported to the FCO on 30 April 1976 that he had suggested to a senior Australian official that
"it would serve little purpose"
if Australian public statements
"made too much of the fact that two of the journalists were British".
Secondly, one of the Australian officials who was briefed in advance by the Indonesians on the Balibo attack was Allan Taylor. In 1976, the Australian Government chose him to lead a cover-up operation on the Balibo five. His report purported to find no Indonesian involvement.

Our own Government's lack of interest in seeking the truth also continued for many years, as I said. During the 2006 debate, I was reminded that when Brian Peters' sister, Maureen Tolfree, was given a range of papers on the issue in 1995, it was to reassure her
"of the Foreign Office's transparency about this case".
I was told that
"she was given a collection of unclassified documents detailing what we knew about her brother's death".—[*Official Report, Westminster Hall*, 1 February 2006; Vol. 442, c. 101-102WH.]
Not one of those documents, however, acknowledges what the FCO really knew about the deaths. The papers on that 1995 meeting, which were released to me in 2006 following that debate, show that the FCO's real concern in 1995 was to persuade Maureen Tolfree and her MP
"that discussion should focus on the consular aspects of the case—the only legitimate claim Mrs Tolfree has to request a call on Ministers".

There are many other aspects of the cover-up—even apparently less important matters seem to have been subjected to it. For example, until 1999 our Parliament was told that the Balibo five were part of a single TV crew, but the FCO's documentation for the 1995 meeting with Maureen Tolfree notes that the burial plot in Jakarta for the Balibo five newsmen's remains is maintained
"at the expense of Channel 7 (the Australian TV channel which employed 3 of the journalists)".
It was therefore known in 1995 that it was not a single TV crew, yet the public utterances until 1999 said otherwise.

What should be done now that we have had the coroner's report? The case is closed as far as Indonesia's Government are concerned. They first did that right back in 1975, because, in part, of the UK stance of doing and saying nothing. However, Australia's Government are considering action on the findings and recommendations. What about our Government? Our stance was a disaster for Indonesia and East Timor, and it must end. The conduct of the dead journalist's Government is, for Indonesia's military, a litmus test on where we stand on the issue of impunity, which matters. The men named in the coroner's findings are implicated in later atrocities, not only regarding the Balibo five. Moreover, East Timor's UN-initiated commission for reception, truth and reconciliation concluded, as I mentioned, that between 1974 and 1999, up to 183,000 more East Timorese died than would be expected in normal times.

The commission made 15 calls to the international community. One was for action by the Governments involved, including Britain's, to resolve the Balibo five case and that of another international journalist killed in East Timor in 1975. The UK stance on Balibo to date means that no effort has been made to bring to justice those directly implicated in the illegal killing of the Balibo five, which was also a war crime. What signal does that send to those who would consider murdering journalists? Around the world, from 1996 to 2006, more than 1,000 journalists were murdered. In 90 per cent. of those cases, no one has faced justice. More has to be done, and action must now be taken.

I have some questions for the Minister. First, will she acknowledge that Brian Peters' sister had to overcome an FCO smokescreen to obtain the inquest? Surely the FCO should have been working with the relatives. Secondly, will the Minister involve relatives in determining a way forward and agree it with them? Thirdly, as part of that, will she endorse the coroner's report? Fourthly, will she invite the Indonesian Government to endorse the report? Fifthly, will she insist that those accused of the murders face justice, through, if necessary, a UK initiative for Interpol to issue warrants for the two surviving Indonesians who were named by the coroner? Sixthly, will she institute a fundamental review of the FCO's conduct of the case?

Finally, will the Minister review the relevant materials on the Balibo deaths? It has been a sorry saga and the way in which it was handled is a disgrace, but I hope that we can at least make progress today.

5.9 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): I apologise to the House for my lack of voice; I hope my

voice will last throughout my speech. Indeed, Mr. Bercow, you had to listen to it during a previous debate.

I congratulate the hon. Member for Bath (Mr. Foster) on securing the debate. It is on a matter on which he has a long-standing and, as we heard, a passionate interest.

I express my condolences to the family of Brian Peters, as well as to the families of the four other journalists killed—Malcolm Rennie, Greg Shackleton, Tony Stewart and Gary Cunningham. The Foreign and Commonwealth Office followed closely the Australian inquest into the death of Brian Peters, which was concluded on 16 November 2007. Staff from the British consulate-general in Sydney regularly attended hearing days at the Sydney coroner's court, and were present when the findings were handed down. Throughout, they remained in close touch with the family of Brian Peters.

The circumstances surrounding the tragic deaths of the five journalists have been the subject of some controversy for many years. The Indonesian Government maintained that the men were killed in crossfire between rival Timorese groups. However, as the hon. Gentleman highlighted, there were persistent allegations that the journalists were deliberately killed by Indonesian troops to prevent them from reporting the extent of clandestine Indonesian involvement in what was then ostensibly a civil war.

Public interest in the Balibo case was reawakened in 1994 when John Pilger's TV documentary "Death of a Nation" was first aired. The documentary was mainly about the 1992 Santa Cruz massacre in East Timor, but it referred to the Balibo five, reporting claims that the journalists had been tortured and killed by Indonesian soldiers.

Papers released by the FCO to the National Archives show that on 17 October 1975 our embassy in Jakarta reported unconfirmed news stories that Balibo had been captured by anti-Fretilin forces. The papers also showed that on 24 October 1975 the embassy reported news received from Australia that journalists had been killed.

The telegram issued by our embassy in Jakarta in 1975 recorded what we then knew of the journalists' deaths, which included the fact that they had been with Fretilin forces when the house in which they were sheltering was hit and set on fire, that press pictures of the house had been published and that it was understood that they had been

"killed, almost certainly inadvertently, in the course of an attack by Indonesian/UDT forces".

It was believed then and during the following years that the journalists had been killed in crossfire between opposing groups fighting in East Timor.

The FCO documents from that time, now released to the National Archives, show that the FCO was aware of the fact that there were clandestine operations in East Timor in October 1975, but not of the details of those operations. Our records show that we were not aware of the journalists' presence in Balibo before their deaths.

We have not withheld any information that would shed further light on how the five journalists died. All the documents that can be released into the public domain by the FCO on the issue have now been released. The FCO has always striven to be as open and transparent as possible about the information that we hold on the incident. That is why, in 2002, documents relating to the incident were released exceptionally early to permit the relatives of Malcolm Rennie and Brian Peters to see at first hand what the FCO knew about the deaths.

The FCO files from the period indicate that the Government's policy was not to intervene directly in the controversy surrounding the future of East Timor but to engage the Indonesian Government on the need for democratic outcomes. The United Kingdom never recognised the Indonesian annexation of the country. We constantly worked through the United Nations to seek a resolution that would fully protect the interests of the people of East Timor.

The hon. Gentleman spoke of the developments after the coroner's findings in New South Wales. It is worth clarifying the matter. There have been no inquests into the deaths in the United Kingdom as there is no legal authority for coroners in the UK to look into a death if there are no remains in their jurisdiction. Under New South Wales legislation, however, coroners can conduct an inquest into the death of someone who was resident in the territory, as Mr. Peters was, even in the absence of remains.

The findings of the New South Wales coroner—that the five were killed deliberately by Indonesian troops—were the outcome of an independent judicial process run by the state coroner's court. The coroner stated that she would refer the matter to the Australian Attorney-General, as the hon. Gentleman said. The Attorney-General has the authority to launch prosecutions, and he will decide how to take matters forward.

The Government have had contact with the families of the two deceased British journalists on a number of occasions since the men's deaths.

Mr. Foster: I am grateful to the Minister for giving way; it will give her a slight break. She rightly referred, as I did, to the fact that the Attorney-General would look into the issue and that the Director of Public Prosecutions would decide how to proceed. Will it be the Minister's intention to urge the DPP to bring prosecutions?

Meg Munn: It is not for the United Kingdom Government to take forward the findings of the coroner's proceedings in Australia or to comment on their accuracy. However, I assure the hon. Gentleman that we have paid close attention to the progress of the inquest, and I plan to ask the Australian authorities at a suitable opportunity how they plan to respond to the inquest's recommendations.

The Government have had contact with the families of the two deceased British journalists on a number of occasions, including meetings with FCO Ministers. As the hon. Gentleman knows, the Minister for Pensions Reform, my hon. and learned Friend the Member for North Warwickshire (Mr. O'Brien), then Minister of State for Trade, Investment and Foreign Affairs, met the relatives of Mr. Rennie and Mr. Peters in September 2003 and March 2004 to hear their concerns. Our consular officials wrote to the families of Brian Peters and Malcolm Rennie to inform them about developments following the conclusion of the New South Wales coroner's inquest, and they will continue to liaise with them on any future developments. I believe that that shows how

[Meg Munn]

seriously the Government are taking the case. I assure the hon. Gentleman that we will continue to do so.

The hon. Gentleman raised a number of specific questions with me, and to demonstrate our commitment and to look at the issue further, I offer to meet him and, if they wish, the families of the two British journalists killed, to discuss the outcome of the Australian inquest. Once again, I thank the hon. Gentleman for raising this important issue.

Question put and agreed to.

Adjourned accordingly at seventeen minutes past Five o'clock.

Westminster Hall

Thursday 28 February 2008

[MR. DAVID AMESS *in the Chair*]

Refuse Collection

[Relevant documents: Fifth Report from the Communities and Local Government Committee, Session 2006-07, on Refuse Collection, HC 536, and the Government response thereto, HC 1095.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. David.]*

2.30 pm

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): I assume that we have a low representation of Back-Bench Members, with the exception of my hon. Friend the Member for North-West Leicestershire (David Taylor), because it is Thursday afternoon and there is only a one-line Whip today. It might also reflect the fact that there has already been enormous and extensive debate on the subject of this report. I shall get the joke in before anyone else does, which is that we are all going to be talking rubbish this afternoon—more so than usual.

There has been enormous debate on the reports both within and outside Parliament, and perhaps people feel that the points that need to be made have been exhausted. The debate is on the fifth report of the Select Committee on Communities and Local Government, but we also draw hon. Members' attention to our sixth report of 2007-08 on the much narrower topic of waste reduction pilots, which is also relevant.

I shall start by putting the fifth report in context. Although refuse collection is the responsibility of local authorities, and therefore of the Department for Communities and Local Government, it sits within the Government's general waste strategy, which is the responsibility of the Department for Environment, Food and Rural Affairs. The waste strategy places an imperative on us all, but particularly on local authorities, to reduce the amount of waste generated, to reuse and recycle, and only then to think about using landfill.

There are several powerful incentives for local authorities to reduce the amount of waste going to landfill. Such a reduction would make an important contribution to protecting the environment and to reducing energy use, thereby helping the country to meet its commitments on climate change. We are landfill junkies in this country, and if we carry on using landfill at the current rate, we will use it all up within 12 years. That fact alone—holes in the ground are going to run out—means that councils have to do something about reducing the amount of waste going to landfill.

There are also two financial imperatives on councils, the first of which is the landfill tax. The tax has been operating for some time, but the charge has been escalating, so it is becoming ever more expensive to put waste into landfill. The second is the landfill allowance trading scheme and the imperative that every council has to reduce, by 2010, the amount of waste that it sends to landfill against an individual ceiling. That ceiling is set by the past performance of that local authority area, and if it is not met by 2010, the relevant authority will receive large fines, which will end up being paid by council tax payers.

Although much of the debate about refuse collection and charging has focused on the so-called bin taxes, people must bear it in mind that if we do not collectively reduce the amount of waste going to landfill, we will all pay more to our councils anyway. The issue is more about whether we can reduce excess charges than whether we should add charges, or whether all council tax payers should pay or only those who do not make much effort to reduce the amount of waste going to landfill.

The report, which was published in May 2007, covers refuse collection policy in England, because the DCLG is responsible only for England in these matters. It touches on several points on which I shall not expatiate because I want to concentrate on relatively few. I have made the point about cost pressures on authorities. If we continue to produce waste at the current level, there could be an extra £150 on everyone's council tax bill.

The report looks at the various ways in which councils have responded to that challenge. One of the most interesting parts of the inquiry was the sitting attended by representatives from different local authorities, all of whom had taken different decisions in response to the situations in their areas. They argued the case out in front of us, each trying to explain why they had made those choices and why they thought other councils had made other choices. That was particularly interesting because it was not a party political matter. There were huge differences of opinion between council leaders, but, without knowing, it would have been difficult to say which ones were from which party. People feel strongly about this subject, but it is not party political.

David Taylor (North-West Leicestershire) (Lab/Co-op): I congratulate my hon. Friend on the quality of the report. She talks about the various borough initiatives. Does she agree that there is one large untapped area in which savings can be made? Some 8 million disposable nappies are disposed of every day in this country; that is 1 million during the three hours of this debate. I calculate that this Chamber, which is about 50 ft by 30 ft by 20 ft, would be filled every hour by the disposable nappies thrown away in this country. What did my hon. Friend learn from the local authorities mentioned on pages 25 and 26 of the report in relation to encouraging the use of reusable nappies in the way that the Nappy Alliance and others have been promoting for some time?

Dr. Starkey: I sense a press release coming. My hon. Friend paints quite a disgusting word picture of piles of disposable nappies. We did not go into this issue in great detail, but disposable nappies are one of the smellier waste items. In a moment, I shall discuss AWC—alternate weekly collection—or fortnightly collections, as they are popularly known in the press. Obviously, a major issue in that regard is smell. Disposable nappies are a particularly smelly form of waste that causes particular problems, and several local authorities have introduced schemes to support and encourage parents to use traditional rather than disposable nappies.

[Dr. Starkey]

We had a little discussion about this before the debate, and it is a difficult area of personal behaviour to influence, because people have strong views on it. I am of an age that I used reusable nappies on my children and viewed disposables as an unhappy modern invention with unfortunate environmental consequences. However, both my daughters are wedded entirely to using disposable nappies for their children, and they cannot imagine how I managed with having to wash the reusable ones.

There are some good initiatives, but there has also been debate, which we reproduced in the report, as to whether the environmental damage is all on one side. If one reuses nappies, one has to wash them, which uses enormous quantities of water. I applaud councils that have addressed this delicate matter, as parents need to be aware of the possible environmental problems with disposable nappies. Incontinence pads, which nobody talks about, are even worse in one sense, as they are usually rather larger.

I shall speak in a little while about the different collection methods chosen by different councils, and about the perception of health risks that may be associated with some choices that have been made.

Dr. John Pugh (Southport) (LD): Do not all local authorities share the same problems and have to solve them in rather similar ways? The hon. Lady says that refuse collection is not really a party political matter, and no solution is owned by any one political party. None the less, this is often a matter of local party political debate, and all parties are prone to use it as a political weapon against an incumbent party that sincerely endeavours to solve the problem.

Dr. Starkey: That is indeed the case. We compiled our report in the run-up to the local elections, and many assertions were made in the press at about that time that nemesis would arrive for certain parties—different parties in different places—in May, when the electorate would take revenge on them.

The interesting thing about the local election results is that some parties that introduced fortnightly collections lost control, but the changes of control were more to do with the political swing across the country. Some councils that had just introduced fortnightly collections, and whose main opponents ran on the platform that that was a big mistake and that they would reverse the policy, retained power. There is no evidence from the elections that AWC was quite the vote-losing policy that was suggested in the popular press.

Mrs. Jacqui Lait (Beckenham) (Con): I, too, congratulate the hon. Lady and her Committee on a very good report. It focuses entirely on refuse collection, which is the right thing to do, but there is the immediate interaction with disposal. The issue is being driven by the landfill tax. Did the Committee at any stage consider innovative methods of refuse disposal, or has it any plans to do so? Some methods would incentivise communities differently. To produce electricity, they would need a continuous flow of waste-to-power anaerobic digesters, gas plasmification systems or incinerators.

Dr. Starkey: No, we did not, because the matter was not within the purview of our report or, indeed, our Committee. However, my view as an MP who resisted an incinerator in her area is that although energy from waste is an important option that could be investigated and considered, in general, most people agree that it would be a mistake to allow energy from waste to encourage people to be more cavalier about the amount of waste that they produce. We should still try to reduce waste generation, but also look at what we can do with the residual waste that will, inevitably, be produced. Energy from waste may be a sensible proposal along those lines.

One thing that I will touch on later is how the choices that have already been made in different areas for treating refuse have reduced the options available in those areas for refuse collection. For example, large investments are being made in a particular form of waste treatment plant, which then limit the choices that can be made by local authorities in that area in respect of waste collection.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): I, too, congratulate my hon. Friend on her report. On the point that she raises, may I make it clear that the Government's large investment programme—£2 billion for private finance initiative credits for investment in waste infrastructure—is now designed in such a way that the conflict to which she refers, which is historical, will no longer arise? There is no question that authorities that brought such plants on stream would be allowed to have recycling rates that were jeopardised or kept down because of the potential for energy from waste.

Dr. Starkey: Excellent. Perhaps I had better get on to the key points that I intend to make. I shall pass over most of the statistics that I had planned to give—many are in the report anyway—except to reiterate that Britain's recycling rates are relatively poor compared with those of many other European Union states. In particular, we have historically sent much more waste to landfill. I believe that everybody in this country is trying to achieve a large culture shift and a huge change in how each of us behaves, which is very difficult.

The report exclusively concentrates on refuse collection by local authorities. Most of that is domestic waste. Although local authorities can charge for and take away commercial waste, most commercial waste is not collected by them, and we note that. Important though domestic waste is, it is still a relatively small proportion of the waste that is produced; indeed, it is only a tenth of it. That is not a reason for us not be serious about it, but we need to keep it in perspective.

Dan Rogerson (North Cornwall) (LD): I, too, congratulate the hon. Lady and her colleagues on the Committee on the report. Clearly, they had some fairly tight terms of reference to do with refuse collection, but did they consider whether there was any role for local authorities in reuse schemes, as well as recycling schemes, to try to push people up the waste hierarchy?

Dr. Starkey: We mentioned reuse in the report, but did not consider it in depth. We said that local authorities need to be thinking about what they can do to promote all three aspects—waste reduction, reuse and recycling—but we did not look into reuse in detail.

Turning to the part of the report on collection methods, there has been a gradual shift towards AWC, which is the slightly more accurate way of describing what are popularly known as fortnightly collections. In almost every case, what is described as a fortnightly collection is a weekly collection in which the same things are not collected every week. Some things may be collected fortnightly, but there is a weekly collection.

There has been a gradual shift towards AWC over the past decade, but it has accelerated in the past three years as councils have tried to boost recycling. There is a great debate as to whether the introduction of AWC has contributed to an increase in recycling. The Committee concluded that although there is an undoubted association between the introduction of AWC and an improvement in recycling rates, there is no demonstrable cause and effect. Councils that have introduced AWC have, quite properly, done so as part of a huge public education campaign in their area to explain what the change is, how it will work and why they are doing it. That may have contributed to the improvement in recycling rates as much as the waste being collected in a different way, although a number of councils that have introduced AWC were clear that, essentially, they were making it more difficult for householders to dispose of the residual waste left after they recycled.

Those councils were seeking to engage householders' attention and get them to reduce the amount of residual waste, either by providing them with smaller bins, so it was more difficult for them to create large quantities of residual waste, or by deliberately having the residual waste collected only once a fortnight to make it more difficult and to encourage householders to reduce the amount of waste. However, councils that have not introduced AWC did have high recycling rates.

Dr. Pugh: The hon. Lady gives credibility to the persuasive powers of councils, which surprises me. Is she aware of any councils that have doubled their recycling rates purely by persuasion?

Dr. Starkey: That would be difficult to demonstrate; that is the point. Every time AWC has been introduced, there have been a large number of changes and it is difficult to decide which was responsible for the change in household behaviour and the improvement in recycling. However, the one thing that the Committee could say was that any council thinking of introducing AWC needed to involve itself in an extensive, effective public information campaign. Otherwise, it would be highly likely that the scheme would descend into chaos with—as we all saw on our television screens, although I cannot remember which council was involved—people on an estate pursuing a refuse lorry and throwing their rubbish at the refuse collectors, such was their frustration at the introduction of AWC, which was clearly, in that case, done without the necessary public education or back-up.

The Committee was not convinced that AWC is essential to improve recycling rates, but recognised that many councils introduced it because they believed that it would improve those rates. We debated whether it was simply a cost-cutting measure. That is difficult to work out. Essentially, when a council moves from an ordinary weekly collection to AWC, it is giving the householder the option of putting rubbish out in lots of different bags or boxes; if it does not introduce AWC, it will need twice as many refuse lorries as it had in the first place.

Accordingly, introducing the change to AWC and having more separate collections can be done without doubling the number of vehicles. It is not so much that councils save money through AWC, but that they reduce the additional investment needed to start collecting glass, plastic, paper and residual waste separately. To that extent there is a cost saving, but mainly the additional costs that those councils would otherwise have had to meet are reduced in respect of a system that allows them to recycle more.

David Taylor: Does my hon. Friend agree that it has been difficult for local authorities of all party political persuasions to introduce revised arrangements against the backdrop of the middle-market national tabloids jumping on a bandwagon, suggesting that AWC is the end of civilisation as we know it and conflating it with taxation and electronic chips in the bins at work, which, according to them, can track—in the south-west, for example—every last cider bottle, pasty and "Focus" leaflet that people throw away? It is difficult for local authorities to operate in that climate, is it not?

Dr. Starkey: I agree. I was amused that, after our report was published, even though it did not back up what the tabloids had been saying, they nevertheless managed to say that it entirely vindicated them and the campaign that they had been running. Of course, it does not do that.

The Committee's view on the subsequent report on the Government's waste reduction pilots is that they have pulled back on the original proposal to allow all councils to introduce charging if they wish and have instead focused only on five pilots precisely because of the vitriol in the tabloid press, which has made it difficult to have a sensitive debate about charges for residual waste.

It became clear to us that the collection method had to vary depending on the nature of the area served. Most obviously, it is difficult for a council in a dense urban area with lots of flats and houses in multiple occupation to have an alternate weekly system, which relies on individual households having a significant amount of space to store the recyclables, or whatever, for the fortnight before the collection. Alternate weekly collections have rarely been introduced in dense urban areas because they do not work well, whereas they seem to work well in more suburban or rural areas, where space per household is not at quite the same premium and people have a reasonable amount of outside area where they can stash stuff until it is collected. Instead, many councils in urban areas have collective recycling facilities dotted about closer to people's homes, so people living in a flat can get rid of a lot of their rubbish themselves by taking it to the nearest recycling bin on the corner of the street. Clearly, it is horses for courses, which is why it is best to leave such decisions to councils, because they know their area better than anybody else possibly can.

Food waste, along with disposable nappies, is the problematic bit of residual waste. Food waste is problematic because it is smelly and attracts vermin and other problems and because when it gets into landfill it, above all, generates methane, which causes enormous problems

[Dr. Starkey]

in managing landfill sites. We recommended that food waste should be collected weekly. I am glad that the Government accepted that that recommendation was the right way forward.

The Committee also considered the evidence on health risks from alternate weekly systems. There is no credible evidence that there are health risks, although the public prejudice is that there are. We had a terribly interesting discussion about the life cycle of maggots, which demonstrated that even a weekly collection is too slow for the average maggot. We probably do not wish to go into that subject any further. However, that shows that even a weekly collection may not come often enough to deal with that problem. In addition, individual householders need to take some responsibility for wrapping their waste so that it is not so easily accessible to flies, foxes or magpies, which seem immediately to distinguish which colour bag has all the goodies in it and leave the recycling bags well alone.

I want to mention financing refuse collection and unofficial charging, which some councils seem to be pursuing at the moment, then I shall deal with a number of other points. Financing refuse collection is the issue that is concentrating everybody's minds. As I pointed out at the beginning, costs are inevitably rising due to the pressure on landfill. Sir Michael Lyons, in his report on local government finance, recommended that councils should be able to charge for waste collection and disposal and that that should be done separately from council tax, so that householders could see what they were paying for. Of the original 15 members of the European Union, the United Kingdom is the only one that does not allow local authorities to charge for refuse collection.

The Government initially decided to introduce a limited power for local authorities to charge for waste collection, but hedged that in a number of ways. First, the incentives to households that reduced the amount of waste for landfill had to be balanced exactly by the fines on other households. The scheme had to be self-financing, so that there would be a redistribution of money from households that were not reducing waste to those that were. Secondly, the administration costs of the scheme could not be included in that self-financing envelope, and would have to be borne by the council. As I understand it, it was argued that that was acceptable because the point of introducing incentives and fines was to encourage households overall to reduce the amount of waste going to landfill, so the overall cost to the council of disposing of waste would be reduced, and that reduction could then be offset against the cost of administering the scheme.

The Government were so concerned about the bin charges argument that the then Minister, my hon. Friend the Member for Oldham, East and Saddleworth (Mr. Woolas)—the predecessor to the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock)—indicated in Committee that the maximum incentive, and therefore the maximum charge, could be of the order of only £30 or £50 a year. The Committee felt strongly that such a sum was so small that it was unlikely to encourage householders to recycle more and to reduce waste, or to be a sufficient penalty on those who were not bothering, particularly as that sum in the context of their overall council tax was not very large.

We felt that local authorities should be left to decide, that every local authority should be given the freedom to charge if they wished, that it could be done through the council tax if councils wished to do so, and that it should be for councils to decide how big or small the incentive or charge should be. We are obviously disappointed that the Government have subsequently decided not to give the power to all councils, but to go ahead with only five pilots. We are particularly concerned about the timing, because the pilot schemes will not come in until 2009 at the earliest, yet the thresholds that councils must meet for the landfill allowances trading scheme will come in in 2010. We think that the pilot schemes are just causing delays, because they will last three years, and then be reviewed and brought back to Parliament, when Parliament may decide to give the power to all councils. That will be well past 2010. If charging works, many councils will copy the few that act as trailblazers, and if it does not work, most will think, "Thank goodness we decided not to do that and left the council next door to try it out." That is how it should be taken forward.

Dan Rogerson: I am following with interest the hon. Lady's comments about variable charging. Did the Committee look into how those incentives on local authorities might differ between unitary authorities and two-tier systems in terms of the different responsibilities for disposal and collection, and whether there are any differences in the way in which those costs might filter through the system, and act as more of an incentive in some areas than in others?

Dr. Starkey: No, we did not. We looked at the way in which decisions by the waste disposal authorities reduce the options available to waste collection authorities, and I shall give one example. There is a great debate about whether the amount of recyclables that people put out are maximised by making it simple and asking them to put out all their recyclables in one bag, which the council subsequently sorts, or whether householders should be required to do some of the pre-sorting. Making it simple so that the amount of recycling is maximised means that the recyclable products are more mixed up, so the quality of the end product, which is then recycled or sold to someone who recycles it, is poorer.

Those options are closed down, depending on the infrastructure in which the waste disposal authority has invested for dealing with recyclables. Some waste collection authorities have fewer choices available to them than others because of waste collection costs. The Committee thought that there should be a lot more co-operation between councils to obtain economies of scale, and we endorsed the proposal to allow joint waste authorities because there is a lot of merit in that, although, again, it should be left to local authorities to decide whether they wish to do that. We are pleased that that option is available for them.

I want to touch on unofficial charging. At the moment, waste collection authorities are not legally allowed to charge for refuse collection, which is why the Government are proposing the pilot schemes, although they can charge for collection of bulky items. They can refuse to collect waste that has been left outside the containers provided, or to introduce an additional

charge. In fact, some local authorities have tried to limit the amount of refuse that householders can throw away by restricting the amount that can be put out each week, or by introducing charges for additional waste.

I believe that Broxbourne in Hertfordshire is piloting a scheme under which it issues households with one purple refuse sack a week, and then charges, but only 28p, for each additional sack if required by the householder. North Dorset, more realistically, charges £1 for additional sacks. The Committee thought that that was a good idea, but was slightly doubtful about whether it was legal. DEFRA apparently wrote in the autumn to all local authorities reminding them of the current legal position, but it is obviously still a grey area if Broxbourne feels safe about going ahead and charging for a service that it could be argued it should provide out of the council tax. That is an interesting way in which councils are, effectively, already using charges as a mechanism to try to encourage householders to produce less waste. The Broxbourne scheme is reducing waste by charging on volume, and there is the alternative of doing that by weight. The simplest way is through wheelie bins with a chip in them, which weighs the waste when it is tipped into the refuse lorry. Many councils have already introduced that so that they know how much waste is in the van and how much they are taking to landfill. The technology is not new; it would be used for a different purpose.

I want to draw attention to a couple of other points that came up during our inquiry and that relate to what might be deemed to be slightly perverse incentives that have arisen from the systems that have been put in place to encourage more recycling, particularly more diversion from landfill of biodegradable waste.

First, it was pointed out to us that councils that encourage households to compost garden and kitchen waste on their own properties are removing green waste from the waste stream that the council picks up to be recycled or put into landfill. That means that the council's ability to reduce the amount of biodegradable waste going to landfill has been reduced, because the waste is out of the system. That creates a perverse situation, in which councils that have encouraged home compositing make it more difficult for themselves to reduce the proportion of biodegradable waste that they divert from landfill.

A side argument was made by some urban authorities. They said that where people have big gardens it was easy for authorities to reduce the proportion of biodegradable waste that goes to landfill because most of the biodegradable stuff is garden waste. Such waste is easy to handle, because it can be collected in a separate bin and taken away, which leads to a big reduction in the biodegradable waste that goes to landfill. In urban areas, however, nobody has big gardens, so they do not produce garden waste; all the biodegradable waste is food waste, which is much more difficult to divert. I merely repeat the arguments.

Mrs. Lait: Good gardeners, whether in urban, suburban or rural areas, would not put anything that could be composted into the system. Did the hon. Lady have any evidence to indicate whether local authorities in such areas had already had biodegradables discounted from their totals? If so, we would be talking about a reduction in what they were already collecting—rather than a notional increase—caused by the fact that people in their areas had gardens, leading to a higher target quantity of biodegradables. I hope that that makes sense.

Dr. Starkey: I think so. Nobody produced the numbers to demonstrate that point, but I know from my own council—I am not criticising it—that it collects garden rubbish and gives out free compost bins. The issue is how we strike the right balance, and I wonder whether there should be a greater concentration on getting people to compost in their own gardens, rather than seemingly encouraging them just to think that garden waste is like any other waste and that they can stick it in the bin to be taken away. That is a difficult balance for councils to strike.

The point that I was trying to make earlier, however, is quite difficult—I had to write it down. The perfectly reasonable incentives that the Government have introduced to get councils to reduce biodegradable waste give rise to a slightly perverse incentive, in that they encourage councils to collect garden waste and compost it themselves, rather than letting the individual householder compost it. That also increases transport costs, which is not environmentally sensible.

Another issue related to London. At this point I need to declare a constituency interest. The Mayor of London has criticised a number of London boroughs for shuffling off responsibility for commercial waste in a way that makes them appear to have reduced the amount of refuse that they send to landfill. That also highlights the fact that a great deal—two thirds—of London waste goes to landfill in the south-east, not in London. One of the landfill sites used is in my constituency, which explains my constituency interest.

The Mayor of London provided us with a great deal of information to try to back up his claim that a number of London boroughs that had previously collected a lot of commercial waste, as well as residential waste, had deliberately reduced the amount of commercial waste that they collected either by putting up their charges so that businesses went elsewhere or by stopping collections. They therefore diverted away from themselves a lot of the landfill waste that originated with businesses, and the waste went instead directly from those businesses to a commercial operator and into landfill. In other words, there appeared to be a reduction in the amount of waste from London boroughs going to landfill, but that was simply because authorities had removed it from their collections from businesses and encouraged those businesses to deal with it through the private sector and to let it go to landfill without the council's mediation.

It is a contentious point, and the data we received, which are reproduced in our report, do not prove the case one way or the other. Clearly, a debate is going on, because I have seen correspondence between the Mayor, the Department and, indeed, the European Commission. The Mayor is continuing to try to make his point and is pressing the Environment Agency to audit more closely what the London boroughs are doing. All that the Committee said was that as we could not work out what was going on, it would be a good idea if the Environment Agency made a proper audit so that people could be clear about whether such practices were occurring.

[Dr. Starkey]

That issue pointed up the fact that we need to look at both commercial and domestic waste when talking about the waste that goes to landfill. The only disincentive for sending commercial waste to landfill is the landfill tax escalator—such practices are not governed by the LATS threshold.

Speaking as a south-east MP, I can tell Members that the issue of London waste going to landfill in the wider south-east is extremely unpopular with people who live near landfills in the region. My constituents may accept that we have to provide a hole in the ground for our own waste, but they are not particularly keen on lorry loads of London waste coming to landfills near us, with the problems that that causes. They are certainly with the London Mayor on the issue and want to persuade London boroughs not only to reduce the amount of waste that goes to landfill, but to deal with that waste within their own boundaries, rather than exporting it to the wider south-east.

I have reached the end of the major issues that I wanted to raise in relation to our report. The Committee has carried out quite a number of interesting inquiries recently, but this one was particularly interesting, and all the members of the Committee have become much better informed about the various issues relating to refuse collection. It is extremely important that councils across the country do their best to ensure that their refuse collections not only meet the needs of their local populations, but help every local community to think seriously about the amount of waste that we generate. Councils must work together to reduce the amount of waste we create, to ensure that waste is recycled as much as possible and to reduce the amount that goes to landfill. I will be very interested to hear the contributions of other hon. Members.

3.18 pm

Dr. John Pugh (Southport) (LD): It is disappointing to see so few hon. Members in the Chamber to discuss this important subject. Individually, and leaving aside the communities to which they belong, every Member of the House of Commons generates a fair amount of waste.

This is an important debate, which has been politically highly charged, although it may be on the cusp of becoming a little more sensible. When we talk about the various strategies for disposing waste, I can think of a political party somewhere that will have opposed them, while the same political party will have proposed them somewhere else. A lot of political opportunism is riding on the back of what is a serious issue for us all.

The report is good in part, but I have to be slightly critical of some of its conclusions. If people consult the document, they will see that I was not present at the final stage when the text and the press release were agreed. In retrospect, I felt that a sensible report was slightly distorted in the press.

The prelude to the report is fairly well understood. There has been considerable churn in refuse arrangements throughout the land, brought about by the landfill tax and the escalating burden that it imposes on local authorities, by the very genuine and serious environmental concerns relating to methane emissions and the shortage of landfill and by our horrific record of generating rubbish, because our society is extraordinarily wasteful by European standards. I think the hon. Member for Milton Keynes, South-West (Dr. Starkey) described our recycling rate as rather poor. It is actually disgracefully low.

Some authorities have responded with what is now referred to as the alternate weekly collection, which they couple, by and large, with an increased recycling push, generally collecting such things as bottles, paper and compostable material, which are heavy and save an appreciable amount in landfill tax for council tax payers. I accept that the option is entirely up to local authorities, in their particular circumstances, and the communities that they represent, but I must record that the strategy has been going on for some time. It dates back to 2004 and 2005. However, the debate over it really lit up when the *Daily Mail* and *The Daily Telegraph* weighed in and took up the issue in 2007.

I concede that the *Daily Mail* is a brilliantly laid-out newspaper. It has an intelligent mix of articles and is very clever in what it does, but ostensibly—in fact obviously—it has agendas, and it has a particular agenda on the issue that we are discussing. As with most of the media, when there is an agenda, the facts and reporting are subsumed into it. The *Daily Mail* was solidly against alternate weekly collection and these days where the *Daily Mail* goes the BBC supinely follows, so the issue went up the political Richter scale.

The Minister, when interviewed, was obviously acutely sensitive about the issue, and was hard pushed to say anything positive about it. I asked him a simple question about whether research showed as a general trend that alternate weekly collection boosts recycling. The somewhat evasive answer was:

"As a general trend, recycling has more than quadrupled since 1997".

I emphasise that I do not mean the current Minister, to whom I apologise; I am sure that she will be absolutely frank and forthright on the issue. I asked the then Minister, the hon. Member for Exeter (Mr. Bradshaw):

"Has it anything to do with the alternate weekly collection?"

He replied:

"I think the LGA has suggested that is the case. I think the LGA suggested that on average local authorities that have alternate weekly collections have 25 per cent. higher recycling rates than those that do not."

Then quite touchingly he added:

"That is the Local Government Association saying that, please, journalists in this room, not us."

He was obviously conscious of the effect that he might have on the media.

The Committee concluded—perhaps following the Minister's evidence—that there was no direct causal link between the AWC and high rates of recycling. We said that such a direct causal link was unproven. It would not be unfair to say that the Committee's conclusion mystified the waste industry, the experts and people from organisations such as the Waste and Resources Action Programme, to whom I have spoken. Why? Because the evidence seems to show that 19 of the top 20 recycling councils use alternate weekly collection.

I do not want to deliver a lecture on causality. I could, but it would detain Members for too long, and with few speakers present there is a good chance of our

all getting away a little early. However, the AWC is not a necessary or sufficient condition for a high recycling rate. It is not necessary because the odd borough—usually a very middle-class borough—sometimes has high recycling rates, without the alternate weekly collection. Those are the exceptions, however. The AWC is not a sufficient condition because some local authorities introduce it so badly that it does not significantly boost recycling rates; the expected jump in rates does not happen.

That is the fact; but the same is true of the connection that can be made between lung cancer and smoking. People do not need to smoke to get lung cancer; it is not a necessary condition. Furthermore, some people who smoke, such as my 86-year-old aunt, who has smoked 20 a day since she was about 16, do not get lung cancer—at least, as far as we know she has not got it. Nevertheless, smoking increases the probability of lung cancer, and the evidence seems to suggest that AWC increases the probability of higher recycling rates, because it influences choices.

We can all choose to be environmentally virtuous and recycle as much as we can, but we do not invariably do so. I have bins in my room for recycling materials, and I have bins for other stuff, as do all Members. It would be nice to think that I and my staff always put recyclable material in the recycling bin, and that we do not follow the path of inertia and throw it in the nearest bin. However, from observation of my staff, myself, and other Members, that is not invariably the pattern. Our choices are influenced by our opportunities, and if our opportunities to recycle exceed our opportunities to dump, we tend to recycle more. That is usually, although, I rush to add, not invariably, a feature of the AWC.

Sensibly—and this is a point on which I agree wholeheartedly with the Committee's conclusion—AWC should be part, as I am sure the Minister will say, of a package of measures including education and the opportunity to recycle, rather than the opportunity to get one's rubbish picked up less frequently than before. As the Committee said, the system must be variable according to local circumstances. Members with constituencies where there are large numbers of flats or houses in multiple occupation—or areas in their constituency with lots of flats or HMOs—will know of the necessity for tailor-made solutions for those areas and the environments where rubbish is collected.

We have moved on in our understanding of what makes AWC work better, to insist that it should include food waste. We do not want people to put all their food waste down the sink, which might be the alternative to leaving it lying around for another week. We should prefer that it be collected weekly, and in the best schemes it is. We do not want it pushed down the sink or hanging about rotting—although, as the report states, we did not find evidence of increases in maggot and vermin infestation. The Committee called for more research, and it will be interesting to see what research reveals, but so far all we have to go on is anecdotal evidence. On the basis of that, we called for more research. I venture to suggest that wheelie bins present greater challenges to rats, in many areas, than the old black-bag system did. I do not know a great deal about the psychology or abilities of rats, but that is my supposition, and wheelie bins are normally part of the AWC system.

I want to turn briefly to a real problem with current AWC regimes. Often, although not always, they exclude adequate arrangements for plastic and cardboard, which are big elements in the residual waste stream and are rarely collected door to door. Normally, people must travel to dump them somewhere, but they are of course by and large recyclable—not all, but most, plastic can be recycled, and certainly all cardboard. A feature of the situation is that those materials are light, so their contribution to a council's reduction in the landfill tax is relatively small. They take a lot of transporting around. If someone is carrying plastic bottles about in a lorry, they are driving a lorry full of air with not much material. There is also the environmental argument that a plastic bottle has the advantage of being chemically inert, so that it does not degenerate and give off carbon dioxide and methane emissions in landfill.

The problem is a serious one for the householder, but is not so serious for the council, which is not affected in the same way as it would be by failure to recycle bottles, compostable material or other heavy stuff; although, self-evidently, compostable material need not be transported to be dealt with in an environmentally sound way. Plastic and cardboard are a transport headache for the council, requiring many lorries to shift not much, by weight, plastic and cardboard. They are a sorting headache at the end of their journey, because there are various perplexing kinds of plastic that need to be sorted by type before they can be usefully recycled and reused. They are also a disposal headache, because people do not always know of an end use for some of the products. In other words, the markets are relatively immature and insufficiently developed at present.

Facilities need to be developed—I think that the Under-Secretary was alluding to this—on a sub-regional basis, so that a number of local authorities can have access to adequate ways of sorting out and making further use of unwanted plastic in particular. Encouragement is also needed from the Department for Environment, Food and Rural Affairs for the end-use market. Various things are thrown out in very large quantities—for example, CDs and DVDs—that do not at present have a valid alternative use but can have one, given the right circumstances.

The report is largely about collection policy and how it is carried out, but collection policy cannot be divorced from a sub-regional environmental strategy that encompasses both facilities to make use of what councils collect and end uses for the products of collection. There is a need for massive co-ordination—a job for DEFRA or whoever. If there is local decision making—a good thing which I am in favour of—but an absence of sub-regional co-ordination, the whole process will become infinitely more complex and less worth while.

3.30 pm

Dan Rogerson (North Cornwall) (LD): I reiterate my compliments to the hon. Member for Milton Keynes, South-West (Dr. Starkey) and her Committee on putting together the report and at least considering the issue that we are debating. In addition to speaking for my party on local government issues, I am a member of the Select Committee on Environment, Food and Rural Affairs and I dare say that in due course that Committee

[Dan Rogerson]

will examine waste issues in general. Perhaps the EFRA Committee will consider disposal issues to a greater extent than this report does, but it will inevitably inform any work that the Committee chooses to do, so it is very valuable from that point of view.

I am also engaged in a fellowship with the Industry and Parliament Trust. Unlike other Members who may have had sexy assignments in different industries, I have been doing mine in the waste industry, but it has been fascinating working with the Waste Recycling Group of Northampton. I thank Mike Snell and all the other people at the company for giving me an induction into the culture of the waste industry. Every sector has its own language, history and culture, and it has been interesting getting to grips with some of the issues. The company focuses more on disposal than collection but, as we have heard from the hon. Member for Milton Keynes, South-West and my hon. Friend the Member for Southport (Dr. Pugh), the two are inextricably linked. Perhaps further research and work by the Government will explore ways in which that relationship can be made even more beneficial in terms of recycling rates and landfill diversion.

The hon. Member for Milton Keynes, South-West focused on a number of key issues in the report and, through interventions, was drawn into other areas, too. Before I consider the report's recommendations and the Government's initial response last autumn, I note that some of the points that she raised are crucial; for example, we must recognise that municipal waste is only a tiny part of the total waste burden that we have to address. The last recommendation needs much more exploration with a view to the contribution that could be made to giving small and medium-sized enterprises a greater opportunity to recycle in a way that is affordable for them and accessible to them.

Mrs. Lait: I agree with the hon. Gentleman's view that small and medium-sized businesses should be given greater encouragement to recycle. Is he aware that the Government and DEFRA have cut the budget for WRAP, which has now withdrawn all the work it was doing with small and medium-sized enterprises?

Dan Rogerson: I am aware of all the problems that the various agencies that work with DEFRA and rely on it for their funding have experienced. I know that you will not want us to step outside the bounds of the debate, Mr. Amess, but we could talk about the Rural Payments Agency and various other things that have affected DEFRA's budget. As the hon. Lady focused on WRAP, I will mention the work that NISP—the national industrial symbiosis programme—is doing with larger bodies, too. It would be a great shame if that work, which has been undertaken, is not allowed to be pushed forward to effective conclusions.

The hon. Member for Milton Keynes, South-West raised issues relating to integration of the strategies of disposal authorities and collection authorities. That is a crucial question. I have had the opportunity to visit some disposal facilities, so I have seen where recycling is sorted, in fairly unpleasant circumstances. Companies such as WRG and others are excellent employers and do a great deal to look after the work force who carry out the sorting, but inevitably it is not the most glamorous of jobs. Other authorities have concentrated on encouraging the sorting of materials at source—in other words, by the householder—which leads to an easier process further down the chain, so the hon. Lady was right to focus on that.

My hon. Friend the Member for Southport, a member of the Communities and Local Government Committee, spoke strongly about his belief that alternate weekly collections have a significant role to play in meeting our targets as a nation and in terms of improving recycling rates. He made a very powerful argument for that. Although he is a philosopher, he did not delve too deeply into causality, but he made it clear that he believes that there may be a stronger link between the two than the final report or debate on it in the media may have indicated.

I shall deal with some of the recommendations. There are a great number of them and although time is available to us, I sense from other Members that they may wish me not to explore every recommendation in detail, so I shall pick out just a few. The first issue is local authority targets and whether, under the new regime for local authorities, waste should automatically be one of those targets. My party welcomes the approach that the Government have taken to simplifying targets, although it remains to be seen how it will work in practice. The targets ought to be agreed as part of a bottom-up process. There are difficulties with insisting that, in all circumstances, waste ought to be one of those, although in most cases, as waste is moving up the agenda, waste issues are likely to be key targets for local authorities through their own priority setting, rather than having to be imposed from above. I think that was the Government response: they were cautious about imposing a target on all local authorities.

Recommendation 3, which relates to the clear and straightforward guidelines that should be provided to householders to encourage their participation and co-operation in recycling, is very important. The Government response is that through work with WRAP they are encouraging good practice on collection systems, including advice on engagement with residents. That is important, but it does not go quite far enough in terms of providing that information.

The report talks about our historical problems. Now that many flowers bloom across the country in terms of systems, it is difficult to turn the clock back and simplify things, but I hope that the possibility exists of building on WRAP's work, as the report suggests, in relation to colour coding and so on to make the system easier for people to understand. The Government response to that recommendation may not go quite far enough to meet what the Committee said about guidelines and providing clearer information to householders.

The knotty problem of food waste is, in many cases, one of perception. As part of the IPT fellowship, I had occasion to visit Bracknell council and talk to the council leader—who speaks for the Local Government Association on some of these issues—about Bracknell's experiences with AWC. As my hon. Friend the Member for Southport said, if there is effective communication with local residents and people are made aware of the benefits, that will address some of the perception problems, which I think have informed some of the rumours about what might happen—the horror stories

about vermin and maggot infestations and so on. People occasionally see the worst in a system if they are told that that is the likely outcome. Councils that have invested significantly in winning people over to a system before its introduction seem to have had far better results in terms of people's acceptance. That is an important lesson to be learned, whatever changes occur with waste collection. Waste is one of those services where, as long as it is working well, no one wants to talk about it or consider it. On the other hand, if there is a problem it moves quickly up the agenda. That is part of the problem.

The report makes several recommendations about the need to allow local authorities flexibility to develop their own schemes. I have already referred to the need for principles that people can get used to, so that when they move from one area to another—people change jobs far more often, they move around the country more and are more mobile—they can expect to find some basic ideas in operation.

My local authority of Restormel is in a rural part of north Cornwall; our circumstances are very different from those in the constituency of my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes). We should not expect the circumstances of collection to be the same. That is an important principle, and I am glad that the report focused on it in some detail.

The issue of minimum standards is interesting. The idea that core definitions of what householders should expect from their refuse collections is to be found in recommendation 15. Encouraging people to think more about what they receive from the waste service and what contribution they can make to develop the service and make recycling more useful and effective would be most beneficial. The recommendation on incentives is a crucial part of that engagement.

I turn to the question of varying charges. Unlike alternate weekly collection and promotion schemes, in which people are encouraged to look creatively at what they can do to increase recycling, the moment one starts to raise issues of finance a negative connotation is unfortunately put on it. People think that they may be worse off rather than thinking that they might be better off if they were to adapt to such a system. We should recognise that people may be able to take advantage of the system in different ways, so we must ensure that taxation does not become more aggressive. The report also deals with the small amounts involved and whether they will be significant enough to effect change. That is an important point.

Treating waste as a utility is a fascinating idea. In my part of the south-west, water charges are a huge issue, but the fact that they are separate from other household charges focuses people's attention on them and has pushed people into using water meters, because they think such things are efficient. Considering waste as a utility is a tempting prospect; it could encourage people to consider how to be more efficient and thus become part of the solution, and educate them on how little we spend on waste. We have heard about the recycling rates in other countries, but in many countries people pay far more for waste collection and waste disposal than we do. We have been somewhat spoilt by the availability of landfill and the low costs that councils have managed to achieve. Although we congratulate them on the efficiencies they have been able to achieve, people have been somewhat spoiled in that respect.

I would prefer councils to make more of an effort to say how little of the council tax is spent on waste. As I said earlier, it is a visible service when things go wrong, and people tend to see it as a core service and assume that a vast amount of their council tax goes towards providing it, but we know that is not the case. In fact, when I was a member of Bedford borough council, the chief executive often said that whenever he spoke to local organisations and groups that were concerned about costs, he used to lay out just how much of their council tax went on some of the key services, and they were stunned to find that they were getting such good value for money.

The idea of considering waste as a utility is an interesting one, but I would be cautious about fettering councils in that way. It could take away another function from local authorities, rather as education funding is now entirely discrete. It might undermine the flexibility of local authorities in that respect and I hope that the information could be provided to local residents without necessarily saying that waste collection had to be treated as a discrete system.

Finally, I return to the question of recycling for small and medium-sized enterprises, particularly for new businesses and for people who have not been involved in business before, whose only experience of waste has been dealing with domestic waste. They are often surprised at the lack of accessible services for commercial recycling. There are huge gains to be made; for instance, in my constituency glass bottles could be far more effectively reused or recycled.

There is more work to be done. The Communities and Local Government Committee may return to the question in future, although I know that it is considering a great many other inquiries, as the hon. Member for Milton Keynes, South-West said, or another Select Committee may consider the matter. As well as giving answers, the report raised some interesting questions, and I certainly welcome it.

I look forward to hearing what the Minister has to say in expanding on the issues raised in the Government response in October, although on some issues they seemed not quite to have got the point that the Committee was making and they could go a little further in providing a way forward.

3.46 pm

Mrs. Jacqui Lait (Beckenham) (Con): I reiterate my congratulations to the hon. Member for Milton Keynes, South-West (Dr. Starkey) and her Committee on two excellent reports on refuse collection.

As a child of parents who lived through the second world war, I find an awful lot of the comments made on waste seriously familiar. All my life I have recycled; my pocket money used to be made up of returned penny deposits on bottles. In a sense, much of this is familiar in a personal way. However, as a reaction to the second world war, as we became richer we became more profligate with our waste. We are now trying to re-impose a regime of frugality in the midst of wealth, which is not the easiest thing to do. I therefore have enormous sympathy with local authorities, which have

[Mrs. Jacqui Lait]

responsibility for waste collection and disposal, in trying to change what has become a fundamental aspect in people's psyche—as we got richer, it became an indicator of greater wealth that we could throw our waste away.

The hon. Member for North Cornwall (Dan Rogerson) is right: this may not be a pleasant topic, but it is fascinating because it is an industry in the midst of innovation. We see new thinking and new science being brought to bear on how to deal with our inevitable waste.

From the 1960s onwards, being relatively young then, I remember being chastised by older people, who said, "Why do the supermarkets pack everything in so many layers?" or, "Why can't we have loose biscuits?" I had to tell them about health and safety and keeping the germs away from the tins of biscuits, and tell them that the packaging was necessary because people would buy the biscuits only if they looked pretty. Even then, they said, "This is nonsense. We don't need all this packaging."

There is a real and very human response to what is seen as wasteful. It is encouraging that the whole of society is now coming to recognise that waste is a problem that has to be dealt with, and dealt with intelligently.

Dr. Pugh: I hate to put in a good word for those involved in the packaging industry, but they would probably make the point that an awful lot of stale biscuits were wasted under the old regime. Therefore, as the hon. Lady says, an intelligent approach is required.

Mrs. Lait: The hon. Gentleman is right. I remember being able to buy bags of broken biscuits. Those who are old enough—I suspect that he possibly is not—will remember that bags of broken biscuits were a wonderful thing on a Saturday afternoon. However, even in that heyday, there were difficulties.

Dr. Starkey: To put a counter point, does the hon. Lady accept that one reason why there is so much food wastage is because much food is pre-packaged, and therefore individuals have to buy quanta of food. If the food is perishable, there may be more than they can consume within the time available. That is another reason why returning to people being able to choose how much they buy might be more effective.

Mrs. Lait: I am grateful to the hon. Lady for her intervention. At some point, I was going to congratulate the Government—which, as she knows, is rare—on responding to the pressure for proper cooking to be taught in schools, because that is how we will fundamentally reduce the amount of food waste.

There was a time when people had roast on Sunday, cold on Monday, shepherd's pie on Tuesday, sandwiches on Wednesday, soup on Thursday and fish on Friday. Where is the waste in that? We should all start to apply that mental regime, as it is common-sense management of the family larder—I will sound like Mrs. Thatcher soon. There does not have to be food waste, although I am grateful to have food waste for my garden because I compost it. That is enough home-grown philosophy.

If we can move our society much more in that general direction, we will be able to deal with an awful lot of issues concerning waste in general and food waste in particular without having to put in place enormously expensive recycling and disposal systems.

I am feeling slightly schizophrenic. Long before I became a Member of Parliament, my constituency had a weekly recycling collection. All waste is collected once a week and is divided into non-recyclables, bottles, plastic and cans, and paper. That has been happening in the borough of Bromley for more than 10 years, and it has worked very effectively. As a London borough, Bromley has long been at the forefront of recycling.

I also live in Rye, as my husband is leader of East Sussex county council, which has just introduced alternate weekly collection. If there is one problem that I have on a Sunday night, it is remembering what is being collected that week. I am sure that I am not alone in that. I am conscious that, because this is a new system, it has taken a long time for people to adjust, although I give credit to the local council for providing first-class publicity and information. People knew what was happening, what they had to do and how they were going to do it, and the boxes were broadly delivered in good time.

The fact that the new vans were the wrong size and could not get down the lanes in rural areas was a management problem for the company that took the job on, and it had nothing to do with the publicity programme of the local council, which I thought was first class, even though I looked at it with a critical eye.

However, the information that we extracted from DEFRA, under the Freedom of Information Act 2000, on the responses to its consultation shows that many issues have emerged in relation to the knock-on effects of the complexity of AWC. Whether people have a fortnightly or a weekly collection, evidence is emerging that there is a big increase in fly-tipping. We are very lucky that last summer was cool. We cannot use last summer as an indication that there is unlikely to be greater infestation by animals. In cooler weather, the attraction of food smells is less than in a hot summer.

Some years ago, during a hot summer, I remember carefully wrapping up some prawn shells, which even I cannot recycle or cook with. When I got home a week later, the shells were a mass of maggots. I knew what I had to do; I did it and it did not work. We have not had a hot summer. I hope that we have a hot summer, but people who live in the country will be hoping and praying that we do not. In terms of infestation, it is unproven that a weekly food collection will not cause health problems.

The other factor that irritates so much is the sheer volume of food that goes into plastic containers, which has been mentioned. Few of those containers are recyclable. I am sure that every Member in this Chamber looks for the number on the bottom of such containers. If they can spot it, often it is not 1, 2 or 3. That is grating for everybody. We must do more work with the supermarkets, which are the prime users of plastic containers, and the packaging industry to ensure that we have many more recyclable containers.

What concerns me more than anything is ensuring that council tax payers do not have to be charged further for the collection of waste. I heard this morning

that, on average, band D council tax will be about £1,400, which is an enormous increase in what local people have to pay. We are already on the cusp of a council tax payers' revolt and people do not want to have to pay even more for their waste collection, which many people regard as about the only service that they get from their local council. We should ignore the fact that people have access to social services, because many people do not use them. If people do not have children, they feel that they are not using the education service. In many cases, the only thing that people think that they pay council tax for is waste collection.

I sympathise with the views expressed in the *Daily Mail* and *The Daily Telegraph*: if people feel that they will have to pay more tax because of waste collection, there will be a revolt. *The Daily Telegraph* and the *Daily Mail* do not run articles that do not chime with their readership. If they believe that their readership is not interested in the issue of extra taxation, they will not run articles about it. Yes, that is a circular, chicken-and-egg argument, but we cannot blame those two newspapers for highlighting the bin taxes. They would not do so if they did not believe that their readers were very likely to revolt against any form of bin taxation.

Joan Ruddock: How does the hon. Lady regard an article that appeared in the *Daily Express* suggesting that the charges proposed by the Government for the incentive schemes would be up to £1,000 per family?

Mrs. Lait: That could well be what the Government plan to impose; we do not know. We have been told that the amount could be £30 to £50. I am no expert in the economics of the waste industry, as I hope I have made clear—the hon. Member for North Cornwall might be able to talk us through that topic—but if one were to work out the total cost of disposing of the extra waste, including the new investment in incinerators, anaerobic digesters and gas plasmification systems, that might well be the genuine cost.

Joan Ruddock: The hon. Lady is being disingenuous. She knows that the indicative amounts, which my predecessor quoted, were in the region of £30 to £50. I am on record as saying that the point of piloting is to see what would be the appropriate amount. I suggested that it could be as high as £100, but does the hon. Lady really think that it could be £1,000—that any local authority would wish to charge that amount, when, as she says, it is the entire cost of the council tax?

Mrs. Lait: Who is being disingenuous? The hon. Lady said that the *Daily Express* reported that the charge would be £1,000; I said that that could be the true economic cost. I did not say that it was what councils would charge. I referred to the genuine economic cost.

Joan Ruddock: I asked the hon. Lady, as she defended those papers and what they said, how she accounted for, and her opinion of, an article that said that the charge to the average family could be as high as £1,000.

Mrs. Lait: We are not going to get much further with this argument. I replied in terms of the potential true economic cost. It would be up to each local council whether they took it on the chin. I do not know the true economic cost, but I would be interested to know—perhaps the Minister can introduce this to her remarks, rather than have our debate turn into a dialogue—the potential for the Government to get on stream the anaerobic digesters and gas plasmification systems, quite apart from the incinerators, that will fundamentally deal with the waste in an environmentally friendly way.

On the continent, anaerobic digesters are going into full production, so why do we not have them in this country? In East Sussex, we have just received approval for an incinerator, the community is being incentivised by a reduction in electricity prices and there is the potential for an anaerobic digester to go into East Sussex. That is part of the contract with the provider.

Dan Rogerson: The hon. Lady referred to the chicken-and-egg situation regarding the whipping up of concerns and whether concerns about charging come from the readership or the newspapers. There is a chicken-and-egg situation, or a problem, with initiating those new technologies, because companies tend to undertake them only when they are proven and those companies are entering into contracts with local authorities. Does she agree that the Government have a role in encouraging pilots with companies to develop such technologies? Once the first is up and running and shown to be effective, others may follow.

Mrs. Lait: The hon. Gentleman is right, and I was encouraging the Minister to commit herself to that. I hope that she will be able to do so, because the hon. Member for Milton Keynes, South-West referred to the— I must apologise; I have lost my thread.

Dr. Starkey: Give us a clue.

Mrs. Lait: I am in the middle of some waste disposal, I am afraid.

I am concerned about the time it will take to introduce the bin tax pilots, which have been referred to. I am concerned that, by then, people will have made up their minds about being charged for waste. They probably do not believe that they will ever be rebated, and there will be deep scepticism about bin taxes. As they already pay council tax in full, they do not believe that they should be charged further for their waste, so we do not wish the pilots to go ahead.

We believe that well introduced and variable forms of waste collection will work, and that there is a clear correlation between the collection and effective disposal of waste. Until we get a genuine system of modern waste disposal, we will not see the full impact on household collection. There will be many unforeseen changes in people's waste disposal habits long before the introduction of bin taxes, so I would be much more comfortable if the Minister reassured us that there will be a serious and connected examination of investment in waste disposal, involving the highest levels of new technology, so that we can move forward much more effectively to ensure that we not only increase our waste recycling, but use disposable household waste much more effectively to compost, pelletise and heat homes.

There are many other ways of thinking of waste as a commodity that can be used, rather than as something to be disposed of.

Dr. Starkey: I am trying to follow the hon. Lady's argument, but I would be grateful if she clarified it. Am I to understand that she thinks that the way forward—I am paraphrasing—is to use waste as a resource, and to try to extract energy from it or recycle it? Is she not interested in measures that would encourage householders to reduce the amount of waste that they generate?

Mrs. Lait: I would have thought that our earlier exchanges demonstrated that I am keen to reduce the amount of waste that is produced. I am very keen that it should as much as possible be recycled, but I want investment in modern technology so that waste that cannot be recycled may be used more effectively and profitably for the benefit of communities. That technology includes anaerobic digestion, which produces further compost, and incineration, which produces heat. We should not be morally dismissive of the opportunities to add value to waste, and we should not regard it purely as waste.

We want to hear from the Government that they have decided that bin taxes are a waste of time and effort, which is what the evidence from most local authorities and many organisations shows, and that the Government are much more focused on the effective disposal of waste using modern technologies. I look forward to hearing what the Minister has to say.

4.9 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): I am grateful to the Communities and Local Government Committee and to the Liaison Committee for the opportunity to debate the vital matter of waste collection, and to my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey), for the manner in which she presented the report.

Since the publication of the report and our response to it, there has been a second report. In between, we responded to further requests for information. Most of the points made in the reports and in further questions have been repeated in the debate, and I need to repeat some of the Government's responses, which are already on record. I shall also attempt to respond to the points that have been made in the debate and update Members on recent developments.

Recommendations 1 and 9 in the report endorse the Government's plans for local authority indicators on waste and recommend that they should be prioritised by local government. The three main waste indicators that we said we would bring in have been included in the new performance framework, and we have given particularly strong encouragement to poorly performing authorities to include them in their area agreements. A technical consultation has been completed since we last corresponded with the Committee, and the final indicators are due to be published tomorrow.

Recommendation 2 endorsed the Government's recognition of local authorities' autonomy, but recommended that the Government commission research and evaluate best practice. DEFRA's waste and resources evidence programme has funded the Waste and Resources Action Programme to undertake such work, and its report will be published at the end of next month. We expect it to include new advice to local authorities on food waste and related matters.

Recommendation 4 relates to WRAP's "Love Food Hate Waste" campaign, which I helped to launch some time ago. I am pleased to report that the campaign is already identifying early indications of measurable behaviour change. A growing number of local authorities are actively engaged with the campaign, and although figures will not be validated until April, indications are that well over 1 million additional households are committed to reducing the amount of food waste that they produce.

Recommendations 3, 5, 6, 7 and 12 are all on the type and frequency of household collections—a matter, as we have heard, of some controversy in the media, but on which, I am glad to say, the Committee and the Government substantially agree. My hon. Friend the Member for Milton Keynes, South-West, will probably agree that whoever coined the phrase "alternate weekly collections" did a huge disservice to waste management. It implies that services are reduced. Far from it; the changes would better be labelled "alternating collections" or "multiple collections". As hon. Members are aware, and have said today, they are designed to give a better service through the collection of dry recyclables one week and residual waste another, thus preserving a weekly service. As the Committee recommended, it is crucial that they are introduced properly. Comprehensive advice on them is available from WRAP.

Although my hon. Friend expressed the Committee's finding that there was no direct correlation between alternate weekly collections and an increase in recycling, it is a fact—the hon. Member for Southport (Dr. Pugh) mentioned this—that of the top 20 recycling authorities in England, 17 have such collections. I think that he said 19, but 17 is the up-to-date number. In the other three, which are county councils, the majority of districts have alternating collections.

Cost-cutting has been mentioned in the debate. I can assure the Committee and its members that that is not the motivation of local authorities, and there is no direction about it from the Government. Of the total efficiency gains that local authorities have reported, they put about 0.1 per cent. down to alternating collections.

Dan Rogerson: The Minister makes the point that local authorities have invested any savings in developing services, which is good. Will the Government take a similar approach to the landfill tax that goes to the Treasury, by ensuring that it is spent on waste minimisation?

Joan Ruddock: I am sure that the hon. Gentleman knows full well that the initial increase in landfill tax of £3 was hypothecated and has provided considerable sums to support a range of waste minimisation and other waste strategies. That programme was designed, through the business resource efficiency and waste programme, to last three years, and it has done enormously good work. Although there is to be a substantial increase in the tax, the money from it will not be dealt with in the same way. It is important to remember that the increase will be the major driver of diverting waste from landfill. We have talked a lot about household waste, but commercial and industrial waste represents the majority of waste, as hon. Members have said.

Lurid reports of vermin infestations as a result of alternating collections continue to be reported in the media. We cannot find evidence of such infestations,

and the National Pest Technicians Association has just reported that there has been a significant decrease in rodent numbers. Its belief is that the use of rodent-proof wheeled bins is the probable cause of that. That bears out what WRAP, the Committee and the Government have said: that there must be appropriate receptacles if food waste is to be collected and waste left for longer than we have been used to. That is an important lesson, and the Government continue to say that good management is the key. Clear information and education for householders, and particularly the provision of sealable containers for food and kitchen waste, must be at the heart of a successful programme.

In that context, I am delighted to report that 19 councils are participating in the DEFRA-funded weekly food collection trials that are being carried out by WRAP. Early results of the trials have shown that separate collection of food waste is popular, with 60 to 80 per cent. participation and about 3 kg of food waste collected per household per week.

I turn to the most contentious issue in the first report and the subject of the second: the Government's proposals to remove the general prohibition on charging for waste. As my hon. Friend the Member for Milton Keynes, South-West, noted, the UK is the only country in the EU15 that has that rule. In recommendation 24, the Committee asserts:

> "Breaking the link with council tax and establishing refuse collection as a utility, like gas or sewerage, might have the radical impact the Government say they want."

My hon. Friend and the hon. Member for North Cornwall (Dan Rogerson) mentioned that point. If our plans are judged against such a radical departure from current practice, of course they will not find favour—that is absolutely clear. But there is no evidence, including from the Committee, to suggest that such a dramatic change is supported in local government, or even less by the public. I make no apology for restating the Government's intention to go ahead with piloting waste incentive schemes.

Let me be clear about taxation, on which hon. Members had a little sport at my expense in the report, although not in the debate. There could be reward-only schemes—those based only on rewards, not on charges. Deciding on such things is the point of having pilots. Where charges are applied, they will not behave in the same way as traditional tax. When I gave evidence to the Select Committee on 17 December last year, I had not been advised that the charges could be deemed to be a tax. The Treasury has now clarified that they will, and that information was conveyed to the Committee by the Department for Communities and Local Government in a letter on 20 February.

Unlike other taxes, no revenue will accrue to the Treasury or the local authority, because the schemes will be revenue-neutral. Money collected from those who fail to recycle will be paid back to all those who do. We have found in our consultations that people believe that that is intrinsically fair. It is accepted that if people do what society requires of them, they will get that service free through their council, but that if they do not comply, it is reasonable to be charged.

Mrs. Lait: The Minister says that the schemes are revenue-neutral, because charges are recycled back to those who should be repaid. Who pays the administrative costs?

Joan Ruddock: We have considered that carefully. I depart very much from the argument that the hon. Lady made earlier about the enormous costs that she wants to heap on to the collection system that were all about disposal—costs to cover anaerobic digesters, incinerators and so on. The actual cost to the local authority of administering such schemes will obviously be analysed during piloting. However, we have looked at schemes operating elsewhere and believe that up to £18 per household will be saved by the local authority from not having to send so much waste to landfill. These schemes are not dreamt up to give local authorities something new to do, but are based on proper consideration of what is done in countries where recycling rates have increased dramatically as a consequence of charge and reward schemes. We make no apology for the fact that the pilots are included in legislation currently in the House of Lords.

Dan Rogerson: I am interested to explore a little further why the Government support pilots rather than opening it up for local authorities to experiment. We have talked about innovative authorities coming up with their own systems. I am intrigued about why there are only five pilots. Will that not hold back other authorities?

Joan Ruddock: I appreciate the hon. Gentleman's enthusiasm, and that of other Committee members. I understand why the Committee wanted all local authorities to have the power to get ahead. However, we had to listen very carefully to all who have continued to engage in this debate. That is why we felt that, if there is uncertainty and people are not convinced about our evidence, it is reasonable to say, "Let's pilot schemes in this country and see how they work". Piloting is a good way in which to learn lessons about best practice before deciding whether to roll out any of the schemes.

I remind hon. Members that the schemes are strategy proposals that local government can choose to take up. They are not to be imposed. If no local authorities come forward, there will be no pilots. However, we believe that we should offer the opportunity, which is why we are legislating.

Mrs. Lait: I have an entirely practical question. How does the Minister envisage charging larger families and in poorer areas?

Joan Ruddock: Poverty is no reason why people cannot recycle. People can avoid charges in such schemes by doing what is required of them. There is no reason why people with less money should not want to do their bit for society and to recycle along with those of us who have more money. Poverty is not an issue. Indeed, poorer people tend to have fewer products and expenditures, and probably less waste, although I have not carried out an analysis of that. However, I suggest that they are likely to have less waste than those of us with greater purchasing power. On larger families, we have said that pilots—this is another reason for piloting—need to consider those who might find it more difficult to increase recycling and reduce residual waste. That could include larger families, and we expect that to be looked at.

[Joan Ruddock]

In recommendation 20, the Committee raised the question of linking waste incentive schemes to council tax, which is a point that I myself raised when I took over the portfolio. I am glad to report that we have listened to stakeholders, including the Select Committee and the Local Government Association, on this point and that pilots will be able to administer waste rebates and payments through the council tax system if the authority wishes. Much of what has been said on this subject today is found in the Committee's second report of 21 February. The Government have yet to respond formally to that report, but will do so in due course.

However, I think I can tell hon. Members today that we totally reject the Committee's 14 conclusions, all of which fly in the face of earlier responses to the Government's own information gathering on this subject. We remain confident that local authorities will want to pilot such schemes and I remind hon. Members that in our consultation 80 per cent. of respondents supported bringing in these powers. I am afraid that we will not agree—we will have to differ—and there is little point in going further over this well-trodden ground. Waste incentive schemes are being proposed in order to increase waste minimisation and recycling. Current measures have raised recycling rates to more than 30 per cent. and reduced residual waste going to landfill. We are on course to meet our 2010 targets and although we are not complacent, we are heading in the right direction to meet the 2013 targets.

Things get harder as progress is made and we believe that local authorities are likely to want such schemes as they move to meet challenging targets beyond 2013. However, we continue to listen and to refine our proposals. In the Lords we are currently proposing amendments to allow schemes to be based on frequency of service and on identifying tags applied to bins or bags. We are also proposing an amendment requiring the Government to report to Parliament on all pilots within three years of Royal Assent, which is expected in the summer. The reports will be transparent, taking account of the fact that the pilots were supported by DEFRA funding, and we will work with stakeholders to establish success criteria by common consent.

The Committee expressed concern about timing—the fact that pilots will not begin until next spring. We make no apology for that either, because we want to ensure that they are well designed. However, we will not require that all pilots be technically completed and wound up before we report on them. If pilots prove to be successful, we can act with appropriate pace to make the powers available to all local authorities, which is what the Committee wants.

Whatever the differences between the Committee and the Government, I hope that members of the Committee, perhaps with the exception of the hon. Member for Beckenham (Mrs. Lait), who spoke for the Conservatives, will reject the irresponsible reporting of some national newspapers on incentive schemes. Scaremongering that so-called bin taxes could cost ordinary families up to £1,000 a year is absolutely and utterly wrong. I hope that that was simply the product of an innumerate journalist but, of course, what was said has not been retracted.

I shall address some of the points that Members made. My hon. Friend the Member for Milton Keynes, South-West made a number of points—she did not ask me any direct questions—and I shall comment on them. She asked about charging that is happening now and referred to the fact that the Government have written to the chief executive of every authority. She suggested that there was a grey area, but I must tell her that there is not. Charging for collection services is illegal, and that is what we have told local authorities. Under section 46 of the Environmental Protection Act 1990, authorities are allowed to charge for the provision of receptacles. It is on the interpretation of the provision of receptacles and the charging that she raises some questions for individual authorities—it is not for me to say.

The hon. Lady referred to home composting services and said that she thought that they could be a disincentive. As she was speaking, I tried to work the issue out in my head and I concluded that a local authority does not have to collect home compost if it encourages home composting. If local authorities had a statutory recycling and composting rate imposed on them, they could argue that they needed the compost to reach a target. However, they will no longer have that target. If people compost at home, local authorities benefit because they have less to send to landfill. The hon. Lady said that it was a question of balance, and I agree, but it does not seem that there are contradictions.

Dan Rogerson: The interesting question that the hon. Member for Milton Keynes, South-West addressed earlier was on garden as opposed to kitchen waste. Some of the latter can be composted, such as vegetable waste, but some cannot, such as meat waste. Clearly, if people composted kitchen waste, the weight of the municipal waste collection would fall. However, the issue is more about garden waste. We have all heard examples of areas in which green waste was not collected until targets were imposed and authorities had the incentive to put more lorries on the road to collect garden waste; it is a heavy and bulky item. We should draw a distinction between the two. When it comes to encouraging home composting, there is no recognition for people who compost garden waste, but perhaps there is for kitchen waste.

Joan Ruddock: I have some sympathy with that point. We need to look further at the issue of garden waste. I am a keen gardener—I have given up my lawns because they are too much—and many homes produce huge amounts of waste from lawns, shrubs and so on. We should look further at whether collection is the best environmental option, and whether there should be more emphasis on it. There has been a great deal of work and WRAP has been heavily involved in home composting arrangements. The hon. Gentleman said that it is not possible to compost meat waste, but I have a food digester in my garden in which I can put all my waste food every single day. I am glad to say that it disappears and that those awful bugs that we complain about can be productive.

The hon. Lady made a number of points on commercial waste and recommendation 29. The Government have no evidence of deliberate evasion of responsibilities.

DEFRA wrote to all local authorities, as I said, to remind them of their duties to collect commercial waste if they are asked to do so. Local authorities must also report all the waste that they collect, including commercial waste. We have not been able to find evidence of the things of which some local authorities in London are being accused, particularly by the Greater London Authority. However, the Environment Agency was asked to do some auditing as a result of recommendation 29 of the fifth report, which suggests that London local authorities need to be audited because of their current waste disposal programmes and the

"higher-than-average proportion of non-household waste collected and disposed of in the capital".

The agency states:

"There is no evidence that London boroughs are deliberately evading their reporting responsibilities. There are however a number of lessons learnt from the audits that will improve the consistency and quality of future reports...We are in the process of publishing additional guidance to ensure that local authorities are in no doubt as to our views on what should be reported as collected municipal waste. From 2007/8 onwards we will use this guidance in the audit process...We intend to audit all remaining authorities over the next two years, which will include the remaining London authorities".

On that basis, we can see that it has not been possible to substantiate whatever suspicions there are on the matter.

The hon. Member for North Cornwall asked questions about DEFRA grants to WRAP and NISP, which was the subject of a previous debate in which I was involved. I was unable to comment then because we did not have the final settlements, but we now have them. Perhaps it would be helpful if I quoted what WRAP has said about its final settlement. It says:

"The final budget of £43.2 million remains a substantial sum with which we will deliver our important and stretching work programme geared to help lessen the impact of climate change, maximise resource efficiency and help deliver Defra's Waste Strategy".

I value the work of WRAP and NISP, which has undertaken some extraordinary innovation. NISP's budget will be somewhat more than £5 million—it would have liked more, but I am confident that it will be able to continue its important work with that amount.

Mrs. Lait: Has the Minister heard what Steve Creed of WRAP said when he announced the end of the funding support programme? He said:

"Unfortunately, due to cuts in our funding, we have taken the decision to withdraw the funding scheme"

for small and medium-sized enterprises.

Joan Ruddock: We are conscious of the important work that has been done by a variety of delivery bodies, including WRAP, with small businesses over the years, but we are re-orienting that spending. We will ensure that support is given in different ways across government, and it is important to small businesses, particularly because of their size, that they do not have to approach or be approached by a lot of different agencies and Departments. We should be channelling a much more holistic service for small business.

The changes are a rationalisation and what has been said is absolutely accurate. In other circumstances, there might have been a longer period over which support was redirected, but we have taken the steps now because we are in a tight budgetary situation. It makes sense. We do not expect small businesses to be in difficulty as a consequence, and I think neither does WRAP.

The hon. Lady asked about anaerobic digestion, incinerators and a whole raft of disposal technologies. In particular, she asked why it is that they are all on the continent and not here. The fact is that we have had, for far too long, too many holes in the ground and landfill has been too cheap. Countries such as the Netherlands, which have not had the potential to put their waste in holes in the ground, have had to develop alternative solutions at great speed. That is why the technologies are so much more advanced in other countries than they are here. We have now made our decisions. We have been following the landfill directive, and we know where we are going. We will constantly reduce the amount of material going to landfill. That means that these other technologies become cost-effective and of interest to big business, which means that they will be coming on stream. In order to incentivise and assist with that process and ensure that there is appropriate and sufficient waste infrastructure in place, the Government have provided, as the comprehensive spending review settlement indicated, PFI credits worth £2 billion to facilitate the provision of such infrastructure over the next three years. That is an unprecedented amount of money. We believe that many technologies will be put in place as a consequence of that support. It has to be said that private industry itself is already on this path.

In DEFRA, we have contributed to the development of anaerobic digestion and we have made it very clear that we think that it is one of the preferred technologies. It has great potential for not just taking a variety of biodegradable waste, but also ending up with a digestate that can be used in agriculture or, alternatively, with biogas.

Dr. Pugh: The Minister referred to anaerobic digestion on the continent. I am sure that it exists on the continent, but has the Department made a study of how prevalent it is and how much waste is moved via that method?

Joan Ruddock: If the Department has made a study of it, I have not got the information. I will write to the hon. Gentleman. I was not thinking so much about anaerobic digestion, but more about conventional incineration and, of course, combined heat and power, which is a very positive technology that we see a great deal of on the continent.

Let me look at the other questions that I want to respond to. The hon. Member for Beckenham referred to a freedom of information request that had been successful on a consultation that I understood her to say was on alternate weekly collections. We have not done a consultation on AWC that has been subject to an FOI, so I am not sure how she was able to substantiate her claim that there has been a huge increase in fly-tipping. The AWC collections were around long before there was a documented increase in fly- tipping, which I acknowledge that there has been. Our view in relation to fly-tipping, like all crimes for which there is a requirement to report—Flycapture, which collects the data, is very new—is that we will see an increase. We have also seen much more activity by local government in tackling fly-tipping and in taking forward prosecutions.

Mrs. Lait: The FOI request to her Department was for the responses to the consultation on bin taxes. The responses included one from the Environment Agency, which said:

"We are concerned that the proposals may give rise to an increase in fly-tipping of household waste."

Hertfordshire Waste Partnership said:

"Municipal waste does not recognise boundaries...there will be a knock-on effect across neighbouring areas when residents seek to find free or cheaper means of disposal."

I can go on. There are very many references to fly-tipping. The statistics show, separately, that there has been a very large increase in fly-tipping, but that is not necessarily shown in the response to the hon. Lady's consultation.

Joan Ruddock: We need to be very clear about this. First, there has not been a consultation on AWC, which has been subject to an FOI. Secondly, there has been a consultation—obviously—on incentive schemes. It is correct to say that on that consultation, concerns were raised. The Government never failed to acknowledge that. What we have said is that it would be essential in any scheme—again this is why pilots are important—to have a good fly-tipping strategy in place. That is common sense and a good recycling service would have to be in place, otherwise such a scheme would make no sense. As to fly-tipping, we acknowledge that the data show an increase. However, one also has to look at one's own experience. In my borough, in which there is a very good strategy for tackling fly-tipping, fly-tipped waste is collected very fast. We are seeing much better outcomes than some years ago. At that time, when there was much more visible fly-tipping on my streets, no data were being collected at all. It is the collection of data on crimes that makes it appear that incidents of fly-tipping have gone up.

Dr. Starkey: Does the Minister also accept that a significant amount of fly-tipping is done by small business enterprises, notably builders, which are attempting to evade the landfill tax and are dumping builders' rubble or hedges or whatever around the place? The statistics quoted would be for fly-tipping overall, most of which, I suggest, is likely to be from the commercial rather than the domestic sector and, therefore, entirely unrelated to any proposals on domestic refuse collection.

Joan Ruddock: My hon. Friend makes a good point. It is a combination of things. Around half of fly-tips contain material from households, and that material is often collected by people such as she describes. What we would say is that the householder has a duty to be sure that those who pick up their waste intend to dispose of it appropriately and not fly-tip it. We all have a duty to be careful about who we give our waste to. If we are being offered something that clearly looks very different from the regular collection services, for which in the case of bulky items one may today have to pay the council, we ought to be aware that it is probably going to be fly-tipped. My hon. Friend is absolutely right. The relationship between the potential for fly-tipping and waste incentive schemes is in no way proven.

The other thing that I have just been notified of by my officials is that apparently—I should know this—all of the responses to the consultation on the waste incentive schemes were published on our website and so they did not require an FOI request. Therefore, this will remain a bit of a mystery.

I have some more questions to which I want to respond. I think that I have dealt with all of them, but I have been provided with some additional information about anaerobic digestion. For the benefit of hon. Members, I will just say that there are already three AD plants in England that are treating source-separated waste at the present time. Six are being built and the electricity generated by AD—this is a very important point—is eligible for renewables obligation support. That is a particularly important new development, and banding is one of the ways in which the Government are incentivising the whole concept of the development of anaerobic digestion.

I hope that I have managed to tackle most of the points that have been raised today. Apart from the one point on which I have undertaken to write, I will be delighted to write to hon. Members if there is anything else that we spot from the debate record.

In her opening remarks today, my hon. Friend the Member for Milton Keynes, South-West, the Chairman of the Committee, referred to our waste strategy 2007. She referred to its hierarchy, which we all now know so well, and to how we should reduce, reuse, recycle and recover before we think of ever disposing entirely of the waste and losing those very precious resources.

My hon. Friend also spoke about the various levers that the Government have already put in place. Of course, these are much wider issues that are outside the ambit of our debate today. However, I would just like to assure hon. Members that the Government take waste and our waste strategy very seriously indeed and waste is a real priority for DEFRA.

We face a great challenge; it is a historic one. Earlier, I referred to our use of landfill and the fact that it was so cheap to dispose of waste in that way. We all have a responsibility to meet that challenge, both in our personal lives, in the way we dispose of our own waste, and in the way we support our local authorities. At the end of the day, local authorities are the vehicle through which most of us will see our waste disposed and we owe it to them to have a sensible debate, to understand what the issues are, what the incentives might be and what the penalties might be, if we as citizens do not behave in an appropriate way, given the need to meet this challenge.

I look forward to continuing our dialogue on all of these subjects, as I am sure we will, in further debates and in further discussions with the Select Committee. Again, I thank my hon. Friend the Member for Milton Keynes, South-West for her presentation today and I thank other hon. Members for their involvement in these debates. I will just end by saying that I am sure that, whatever differences we might have in our thinking on the appropriate strategies, we all remain committed to proper, environmentally responsible collection and disposal of waste.

Question put and agreed to.

Adjourned accordingly at nine minutes to Five o'clock.

Westminster Hall

Tuesday 4 March 2008

[MR. PETER ATKINSON *in the Chair*]

Free-range Produce (Animal Welfare)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Alan Campbell.]*

9.30 am

Mr. Mark Oaten (Winchester) (LD): It is a pleasure to be here under your chairmanship, Mr. Atkinson, and to have the opportunity to discuss the issue of animal welfare, particularly in relation to poultry and the chicken industry.

I admit from the start that I have never shown a great interest in animal welfare in the 10 or 11 years that I have been doing this job; many of my constituents have raised the issue, but it is not something on which I have spoken in Parliament before. Bluntly, my motivation for doing so comes from lying in front of the television after eating far too much at Christmas and watching the celebrity chefs, Jamie Oliver and Hugh Fearnley-Whittingstall, on those excellent Channel 4 programmes that looked at animal welfare. My daughter Alice prodded me to watch the programmes. There is a generation of young children who take such issues to heart, but the programmes shown on the BBC and Channel 4 were excellent for broadening the matter out and for raising awareness among a much wider audience.

I should also praise the Royal Society for the Prevention of Cruelty to Animals, which has continually raised the matter. Many Members will have been subject to its lobby campaigns—the organisation is extremely smart at arranging for constituents to participate in postcard campaigns. Its persistence has done great service to animal welfare.

Such issues are not a flash in the pan—they have been around for some time—and I do not think that those concerning the chicken industry will go away. The television programmes to which I referred have started a process that I believe will continue. Both the BBC and Channel 4 plan to make follow-up programmes, and the celebrity chefs to whom I referred will be fairly persistent.

Although the focus of the debate is chickens, there are many other animal welfare issues, and I apologise for the fact that I shall not be able to touch on them in the time available. I shall say something about the pig industry because it is lobbying Parliament today, and it has some animal welfare issues.

The chicken campaign is not only to do with animal welfare, but our health. The programmes made a strong case for the importance of healthy eating and the way in which the food that we eat is bred. Obviously, the matter is significant for supermarkets and retailers; for consumers, because of the costs involved in raising standards; and for Parliament and politics. I apologise in advance to the Minister because I recognise that some of those matters are not in his portfolio, but I hope he will be helpful in perhaps undertaking some cross-party work on them.

The Minister for the Environment (Mr. Phil Woolas): I rise early to thank the hon. Gentleman for those remarks and to pass on apologies from the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Chatham and Aylesford (Jonathan Shaw), who is at an important conference today. He has asked me to stand in for him, so I am grateful for what the hon. Gentleman said.

Mr. Oaten: The other overriding comment that I wanted to make before getting into the detail is that I do not wish to attack farmers, supermarkets or any particular industry. If we are to make genuine progress, it is apparent that the various sectors need to work together, albeit that there are conflicting interests at times, and there is a fair amount of anger among farmers about how supermarkets operate. We need to recognise that both sides have difficulties.

I should establish some parameters in the language that I will use. There is a danger that the term "free-range", which is in the title of the debate, is overused. There is a misunderstanding, which I certainly fell into, that animal welfare campaigners are asking for free-range produce. That is not the case: well managed, indoor-bred chickens that meet high welfare standards are perfectly acceptable. The phrases with which I am more comfortable are "freedom food" or "welfare standards". We should not fall into the trap of assuming that we are always looking for free-range produce, because the alternatives can be just as acceptable for animal welfare.

I should give some of the background statistics. I was staggered when my researchers told me that 850 million meat chickens are slaughtered every year in the UK, which is an enormous amount of chicken consumption. Around 98 per cent. of those are broilers, which are intensively reared in large, closed buildings, in which the temperature, lighting, ventilation and nutrition are controlled to ensure the highest and quickest growth possible. The chickens are designed and bred to put on weight rapidly and many of them have severe health problems as a result of the way in which they are farmed. In some cases, they are crammed in; the lack of space can limit their ability to move around and increase prolonged contact with soiled litter, which gives rise to painful ammonia burns to their feet, legs and breasts. That was graphically illustrated in the television programmes, which showed how the animals were treated. The light is kept deliberately low to discourage activity, but it is kept on all the time to encourage the birds to increase their weight as quickly as possible. However, the chickens simply do not get adequate rest. Many of the birds are kept in barren sheds with no opportunity to express natural behaviour such as perching, ground pecking and foraging.

Research shows that the consequence is poor animal welfare. In 2000, the EU carried out a groundbreaking study that looked at the link between breeding practice and welfare. More recently, as a result of a study by Bristol university, which was sponsored by the Department for Environment, Food and Rural Affairs, we have more detailed information about the impact that production methods have on welfare. For those who were sceptical about the television programmes, that study, independently sponsored, sets out some alarming findings. For example, at a mean age of 40 days, more than 27 per cent. of birds showed poor locomotion, and 3 per cent. were almost unable to walk. The study's conclusion said that

[Mr. Oaten]

"a debate on the sustainability of current practice in the production of this important food source"

is needed. Will the Minister say whether the Department has had a chance to look at the study, as I would hope, and what it plans to do next? Does the Minister feel that the Bristol study should result in any particular activities? Both anecdotal and detailed research by universities shows that we have a problem.

What about consumers? We know that they are looking for change because there was an enormous change in buying practice in the two or three weeks after Channel 4 broadcast its programmes. I talked to the managers of the various supermarkets in Winchester in my constituency and found that they quickly sold out of welfare birds. Sainsbury's had to buy free-range chickens from France, so we are aware that consumers are prepared to change their habits.

Susan Kramer (Richmond Park) (LD): Is my hon. Friend aware that there is another loser in the pattern that he is describing? Will he ask the Government about the small caterer? They traditionally serve free range, but they find that because the supermarkets are buying up supplies, they cannot get a consistent supply, or that the price has soared. There is a premium of something like £7 for a free-range chicken or 10p for a free-range egg, which severely damages places such as the Wetland centre in my constituency.

Mr. Oaten: My hon. Friend is absolutely right that the success story behind that changing pattern has a downside. There is a shortfall because of demand. As ever in such circumstances, the supermarkets—the big boys—can dominate and set the price. In the next six months or so, we could see an interesting fluctuation in prices as demand makes things difficult. There is enormous potential for British agriculture to meet the demand. If we get things right, I hope that we will see prices come down to a more acceptable level.

David Taylor (North-West Leicestershire) (Lab/Co-op): I congratulate the hon. Gentleman on securing this debate. It is not a new issue; I chaired the Environment, Food and Rural Affairs Committee inquiry into the policy some years ago, and the figures show that the scale of distress for chickens is still at a high level.

The hon. Gentleman referred to Winchester supermarkets. He might stand with a clipboard in the car park of any supermarket in the Winchester area asking people to sign a petition to improve the welfare of chickens, but although 80 per cent. of people are aware that chickens are kept in cruel conditions, because they have busy lives and their budgets are under pressure they may dip into the chiller cabinet and pick out a chicken from Brazil or Thailand, where welfare standards are even lower. There is a problem of public awareness, is there not?

Mr. Oaten: I suspect that if I stood in the car park with a petition, I would be thrown out; that is the usual practice, at least when trying to do anything political. The hon. Gentleman makes a valid point, one that it is backed by the RSPCA. It said that 90 per cent. of respondents to its survey would be prepared to buy a high-welfare-reared chicken. Interestingly, when asked how much extra people would spend only 27 per cent. of them said that they would spend £2 or more.

The hon. Gentleman's point is backed by statistics. As ever in life, many of us talk a good talk, but putting it into practice is something different. Sometimes that is the result of laziness and lack of motivation. I recognise, as did the television programmes, that for some families a very real financial cost is involved. I tried to change my habits recently in terms of the purchase price. In some supermarkets, a chicken costing £14 or £15 is expensive compared with the £4 chicken that one could buy.

David Taylor: The RSPCA runs an admirable freedom food campaign. The hon. Gentleman will be aware that indoor-bred birds with a freedom food label cost about £1 more than the standard bird. That leap in price is not enormous.

Mr. Oaten: I agree. If one considers the way in which the various supermarkets choose to price their birds, one can see that some are at the high end. My slight suspicion is that they are using the current campaign to charge a little more for welfare birds. The hon. Member is right that the RSPCA's work is practical. The RSPCA is also conscious of the costs involved, which is why many of the welfare tags that it attaches to birds and other animals come at a sensible price. None of this will work if we freeze out a large number of consumers.

I believe that there is an encouraging precedent. Similar arguments took place six or seven years ago on egg production, but practice has changed there. We have seen affordable welfare-raised eggs coming on to the market, and we have seen consumers changing their practice. We have seen the industry change before, and I am confident that we can get the prices right for poultry.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I congratulate my hon. Friend on securing this important debate. Is he saying that the supply of a particular product encourages the consumer, or that the consumer is driving the change in practice? I believe that the consumer is king, and that British agriculture will deliver whatever the consumer demands.

Mr. Oaten: That sounds rather like asking whether it is the chicken or the egg—or the egg and the chicken. I do not imply that my hon. Friend was trying to make that joke: self-evidently, both come together. The catalyst in this case is publicity; it has raised awareness and we have a really good opportunity on the back of the current media campaign to push forward and to get both sides to come together. However, as I said at the start, I do not say that one side is wrong and the other right. We must all work together.

Mr. Andrew Turner (Isle of Wight) (Con): Has the hon. Gentleman noticed a breach between chickens grown locally and those grown overseas, and whether there is an increasing gap between them?

Mr. Oaten: I am not aware of an issue in relation to cost—I have not been briefed on the matter—but I am aware, and the hon. Gentleman will be aware, of the real difference in the welfare standards of poultry reared in this country and abroad. I am confident, as

ever, that British agriculture meets the highest possible standards of welfare. If there was one simple message to come from the campaign, it is that one way to be reassured that one is getting good welfare-raised poultry is to buy British whenever possible.

I turn to the role of the supermarkets. As I said in response to the hon. Member for North-West Leicestershire (David Taylor), the supermarkets' response to the current debate is variable. The good and positive news is that companies such as Marks and Spencer and Waitrose do not stock standard chicken, and that Tesco and others are desperately moving towards that position. That has to be the biggest and most encouraging change that we have seen. Bluntly, if consumers cannot get hold of poorly reared chicken it will change attitudes.

Supermarkets need to undertake further work on labelling. As the consumer walks down the aisle and looks at the labels, it can be hard to tell quickly which chickens have been reared properly. Some poorly reared animals are packed cleverly with pictures of a farm, a barn and lots of green grass. We need to standardise labelling. It would be helpful to hear the Minister's thoughts on the subject. Much work has been done by the National Farmers Union and others with the red tractor campaign, but a little more needs to be done by the supermarkets, particularly if we are to have clarity about where chickens are sourced.

The supermarkets are helped by the work of the RSPCA and its freedom food campaign. The welfare standards developed by the RSPCA give me a great deal of assurance. When considering whether to issue a freedom food award, it takes account of animal welfare and advice from veterinary specialists. I believe that that provides a good model for change. The freedom food label is now used for eggs, chicken, duck, turkey, salmon, beef, lamb, pork and dairy products. The good news is that in 2005, about 6.5 million chickens were reared to the RSPCA standard; by the end of 2006, that figure had increased to 20 million. The latest figures show a further increase to 40 million. That is an encouraging trend.

We, as parliamentarians, could put pressure on all supermarkets to make a firm commitment to move towards sourcing their products from a higher-welfare standard by a certain time. Sainsbury's says that it will do so by 2010; we should look for more public statements to be made by supermarkets.

I am conscious of the time, Mr. Atkinson, but I want to speak about farmers before turning to legislation and other matters important to us as politicians. As we know, farmers are often highly criticised on the matter of animal welfare. Three relatives of mine are farmers and they spend most of their time with me on Sundays roasting me on the subject. I know that many of them would like to do much more when it comes to animal welfare, but they find themselves tied down in a number of areas.

I hope that the Minister will consider a couple of issues that concern the industry. I said earlier that the egg industry has been a good example of progress—to such an extent that 85 per cent. of eggs currently meet welfare standards. However, that has resulted in more demand being placed on British egg producers to produce eggs to that standard. However, I understand that there is a very practical difficulty, in that many find it difficult to get planning permission to expand, and to build on the extra land needed to produce eggs of that quality. The demand is there, as is the opportunity to make money, but planning in rural areas is becoming difficult. Will the Minister say something about that? It would certainly help British farmers to gain from this expanded industry.

I also wanted to make a point about the quality of British farming. One of the concerns of our farmers is that, as this country moves ahead in its welfare standards, that will leave the door open to poor quality, cheaper imports. If we, as politicians, along with the media and consumers are pushing for our farmers to improve welfare standards, we really have a responsibility not to let them suffer financially because of poorer quality imports.

That is one of the concerns that will be raised today when the pig farmers come to lobby Parliament. Stewart Houston, the British Pig Executive chairman, summed it up by saying:

"Two thirds of all imported produce would be illegal to produce in the UK as it does not meet our higher welfare standards."

If that is the case, it must be very galling indeed for British farmers who are meeting those standards to discover that our supermarkets are full of products that do not meet them, which is putting our farmers out of business.

Mr. Roger Williams: My hon. Friend makes a very important point about pork and pig meat imports into this country. Another important statistic to put alongside that one about imports is that pig production in this country has been reduced by about 30 or 40 per cent. That has increased the demand for the amount of pigmeat coming into this country that is produced in less than satisfactory conditions.

Mr. Oaten: My hon. Friend represents a very large farming and rural community and he is obviously right. He will know, of course, that, at the moment, many pig farmers are losing up to £20 per pig, and that is not the type of job or industry that anybody would wish to be in. There are very few people who would produce a product where they lost that amount of money per item.

I will move towards a conclusion by looking at some of the legislative issues and some of the ways in which, as politicians, we may be able to address these problems. Legislation that deals with animal welfare is quite varied. The key piece of legislation revolves around the assured chicken production standards. These standards require that chickens have ready access to water, are nutritionally sound, have sufficient space and a hygienic environment, and have the freedom to express normal behaviour. However, if those standards are in place now, it is quite clear, given the studies that have taken place and some of the problems that exist, that they are not necessarily adequate. Many animals are falling foul of those standards.

As ever, the EU has legislated in the area of animal welfare. An EU Council directive—2007/43/EC—gained political agreement in May 2007. That new EU directive will come into force on 30 June 2010. It sets out minimum standards for the protection of chickens reared for meat production. Now, that is obviously welcome in relation to most of Europe, where those standards needed to rise. The directive itself allows 42 kg of birds per square

[Mr. Oaten]

metre. However, the difficulty with the directive, and it is why I seek some reassurance from the Minister, is that British standards run way ahead of that standard already. Our standard is for 38 kg of birds per square metre. The perverse side of this EU directive is that it could allow a lowering of standards in this country if farmers were to comply with it. I seek some reassurance from the Minister that the Government will make it very clear to farmers that they need to stick by the British standard and not revert to an EU standard that would make animal welfare worse.

Another issue in relation to Europe is that there is a slight concern that there are some in the EU who are trying to delay the proposed ban on battery cages, which is due to come into force by 2012. Again, if the Minister could reassure me on that issue, I would be grateful.

There is also a slight problem with the House of Commons. Immediately after the television programmes on animal welfare were broadcast, I decided to table a parliamentary question to find out how much free-range food, including free-range chicken, we consumed in the House of Commons. I think that there are about 22 restaurants and bars in this place, so we consume a fair amount. The answer came back from the House of Commons Commission that, in fact, less than 10 per cent. of the food that we consume here is sourced from free-range goods. It seems to me that if we are trying to influence and persuade others of the importance of this issue, we could make a jolly good start by getting our own house in order.

In many cases, I think that we could solve this problem fairly quickly. The RSPCA has been very helpful in that regard and I am seeking at the moment to arrange a meeting between the RSPCA and the House of Commons Commission, which oversees food production for the Commons. Again, if the Minister could say something helpful to me on that issue, it might help me to arrange that meeting a little more quickly, because at the moment it seems to be taking a bit of time to arrange it. The RSPCA is certainly happy to come here with practical suggestions about how the House of Commons catering could do much more to get that figure for free-range food up from 10 per cent.

Another area in which I would welcome some support from the Minister is in trying to see what we could do to help with providing better quality food in our schools. Again, Jamie Oliver led a big campaign on this issue two or three years ago and the Government responded; that campaign was about trying to move children away from turkey twizzlers and towards eating more salads. However, there is still an alarming problem, in that much of the food sourced in our schools throughout the country is food that we would neither wish our children to eat nor food that we would purchase ourselves. From my perspective, having a couple of daughters who are now constantly on my case about this issue, the irony is that, when they go to school, they are probably eating food that they would find totally unacceptable.

In recent years, Hampshire education authority sourced its chicken for schools from Indonesia and I cannot begin to think what the animal welfare consequences of that decision are. I am pleased to say that, more recently, Hampshire county council has improved that situation and it is doing much more to try to source its food from other alternatives.

Mr. David Drew (Stroud) (Lab/Co-op): One of my pet subjects is that a lot of county councils still have their own farm estates and it galls me that one of the ways that we could make dramatic improvements in this area is to use those farm estates as the source for all food for educational institutions. However, that always seems to be too difficult and too expensive to achieve, which I find very disappointing.

Mr. Oaten: The hon. Gentleman makes an excellent point. Furthermore, one would see educational benefits from showing children how that food was produced. The issue relates to a fundamental theme that runs through all of the points that I am making, which is that there is a great opportunity for us to take a lead with British agriculture, sourcing these products locally wherever possible, as the hon. Member for Isle of Wight (Mr. Turner) said.

The good news is that some schools have changed practice. The Humphrey Perkins high school in Leicestershire is now one of the first schools to serve only free-range food. However, if the Minister could perhaps have a word with officials in the Department for Children, Schools and Families to see if there is anything that we can do to encourage local education authorities to change their practice in this regard, I would be grateful.

I have spoken for much longer than I intended and I apologise for that. A range of animal welfare issues affects consumers, retailers and ourselves as politicians. I have raised a couple of specific issues for the Minister to consider, but there is an open door now for real progress in this area. I hope that this morning's debate will be a timely chance for us to take stock of where we are going on animal welfare and if, as politicians, we can use a light touch to help move animal welfare standards further on in a more positive direction, that would be welcome.

9.58 am

Kerry McCarthy (Bristol, East) (Lab): I congratulate the hon. Member for Winchester (Mr. Oaten) on securing the debate. He has raised some very important issues. Like him, I think that this is the first time that I have ever spoken on animal welfare issues in the House, although, unlike him, I did not see the recent television programmes on animal welfare that he mentioned.

I should probably start by outing myself, I guess, in that I have been vegetarian for nearly 27 years and vegan for 16 years, I think; the decision to become vegan, which, I think, I made in 1992, was one of those new year's resolutions that I managed to keep. Obviously, therefore, I come to this debate with certain prejudices and I do not need to be convinced by watching the television programmes that others have been talking about.

Having said that, I very much welcome the interest that has been taken in this subject by people such as the celebrity chefs and the hon. Members attending today's debate, and I also welcome the fact that the media have taken up the issue of the welfare of battery chickens. However, although it is great that the media are focusing on that one issue, it is only a small segment of some of the concerns that I have about animal welfare standards

generally. There is a move towards industrial production of food; farming has become an industry. The sheer scale of production is enormous: as we have heard, 800 million chickens a year are produced in the UK. As that scale of production is replicated across the whole agriculture sector, I have real concerns about what that will mean for animal welfare standards.

I should say that I have no intention of getting anybody else to become a vegan, although a surprising number of my constituents are vegetarians. However, I hope that I can raise the issues of welfare standards and battery chickens, so that people can pick them up.

As we have heard, there will be a ban on battery cages from the beginning of 2012, but my concern is that enriched cages will still be permissible. If we look at the details, we see that such cages are only slightly larger than the battery cages that are legal at the moment. Although enriched cages have perches, the birds are still kept in very confined conditions, which means that they cannot fulfil their natural behaviours. We have gone a certain way down the road with battery cages, but the current alternatives are not particularly acceptable.

Barn eggs will, of course, still be legal. Although they are presented as an animal-friendly alternative, the birds can be kept in flocks of up to 16,000 to 20,000. Regulations state that there should be only nine birds per square metre, but studies have shown that as many as 15 birds can be crammed into that area. Birds often end up pecking each other featherless because of the distress caused by being so packed in. That is still a form of factory farming, even though the birds are not in cages.

Even with free-range eggs, there are concerns. The birds are housed in huge sheds, although they must obviously have outside access to be classed as free range. Often, the shed will have only a few small holes leading outside, and it can be quite difficult for some of the birds to access them, because of aggressive behaviour by other birds. Research by an Oxford university team in 2003 found that although free-range birds must, by law, be given eight hours' access each day to the outdoors, fewer than 15 per cent. of the birds in very large systems, which hold up to 9,000 birds, could get outside in practice. We are therefore kidding ourselves if we feel that free range is the ideal solution and that we are meeting all the relevant standards just by classing something as free range. More than 75 per cent. of hens in the UK are kept in flocks of at least 20,000, so it is only the small producers who can guarantee that the welfare of free-range birds is being protected as it should.

There are other cruelties involved in mass production. Debeaking or beak trimming is carried out on a large proportion of laying hens, no matter what production system is used, and that includes free range. Birds are also fed artificial colorants so that their eggs have yellower yokes, and are required to produce more than 300 eggs a year, which is way more than a bird would naturally produce. As a result, the amount of calcium that birds must produce to make the egg shell means that they suffer from osteoporosis, although I do not quite understand the technicalities. Each year, about 2 million hens in battery cages die before the end of their natural lifespan.

Early-day motion 954 raises the issues brought up by the Jamie Oliver programme, including the gassing of the male chicks that are not needed. Two quite distinct strains of birds are produced in this country: those that are suitable for meat production and those that are suitable for egg laying. If the birds have been bred for egg laying, the male chicks will not be suitable as meat chickens and they are destroyed when they are a day old. The early-day motion rightly raises the issue of their being gassed, but other alternatives include a machine called an homogeniser, which minces the chicks alive. About 300 million male chicks are killed when they are a day old because they are no use to anybody.

Mr. Roger Williams: The hon. Lady spells out very clearly some of the problems with labelling food as outdoor, free range and freedom food, but I return to the point that I made to my hon. Friend the Member for Winchester. One way to address the issue is for consumers to demand better prescriptions for production, and people have done that. Does the hon. Lady agree that McDonald's, in serving only free-range eggs, is perhaps moving in the right direction?

Kerry McCarthy: As the hon. Gentleman can imagine, I am reluctant to congratulate McDonald's on many things, but the more that producers and retailers can do, the better, although I would question whether some of the free-range produce meets the standards that it is expected to meet.

I want briefly to skim through a few issues relating to other forms of food production. Some 35 million turkeys a year are bred for food and they are kept in similar conditions to chickens. Many of them also die from starvation, infection and disease before they are ready to be slaughtered for food.

The House has debated the inhumane production of foie gras. Geese are force fed until their livers are 10 times the size of that of an ordinary goose, which makes breathing and walking difficult. We are told that it is not possible to ban foie gras imports under current EU law, and we should address that. Another issue that I have taken up with the Minister is the zero-grazing of cattle, which involves cattle being kept totally indoors and not being allowed out to graze.

Last year, I was involved in a campaign with Viva!, a vegetarian charity in Bristol. The campaign was aimed at farrowing crates, in which sows are kept while they are pregnant and weaning their piglets. It is impossible for sows to turn around in such crates or to engage in any of their natural behaviour. Farrowing crates are used for about 80 per cent. of the UK's breeding sows, and that, too, needs to be addressed.

I want to turn now to a slightly different issue. We are trying to do what we can to address these problems in the UK and the EU, but where do we go in terms of the standards that we expect other countries to adopt? It is illegal under World Trade Organisation rules to ban imports into the EU on the basis that they do not meet the EU's animal welfare standards. Although we can phase out battery cages in the EU, we cannot tell the developing world that we will not import its goods because they do not meet our standards. We need to address that at an international level.

The issue is particularly important given the rising levels of meat and dairy consumption in the developing world, particularly in places such as China. China's meat consumption has gone from an average of 4 kg per person 40 years ago to nearly 60 kg per person today. It is estimated that China will reach US meat consumption levels of 125 kg per person by 2031, which, I am told,

[Kerry McCarthy]

amounts to four-fifths of current world meat production. I would like to know what we can do internationally to ensure that such meat production meets the standards that we expect in the EU. Even India, where meat consumption is traditionally low, is massively increasing its consumption of meat, and poultry production is one of the fastest-growing segments of its agricultural sector.

Finally, the environmental consequences of increased meat production and consumption are just beginning to be recognised, and the Minister has probably come across that issue in his day job. It takes 9 kg of cereal to produce 1 kg of beef, so there is a real issue about the amount of agricultural land that we would have to use to produce animal feed if we moved towards the patterns of meat consumption that I have outlined. Together with the move towards biofuels, that is something that we really need to address.

In that respect, there is also the issue of water use. On average, I am told, it takes about 180 litres of water to produce a battery egg, whereas the poorest people in India use an average of only 10 litres a day. A slaughterhouse in Brazil uses 10,000 cu m of water each working day, but 25 per cent. of the country does not have access to safe drinking water. There is a real question about how we address such issues internationally and require countries to meet our standards. On that note, however, I will finish.

10.9 am

Tim Farron (Westmorland and Lonsdale) (LD): I could speak for a long time, but I shall not. It is a pleasure to serve under your chairmanship, Mr. Atkinson, and I congratulate my hon. Friend the Member for Winchester (Mr. Oaten) on securing the debate, which has been brief, but nevertheless well informed and balanced, rather than hysterical. The problems highlighted by the television programmes to which he referred present us with challenges that are not easily solved. We all want the situation to improve, but there is a great potential for unintended consequences that could, in fact, make it worse.

There are no specific, legally binding requirements for the welfare conditions of chickens in this country, but we are moving towards EU regulation. However, as my hon. Friend mentioned, the problem is that in raising standards among EU colleagues, we risk allowing ours to fall. Strong welfare standards apply already to UK poultry, in the form of the red tractor scheme, which is a guarantee of high standards across the sector with regard to welfare, housing, feed, health and hygiene. The scheme includes requirements that birds should be given a decent amount of space and be tended by skilled staff. Those standards are independently inspected each year.

Mr. Roger Williams: Livestock production can be managed in different ways, but the key to animal welfare is the person responsible for those animals and the staff whom they employ. The difficulty with labelling is that anything can be claimed, but whether it is being delivered is another matter, and it depends on the staff.

Tim Farron: The difficulty with farming in general is that reduced margins for the producer mean reduced capacity to ensure that those doing the work—stockmen and others handling the animals—have the skills necessary to do their job well. The problem is that, in ensuring that standards are high enough, we might create an overbearing bureaucracy. One of the advantages of the red tractor logo system is that the standards are inspected independently every year without the need for an overbearing bureaucratic apparatus.

As we have heard, the RSPCA has pointed out that the dichotomy that is normally presented—battery farming versus free range—is often a false one. It should be commended for that. I am sure that many colleagues will agree that indoor poultry rearing can often be extremely humane and that, conversely, many chickens reared in nominally free-range circumstances live in extremely poor welfare conditions. As a cadre of politicians, our priorities ought to be to ensure high welfare standards for all animals, to enable farming to be viable and not unduly regulated, to safeguard our poultry industry, to ensure that consumers know what they are buying and to encourage them to buy produce that has been reared humanely.

David Taylor: Does the hon. Gentleman endorse the comments made by the hon. Member for Winchester (Mr. Oaten) and those made in a debate that I led in this Chamber less than 18 months ago, which have helpfully been incorporated in the debate pack, on the importance of requiring that labelling be honest, open and accurate? So much of it is misleading. An animal can be bred to slaughter weight and slaughtered in a foreign country, shipped to Kent—or somewhere like that—wrapped or subjected to a minor process, and then described as "UK produce". That cannot be allowed, can it?

Tim Farron: I plan to cover that later, but I agree absolutely. It is vital that labelling is accurate and honest. One suspects that retailers—not least the all-powerful supermarkets—sometimes take advantage of the ambiguity in the system.

The UK is almost 90 per cent. self-sufficient in meat, poultry and egg production, which is an encouraging starting position from which to build on, given the Government's stated concern about reducing food miles and ensuring food security. Any move to excessive and narrow regulation might easily prove counter-productive. Over the past few years, the volume of imports of poultry produce into this country has risen by roughly 10 per cent. each year. Clearly, one of the reasons behind that is that imports are often cheaper, largely owing to the fact that it can be cheaper to rear poultry in poor conditions. If we over-regulate in our desire for even better welfare conditions at home, we might simply add to costs to the industry here, thus making it less competitive, and therefore open the door to imports, the market strength of which sadly lies in sub-standard welfare conditions.

Mr. Drew: This is partly in relation to the comments made by my hon. Friend the Member for Bristol, East (Kerry McCarthy): if we go on like this, there will never be any change in the WTO rules, which quite simply are completely wrong. We should encourage countries exporting very cheap livestock to produce it for their own markets. That is how they will raise their standards. It is about time that we took on the WTO.

Tim Farron: I could not agree more with the hon. Gentleman. We must take action and consider the role of the supermarkets and the all-powerful purchasers in the market. The drive for larger profit margins leads to increased pressure for reduced costs, which affects livestock farmers of all varieties, not just those in the poultry sector. The poorer welfare standards that result from that drive for lower costs, which often leads to sourcing from overseas, is the key.

To return to the point made by the hon. Member for North-West Leicestershire (David Taylor), supermarkets take advantage of the lack of clarity in labelling to exploit ethical demand without actually improving ethical standards. The position of the consumer is all important, but let us not understate the power of supermarkets in delivering what I hope that all of us in the House want achieved. It is clear that consumer pressure for better welfare standards and premium-priced eggs and poultry meat is growing and that they want to buy free range. Interestingly, recent research has shown that consumers were about five times more interested in animal welfare standards in the production of food products than about the impact on climate change. I make no editorial comment about that—it is just an observation.

The top end of the market is a minority one, not least because, unlike the average television chef, most people whom I represent are on a budget and cannot afford to purchase at the premium end of the market—or at least not often. We must ensure that the debate on animal welfare in food production does not become the preserve of the chattering classes. If we focus simply on the premium end, we risk ignoring the 98 per cent. of poultry meat and 68 per cent. of eggs in this country that are not free range, but which often are, and certainly can be, produced decently and humanely.

The RSPCA is absolutely right to concentrate on the animal welfare standards employed in commercial farming, rather than on specific systems, and to develop the concept of freedom foods, as my hon. Friend the Member for Winchester mentioned. It should be applauded for taking action that will help the vast majority of animals, not just those reared at the top end of the market. It is also right to press farmers to convert buildings to higher welfare standards.

Let me make a couple of brief political points. In light of that situation, the Government might like to reconsider their decision to abolish agricultural buildings tax relief, which will surely discourage farmers from developing buildings to meet the higher standards for which hon. Members have called. They might also wish to reconsider their excessive implementation of the nitrate vulnerable zones directive, which will add significantly to the costs to the poultry industry and put investment in facilities for higher welfare standards beyond their reach.

The movement towards higher welfare standards is led by the consumer. To that end, honest labelling is vital to ensure that we can make informed choices. Many shoppers trust British produce simply because it is British and they know that our animal standards are the highest in the world. It is an outrage that meat products from countries with worse welfare standards need only be moderately transformed or processed to qualify for the misleading label of "British produce". In seeking to assist consumers to make the ethical choices that we increasingly want to make, it is crucial that the Government ensure honesty and clarity in labelling, and that high standards are maintained throughout the poultry sector—not just in an elite niche beyond the affordability of the majority.

10.20 am

Andrew Rosindell (Romford) (Con): Thank you for allowing me to speak in today's debate, Mr. Atkinson. I should like to apologise on behalf of my hon. Friend the Member for Leominster (Bill Wiggin), who, unfortunately, cannot be present to speak on behalf of the shadow Environment, Food and Rural Affairs team. DEFRA is not my Department; I am a shadow Home Affairs spokesman. However, I focus on animal welfare in my job, so I am pleased to contribute to today's debate. I congratulate the hon. Member for Winchester (Mr. Oaten) on securing the debate, which gives us an important opportunity to discuss free-range issues combined with animal welfare. I shall make a number of observations on behalf of Her Majesty's Opposition.

Since the House last discussed the issue at length, several strides have been made on free-range and animal welfare issues. However, I am sure that Members of all parties will agree that there is still much to be done. One of my high priorities since becoming a Member has been to campaign for greater standards of animal welfare. Fortunately, in my role as shadow Home Affairs spokesman with responsibility for animal welfare issues, I have been able to meet many organisations that are engaged in the vital work of caring for an amazing variety of creatures great and small. I thank all those organisations for providing me with the information on which I shall base my comments.

The issue of free-range produce and the animal welfare associated with the industry has rightly been brought to the House's attention on several occasions. Broiler chickens and egg-laying hens have received much media attention of late, and an update on the national situation and a thorough review of what the European Union is doing on the matter are long overdue. Consumer culture in recent years has shown increasing compassion towards livestock that is reared in humane conditions, which I certainly welcome. For the most part, it has impacted positively on animal welfare, particularly that of chickens, cattle and pigs in Britain.

According to the 2007 report by Compassion in World Farming, the biggest change in broiler meat among supermarkets involved a general shift towards better welfare, which we all welcome. Similar comparisons can be drawn with cattle and sheep, most of which are given some access to pasture, especially during the grazing season, and with pigs, with many supermarkets now refusing to sell pigmeat that has been farmed with the assistance of sow stalls and farrowing crates. They are certainly positive steps forward, and credit is due not only to supermarkets and the media's celebrity coverage, but to British consumers, who have exercised their right to buy produce involving high standards of animal welfare.

Nevertheless, my hon. Friend the Member for North Thanet (Mr. Gale) pointed out in a similar debate in October 2006 that this is in fact a pan-European issue. It is all well and good attempting to promote free-range produce and to raise standards of welfare in the United

[Andrew Rosindell]

Kingdom, but without the co-operation of the European Union, we risk alienating our farmers and forcing them to spend more and to forfeit competitive costs as they rear livestock to our own high standards of welfare. Meanwhile, our European counterparts undercut prices with no regard for the animals involved. That has been a problem for several years, and inroads have been made only recently.

I welcome the EU agreement of May 2007, which provided strict regulation concerning chickens that are reared for meat production, allied with the threat of action against anyone breaking the rules. Concurrently, the decision by some of our supermarkets to ban the import of low-welfare white veal and to sell only the high-welfare rose variety means that farmers do not have to send calves abroad. In turn, the animals forgo exhausting and traumatic overseas transportation, while farmers have an incentive to produce high-quality but financially viable meat.

On free-range produce, another area in which improvements will be implemented concerns the 1999 EU directive on the welfare of laying hens. I am sure that hon. Members know that directive 88/166 sets out a ban on conventional battery hens from 31 December 2011. There is strong public feeling against that cruel practice and, once again, it must be tackled not only nationally, but Europe-wide. Concurrently, however, the replacement of the battery environment with enriched cages by 2012 does little to quell the moral questions that many consumers have about the industry. It is a sensitive issue, not least because of the conflicting arguments made by the RSPCA and the National Farmers Union about the cost of increasing space for birds. I understand the difficulty that the UK farming industry faces as it attempts to balance animal welfare concerns with the public's demand for cheap food. However, I was disappointed, as I am sure that others will be, to learn that well over 50 per cent. of egg-laying hens in Great Britain are still of a battery variety, meaning that there has been no substantial reduction in their number since the hon. Member for North-West Leicestershire (David Taylor) spoke about the issue in 2006.

Industry figures that the hon. Member for Sunderland, South (Mr. Mullin) bought to light when speaking to a ten-minute Bill in 2003 showed that barn eggs cost only 8.5p a dozen more to produce, and that free-range eggs cost only 18.5p a dozen more to produce. Given that we consume about 180 eggs per person per year, that is a relatively small price to pay for ethical farming. In light of a reply to a parliamentary question tabled by the hon. Member for Lewes (Norman Baker), I look forward to the European Commission's report on the laying hens directive. It will be of great interest to not only myself, but—I am sure—a large majority of the public, who would like to know whether the UK will be prepared for the 2012 transition and whether it will offer protection to competitive British farming.

My final point relates to broiler chickens, which I mentioned earlier.

David Taylor: I might be intervening with regard to a point that the hon. Gentleman is about to make, but does he hope that the Minister will examine very closely the existing standards for broiler density? A sheet of A4 paper, which the RSPCA used to great effect in its weekend campaign, is the typical amount of space occupied by a 2 kg broiler chicken bred to slaughter weight. Some 100,000 of those chickens have been killed in the hour since this debate began—the numbers are 2.4 million a day, or 800 million a year. The standards are absolutely unacceptable, and if the broader British public were more fully aware of them, I am sure that they would press all politicians to raise standards much more quickly.

Andrew Rosindell: I certainly agree. The public are greatly concerned, but they have the power to purchase chickens that are bred differently. It is not only up to the Government and the European Union to examine the issue and to take necessary action that balances the needs of farmers and animal welfare standards. The public can vote with their feet and make their own decision about what they purchase and in which particular supermarket. I am sure that hon. Members know that broilers are selectively bred and reared for their meat, and that they weigh between 1.8 kg and 3 kg within just six weeks of hatching. That situation is horrendous when one considers that it would take five or six months for a chicken to reach that size naturally.

There are approximately 116 million broilers in the UK at any one time. According to a reply to a parliamentary question tabled last month by the hon. Member for Wansbeck (Mr. Murphy), more than 679 million broiler chickens and hens were slaughtered in England and Wales in 2007. That is only a marginal decrease from the number in 2006, let alone 2003. We should be doing more.

The RSPCA's 2004 report "Behind Closed Doors" was highly critical of the industry. It said:

> "The unnatural growth rate of broilers, together with the lack of space to move or exercise, encourages the birds to rest on the litter."

The health and welfare of a bird correlates directly to the quality of the litter. Poor-quality litter can lead to painful, unhealthy and sometimes contagious conditions such as hock burn, breast blisters, skeletal disorders, lameness, heart failure, bacterial infections and bird flu, to name but a few.

Given that public concern for the welfare of such animals is at a high, I believe that the majority of consumers would be willing to pay a small cost increment to show their support for higher welfare and, in my opinion, to obtain better quality meat. It is commendable that the private sector has taken the initiative. The supermarkets have proved instrumental by stocking welfare chickens at reasonable prices, setting an example that the public sector can surely follow. We can only hope that with better EU co-operation we will see much higher standards domestically and internationally.

Britain has always proved to be a world leader in animal welfare and we should be no different in the matter of farm animal welfare. The steps that we have taken need to be furthered. Although the Welfare of Farmed Animals (England) Regulations 2007 show our intent, our greatest difficulty still lies in raising European standards without alienating the British farming industry. At the risk of repeating myself, I should say that we need to liaise with our European neighbours on the matter and perhaps take more of a leading role, with the

welfare of the industry, individual farmers and animals firmly in mind. I look forward to hearing the Minister's response.

10.32 am

The Minister for the Environment (Mr. Phil Woolas): Thank you, Mr. Atkinson, for allowing me so much time to respond to this debate. So far, at least, it has justified the House's institution of Westminster Hall debates. It has been an extremely well-informed and well-researched debate involving policy issues that resonate with the many members of the public who are concerned about the matter, not least the daughter of the hon. Member for Winchester (Mr. Oaten), who is probably responsible for instigating this important debate. I hope that many members of the public will read the *Hansard* report. I wish that the newspapers would employ more parliamentary reporters, so that they could carry comments from debates such as this.

With all respect to the celebrities, Members of Parliament from all parties have been campaigning on the issue for many years, since before the celebrities discovered it—although, as has been said, the publicity that they can generate is welcome. However, I caution against the unintended consequences of such campaigns; the impact of the campaign on the quality of school dinners caused many parents to withdraw their children from school meals because they feared that the meals were bad, even after the school cooks had made them good. The point made in that respect by Unison, the public sector union, was strong. Nevertheless, the hon. Gentleman should be congratulated on raising this important issue and giving hon. Members the opportunity to debate it.

I shall answer hon. Members' questions and then outline the Government's policy. In that way, I can ensure that I have responded properly to the debate, although I am not sure that I can guarantee to answer the questions in order. I begin with that of my hon. Friend the Member for Bristol, East (Kerry McCarthy). I was dying to know which new year's resolution she was not able to fulfil, but she should be congratulated. She made a number of important points. She gave figures on the number of kilograms of cereal required to produce 1 kg of beef. That is hugely important, because it is a major reason—along with the implications of human-made climate change—why food prices around the world are rising as world prosperity rises, particularly in the far east, and human beings consume more meat and less cereal.

My hon. Friend also asked whether higher welfare standards in EU policy would not simply open us up to cheaper competition from third countries, and my hon. Friend the Member for Stroud (Mr. Drew) intervened to mention the World Trade Organisation. The Government and this country operate under WTO rules, which do not allow member countries to ban imports of like products—those that are essentially the same as domestic products except for the method by which they have been produced. Discrimination against like products is a restriction on trade not allowed under agreed exceptions to WTO rules unless the lower welfare standards practised in the exporting country gave rise to safety concerns under the sanitary and phytosanitary agreement. That relates directly to the point made by both my hon. Friends. Of course, that is not to say that the UK Government do not promote changes in those areas, but there is a balance between consumer expectations and the Government actions that reflect them and the effect of protectionism on the needs of the developing world.

Mr. Drew: It is true that in the early days of common agricultural policy reform, the UK had clear objectives in raising concerns about animal welfare and the environment. Sadly, though, those concerns got lost in the wider competitive drive. Will the Minister assure me that the UK Government—as well as those of Wales, Scotland and Northern Ireland, I hope—will ensure that they continue to argue the case with one voice that environmental and animal welfare standards are crucial?

Mr. Woolas: My right hon. Friend the Secretary of State is passionate about those issues and agrees strongly with that point—as is known, he is a vegetarian. He will be representing the United Kingdom on the European Union Environment Council; indeed, he attended one of its meetings yesterday. The forthcoming CAP reform talks present the opportunity to push further on that point.

David Taylor: The supermarkets have outsourced much of their poultry meat production to Brazil, Thailand and elsewhere. Will the Minister tell us what responsibility he believes they have to ensure that welfare standards, even the lowish ones set by the WTO, are observed by the countries concerned? When the Select Committee that I chair reported on that area of industry, I was astonished by the negligent and blasé way in which supermarkets said that they visited their production units in Brazil from time to time after giving notice and being told which units to go to: namely, those with the highest standards. The supermarkets are useless in that regard.

Mr. Woolas: My hon. Friend makes a strong point. We have had various discussions with supermarkets and the National Farmers Union on that issue. As I shall discuss in a few moments, labelling and consumer information are extremely important and are at the heart of our policy. We believe, and there is consensus on this in the House, that informed consumer choice is the modern way. If there is an advantage to having large supermarkets that control large percentages of the marketplace, it is that such policy levers can be made more easily available. I say that because it is a fact rather than because I welcome it.

Let me answer hon. Members' questions. My hon. Friend the Member for Bristol, East asked about the evidence comparing welfare in free-range systems with that in enriched cages. Various studies have shown that each system has strengths and weaknesses, as she pointed out. Industry figures show that mortality continues to be significantly higher in free-range systems than in other systems.

The hon. Member for Winchester asked about the research of the university of Bristol. That research, which was funded by DEFRA, found that the incidence of bone fractures over the life of a flock is reduced significantly in hens kept in enriched cages compared with those kept in barns or free-range systems. The LayWel research project, which is funded principally by

[Mr. Woolas]

the EU Commission, concluded that cage systems tend to provide a more hygienic environment with a low risk of parasitic disease, and that feather pecking is still a predominant welfare problem in commercial flocks in non-cage systems, with a prevalence of 40 to 80 per cent. The prevalence of cannibalism is lower, but up to 20 per cent. of flocks were affected in one survey, and up to 40 per cent. in another. The situation is not black and white. That brings me to the valid contribution that the hon. Member for Brecon and Radnorshire (Mr. Williams), who is no longer in his place, made when he intervened on the hon. Member for Westmorland and Lonsdale (Tim Farron). He said that the skill, knowledge and intention of the stockkeeper is the most important factor.

Enriched cages provide more space for the hen, as well as a nest, a perch, and material to peck and scratch. In recent years, the design of enriched cages has improved in the UK and elsewhere, with larger cages and colony sizes that allow birds to perform many more individual behaviours. Larger colony cages have been trialled by producers, and productivity and welfare results are positive so far. That is extremely encouraging. A DEFRA-funded project considered the effect of stock density and cages on the health, behaviour, physiology and production of laying hens. Further research into enriched cages is taking place, including a study to compare the health and welfare of birds in different types of enriched cages.

Mr. Oaten: What will happen next regarding the DEFRA research? Does it simply help and inform the Department, or is there a specific Government response to it?

Mr. Woolas: I shall come to that point shortly. First, I should like to address hon. Members' other questions. I was asked whether the EU Commission had any intention of changing the date of the new system's implementation. The answer is no. I recognise the point made by the Opposition spokesman, the hon. Member for Romford (Andrew Rosindell), given his portfolio—there is a tie-over in animal welfare law. I was pleased to note that he is a full convert to the need for EU co-operation in that regard. He asked about the dates: there is no slippage in the implementation.

I was asked what the public sector food procurement initiative is doing to improve animal welfare. Our policy is to encourage public sector bodies to specify higher animal welfare standards. For that reason, we have developed a model specification clause that promotes farm assurance standards, including those of higher level schemes, such as freedom food. The model clause allows for bias when awarding contracts so that a higher weighting can be given to produce that meets higher-level standards. I was also asked about the PSFPI promoting the red tractor scheme. The Farm Animal Welfare Council considers that farm assurance schemes have resulted in greater focus on animal welfare. In the council's view, even if that did no more than assure minimum welfare standards, the growing influence of regular audits required by farm assurance can only be of benefit to raising the awareness of both the public and policy makers.

My hon. Friend the Member for North-West Leicestershire (David Taylor), who is no longer in his place, raised the important issue of stock density. The directive will provide a level playing field for broiler production across the EU. Stock densities in some member states are well in excess of 39 kg per square metre. However, stock density cannot be viewed in isolation. An Oxford university study shows that husbandry and management factors are, within limits, more important than stock density.

The hon. Member for Winchester asked about planning and how it impacts on farms, and I am interested in following that up. Of course, we in DEFRA are not directly responsible for that, but if I could be furnished with further information on that, I shall take it up with my colleagues in the Department for Communities and Local Government. It seems as though there might be a blockage in the system or an attitudinal problem. He asked me to give him some encouragement before his meeting with the House authorities, and I am happy to put that on the record. I have a similar attitude towards the use of bottled mineral water. Perhaps he could raise that issue in his meeting. Thank you for allowing me that plug, Mr. Atkinson.

Let me lay out the wider policy issues. If there are specific questions that I have not covered, I hope that hon. Members will inform me of them so that I may follow them up. I appreciate that the hon. Gentleman has done much research for this debate on a non-partisan basis, and I should like to respond accordingly. The statutory framework under which we operate in England consists of the Animal Welfare Act 2006 and the Welfare of Farmed Animals (England) Regulations 2007. As I have said, the Government do not accept that extensive free-range farming is automatically better than intensive farming, which is not inherently cruel or unacceptable in and of itself. It is important to recognise that poor and good welfare can be provided by both intensive and extensive systems. The stockkeeper has the most significant influence on the welfare of livestock. As the hon. Member for Brecon and Radnorshire, who is a farmer himself, said, the most important factors are the stockkeeper's skills, abilities and intentions, not the system in which animals are reared.

That view was reflected by the Government's independent committee, the Farm Animal Welfare Council, which produced a report last year on stockmanship. I urge hon. Members to familiarise themselves with it. It states that in any production system, the knowledge, skills, ability and attitudes of the stockkeeper are integral to the standard of welfare. Oxford university research—again, funded by DEFRA—investigating the complex relationship between the welfare of meat chickens and a range of stocking densities, concluded that husbandry, as well as management factors such as temperature and litter moisture levels, is, within limits, more important to animal welfare than density. I am not at all denying that density can be a part of the problem, but it is not the only part.

The Government spend £3.4 million a year of taxpayers' money on research into animal welfare to try to ensure that the approach to animal welfare at home and in Europe has a sound scientific base. That money has supported a range of research, including research into the welfare of laying hens in different production systems, as we have heard. There is clear scientific evidence that conventional barren cages are detrimental to the welfare of laying hens. That is why the Government are so

committed to banning their use across the European Union from 2012. On the other hand, the fact is that no scientific evidence available to us favours free-range systems over the other production systems that will remain legal after 2012.

Each system has its own strengths and weaknesses. Free-range systems can have the capacity to offer the hen more opportunities to display normal behaviour. However, as we have heard, there is evidence from both research and practical experience that free-range and barn systems can lead to higher mortality and increased occurrence of potentially painful fractures, and can involve a greater risk of feather-pecking, cannibalism and predation than the enriched cage system, which provides an increased space allowance, claw shortening devices, nest boxes and litter.

Both the FAWC report and a recent European Commission report recognise the benefit of enriched cages. The FAWC's recent opinion on enriched cages concludes that

"all commercial systems of production for laying hens offer some compromise in terms of the hen's welfare. However, well managed enriched cage systems are able to offer the potential for an acceptable balance between the requirements for the hen's health and welfare, and public health"—

which we must never forget, of course—

"in combination with economic and environmental considerations."

In forming that view, the FAWC considered the five freedoms. Although it considered that the enriched cage offers a severe challenge to the welfare of laying hens in terms of freedom to express normal behaviour, it recognised that freedom from hunger, thirst, pain, injury and disease are catered for as well or even better in a cage environment than in other commercial production systems. Similarly, the majority of hens in appropriately designed cages may be considered to enjoy more freedom from distress than is the case for many birds in other systems, particularly free range.

The debate over the benefits of one production system over another is complex indeed. Take meat chickens as an example. The different systems in which the birds are raised will involve different costs, different benefits for the welfare of the birds, different economic costs for the consumer and different environmental impacts. Extensive indoor and free-range systems using slow growth rates may have high welfare potential, but they may also lead to increased risk of exposure to injury, disease and environmental stress when compared with production systems that use higher stocking densities and modern, environmentally controlled houses. This is a complicated area, and it is part of the bigger debate on agriculture, its environmental impact and its contribution to climate change.

Consumers are absolutely right to care about the welfare of animals raised for meat production, and the hon. Member for Winchester made his points with great force. Consumers need to be able to make informed choices about their food purchases and decisions that are right for themselves. Current labelling helps them by differentiating between chickens from, for example, different production systems. The hon. Member for Westmorland and Lonsdale put it very well when he said that it is all very well for some of us to preach about these issues, but that we have to take into account the cost pressures on individuals.

Mr. Drew: I thank the Minister for giving way one last time. He has been very generous. Of course, DEFRA is going through its own problems with cost pressures, as he knows better than I do. Would he say something about the impact of animal disease on the huge area of animal welfare? It cannot be completely without coincidence that the two things need to be looked at in tandem. Clearly, there is a problem with animal disease, and perhaps we could bear down on it if we were to look at higher welfare standards.

Mr. Woolas: My hon. Friend makes a telling and accurate point. If I may say so, his intervention has hit the bull's eye. The costs of dealing with animal welfare have been taxing the minds of Ministers in DEFRA in recent weeks. We must balance our budgets, notwithstanding the above-inflation increase that the Treasury was able to allocate to DEFRA, which, in turn, resulted from the Government's successful economic policies.

To return to the debate, it is not for the Government to tell people what to eat. I believe that there is consensus on that. It is important to remember in the midst of this debate that the UK has a higher standard of animal welfare today than it has ever had before. In fact, we have among the highest standards in the world. We have been at the forefront of implementing higher welfare standards domestically, and we have been active on European and wider international levels.

The UK took the lead in encouraging Europe to follow it in implementing a ban on the use of veal crates. They have been banned in the UK since 1990, and a ban across the EU came into force at the end of 2006. The UK stopped the use of close-confinement sow stalls in 1999, and the EU pig directive was adopted in 2001. It contains several provisions to improve the welfare of pigs: minimum space allowances, access to environmental enrichment for all pigs, and a ban across the EU on the use of sow stalls by 2013. Given time, I could mention other policy measures that we have taken across the EU and, more widely, internationally.

Animal welfare is an issue to which the public pay increasing attention. Hon. Members may be interested to know that it tops the list in DEFRA postbags. It is of concern not just to young people, although, as we have heard, that is especially the case, and it is one that the Government take very seriously indeed. We believe that we are moving in the right direction in terms of the balance of the different policies that are available. There are no simple solutions, and, as I have tried to explain, animal welfare depends on a combination of stockkeeping skills and getting the right balance based on scientific understanding. That is why we carefully spend taxpayers' money on research. We wish to ensure that we base our policies on sound science, as well as carry public opinion with us.

I congratulate the hon. Member for Winchester on securing this debate, and I shall pass on the points made in it to the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Chatham and Aylesford (Jonathan Shaw).

Post Office Network (Lancashire)

11 am

Mr. Lindsay Hoyle (Chorley) (Lab): Thank you, Mr. Atkinson, for allowing this debate to go ahead and for giving an hour and a half of your time this morning. This important debate relates to the whole of the United Kingdom, but we are talking about Lancashire, and there is no better county. Lancashire is a proud county—it is the red rose county. It is good to see that so many hon. Members—some are leaving, but some are joining us—have turned up today to show their commitment to the Post Office in Lancashire. It is important that we are allowed to express that view. Once again, I thank you, Mr. Atkinson.

The future of the post office network has come under considerable scrutiny following the announcement that 2,500 post offices are set for closure. This debate will focus on Lancashire and on the proposals put forward under the Lancashire, Fylde and Southport area plan, so we have two other areas to consider—it is important that we mention that. Under the proposals, 59 post offices—20 per cent. of the existing network—will shut, following the previous closures throughout the '80s and '90s and up to the present day. The problem is that there is nothing new in this. However, we suffered due to the major closure programme in the '80s and we are suffering now.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I congratulate my hon. Friend on securing this important debate. He has raised an important issue in respect of the cumulative effect. Does he agree that, as post offices have been closed over the years, fewer people live within a mile of a sub-post office, making their lives increasingly difficult and putting more pressure on post offices in town centres, which may be equally inaccessible?

Mr. Hoyle: I cannot disagree with my hon. Friend. As somebody who lives in her constituency and who is a strong advocate of all the people, she knows better about such things. If we follow the programme of closures, the most vulnerable will find it most difficult of all to access a post office. Hon. Members must ensure that that point comes across loud and clear, and no one does so more than her.

Mr. Greg Pope (Hyndburn) (Lab): My hon. Friend is making a powerful case, as ever, for the people of Lancashire. Is not the problem the scale of the proposal, which goes way beyond closing uneconomic post offices? For example, Longshoot post office in Haslingden in my constituency is successful and has a good business plan. There are 800 names on a petition to save it. In such circumstances, is it not time that the Post Office thought again?

Mr. Hoyle: I totally agree. My hon. Friend is a strong advocate for community post offices and for the people who use them. I could not agree more with him. He has been standing up for the Longshoot post office: he has made a powerful case in the past and will continue to make powerful representations in future.

It is important that this debate takes place. We are not saying, "Let's save everything", because that would be naive. We are trying to make a constructive case where there is room for manoeuvre and for decisions to be changed. Personally, I would go further: I would like to see no post offices closed, but even I have to be realistic about what we can achieve. We are here today to try to achieve something for post offices in our areas and for those in special circumstances, such as Longshoot post office.

Lancashire has been hit hard by the closures, as we have just heard, with more than a quarter of the post offices in the county closed since 2003. We have already had a big hit and, prior to that, throughout the '80s, we were hit just as hard. That is an inordinate amount of closures for an area with a diverse population, a significant number of deprived areas and a large rural footprint to bear. We should also remember that, despite "Coronation Street" and people's image of Lancashire being cobbled streets, the truth is that we have a large rural area. My constituency has 22 parishes in more than 80 square miles, with a large farming area. That is so from the south of Lancashire to the north. We have a great rural area, but we have the great urban areas as well, with a high concentration of people living in them. We ought not to think that Lancashire is purely a built-up area: we have a built-up area, but we have the rural areas, too. That is why it is not appropriate to hit Lancashire as hard as we are doing at the moment.

I am sure that hon. Members will wish to highlight individual examples in their respective constituencies. I should like to talk about the closure programme in Chorley in more detail. The Post Office has proposed five closures in the Chorley constituency. We have contacted the sub-postmasters of each of the post offices and three of them—in Charnock Richard, Withnell and Eccleston—have expressed their desire to close. It is impossible to try to keep those post offices open if the sub-postmasters wish to close them; after all, the buildings are theirs. Some may argue that they have a contract, but if they close the door there is not a lot that we can do about it.

It is a little bit ironic and a touch hypocritical—I will not say that it is childish—for the sub-postmaster at Withnell to ask people to sign a petition to save the post office. Why could he not have been honest and said, "No, it is time for me to go. I wish to close"? To do that under the banner of a Conservative councillor is rather silly. If the council and the councillor were more serious, they would be putting in more services to help to save the post office.

Of course, there is little that we can do when a sub-postmaster wishes to close. However, as we have heard already, we ought to get up and start shouting when a sub-postmaster wishes to remain in business and there is a strong business case to keep a post office. In such a case, the Post Office should reconsider its current proposals. For example, the Bolton street post office is successful: between 1,000 and 1,500 customers per week access it, sometimes increasing to 2,000 a week. That is a viable operation. It is an important post office. In fact, it is one of the few post offices where people can park directly outside, both in front and across the road, with a car park nearby too. It is wrong even to consider closing it, because there is so much parking. People cannot park outside many post offices these days. Bolton street post office is within walking distance for many, but parking outside is also available.

Many elderly residents living near Bolton street post office do not have access to a car—the area has low car ownership too—so it is difficult for them to go to the

Crown post office or the one on Devonshire road, which is more difficult to access. The bus does not go from the Bolton street area to the Crown post office or the one on Devonshire road. We ought to reconsider the Bolton street issue.

In the area that I am talking about there are elderly people's flats and old people's bungalows, and many elderly people living to the south of the post office. It is critical that we stress the area to the south of the post office, because the alternatives are in the north. If people reach Bolton street post office from the south, they have a minimum of another half a mile walk north to the next post office. We have to emphasise Bolton street's geographical position, because if the post office were closed people would have to go three miles to the nearest post office in the south. This closure has not been well thought out.

We must also consider new housing estates. Within five minutes' walk of Bolton street—less than quarter of a mile—Multipart, part of the old Leyland Trucks parts centre, has been demolished, making way for new houses. In fact, 400-plus new houses will be built on that site, some of which will be low-cost homes. That area fits the plan of growing a post office, not closing it. Those 400 properties must be taken into account. The demolition has taken place and the builders are now setting about the reconstruction of houses in the area. That is additional development: houses are not being taken away; new houses are being put in. That is happening less than quarter of a mile away—only five minutes' walk—from Bolton street post office.

In addition, several other planning permissions have being granted. The local development south of Bolton road has planning permission for 1,000 properties, which will be built as part of the Government's plans under the old Commission for the New Towns, if anyone remembers that. We were a central Lancashire new town, and the Government left land for housing development. A new road was built, and to pay for it they gave that land, so the housing development is paying for the new bypass. Those 1,000 houses have not been taken into account, and that is a further reason why the post office should not close. That is all to the south, where there is no other post office for three miles.

I mentioned the 2003 closure programme. We were all led to believe then that that would be the end of post office closures, and I remind hon. Members that the Bolton road post office was the reason that the other post offices had to close. It is absurd that both the Moor road post office in Pall Mall and another south of Eaves lane were allowed to close on the ground that the Bolton road post office was an alternative. We cannot pretend that circumstances have changed between then and now. The fact is that customers were driven to the Bolton road post office, and now the Government propose to take that post office out of use. That is a farce and a disgrace; it is shambolic. The reason given is that it is a different closure programme, but that has nothing to do with it. The fact is that people were told to use Bolton road post office; because the Government have jiggled the figures, they now want to close the one that was recommended for use. Come on—let us have some reality in the Post Office. We need reality, because there has been none in the closure programme, which is nonsense.

When we look at the alternatives, they are not that good. I shall continue to argue against the Bolton road post office closure. The Crown post office is in the centre of town and, as we all know, Crown post offices are an important part of town centres. In Chorley, the Crown post office is key to the town centre. I do not believe that closing Bolton road post office will assist the Crown post office. We already have long queues in the Crown post office, which is well used because Chorley is a great place, and people love to shop there and to use Chorley market. The Crown post office serves not just the local community, but Wigan and other areas whose inhabitants want to shop in Chorley. As it continues to develop, the footfall through Chorley town centre continues to increase year on year, and the beneficiary is the post office.

The Crown post office is struggling to deal with the business that it already has. There are great proposals for the town centre with redevelopment and plans for a new shopping centre, which will bring even more people into Chorley who will access the Crown post office. Let us have a little common sense, and let us use it to ensure that we do not give 1,000, 1,500 or 2,000 people from Bolton road an unacceptable service, because the Crown post office is not capable of providing an acceptable service.

Charnock Richard is a small village and had a post office within a supermarket, which decided that it did not want the post office because it was not viable as it had only 50 to 80 customers a week—I am being generous. I understand that it costs money to operate it and that it does not make economic sense for the village to have that post office, but I care about those 50 to 80 people who use it. Charnock Richard has many bungalows for older people, who should not be neglected. Although the numbers may be small, they could access the post office through a mobile service.

My hon. Friends the Members for South Ribble (Mr. Borrow), for Hyndburn (Mr. Pope), for Blackpool, North and Fleetwood (Mrs. Humble), for Morecambe and Lunesdale (Geraldine Smith), and for Pendle (Mr. Prentice), and even the hon. Member for Ribble Valley (Mr. Evans) have all come to hear this debate because they care about the post office. If a post office does not make economic sense, and closing it would leave a community without access to a post office, a mobile post office could serve all our constituencies, and would be viable and ensure that the people we represent, including the old and most vulnerable, would have access to a service. We must provide that access. That is a way forward, and we are not asking for the baubles to go with it. Far from it. This is a realistic debate, which recognises that, although I do not want any post office closures, if we are to have them we must put something else in place to ensure that we do not neglect the people whom we represent.

The advantage of a mobile unit for Charnock Richard is that it could serve other constituents. We must be realistic. We all know the value of the post office and what it brings to local communities. It plays a central role in local communities and provides a focal point for older and vulnerable people where they feel safe, where they can share problems, and where they can obtain help with the service that they are accessing or if they require other information about paying bills, filling in forms, and so on. We know what value sub-postmasters

[Mr. Hoyle]

provide in the community. That is why post offices are important, and that is why we must consider their social impact as well as their economic role. Post offices are social providers, and that is why they are important.

However, taking the business case as it stands, the Government could make a significant difference to the future viability of the network. Unfortunately, we have seen withdrawal of services from post offices, and people are no longer encouraged to buy their car tax from the post office. They are encouraged to go online or to use any method other than the post office.

Using the post office always provided a good safety check. When someone turned up to pay their car tax, they had to produce up-to-date MOT and insurance certificates. As they were known by the people in the post office, a car could not be cloned, because more often than not everyone in the village knew what car they drove. That was local, personal contact, with the right ticks put in the right boxes. Face-to-face contact provided a security check to ensure that no one was cheating the system. Now, we are discouraging people from using the post office.

As for the BBC, what a total disgrace. It uses taxpayers' money to produce programmes, but it shafts local post offices. That is totally unacceptable and disgraceful. It claims to want to be part of the community, but when it can be it becomes so remote that it is totally unacceptable. It must reconsider its position. It says that it is saving money, but for small change it is willing to sacrifice post offices.

Mr. David S. Borrow (South Ribble) (Lab): Has my hon. Friend had similar representations to those from my constituents who find it difficult to renew their television licences because many providers who took over when the post offices lost the franchise have stopped dealing with television licences? Some of my constituents travel miles and miles to find somewhere to renew their TV licence.

Mr. Hoyle: That is absolutely right. There was no better advert for people to renew their TV licence than going to the local post office. They knew that that was where they got their TV licences. Now, they must dodge about and look for signs outside shops saying "PayPoint" but—my hon. Friend the Member for South Ribble is absolutely right—when they go in they are often told that the shop has stopped dealing with TV licences because it got fed up. When they ask why the sign is still up, they are told that it brings people into the shop, but it does not provide the TV licence. People are actually not buying a TV licence because we are making it so difficult.

Mr. Nigel Evans (Ribble Valley) (Con): I congratulate the hon. Gentleman on obtaining this debate. The issue is about more than the individual services that the post office is or should be providing, such as TV licences—although I fully endorse the provision of such services. The post office has lost not only the small amount of money that it received for handling the TV licence transaction, but the person coming into the post office who might have bought other services while they were there. A lot of post offices are small grocery stores and sell other things, so they have lost that business as well. The knock-on effect on post offices is much wider than losing the profit that they would have made on TV licences. Marginal post offices will be pushed even further towards the edge of the cliff, over which they will fall—if not this year then next.

Mr. Hoyle: The hon. Gentleman is absolutely correct. If people are not going into a post office for a particular reason, they will not pick up something else when they are in the shop. We all know that. The mentality is to get people in and then sell another service to them and if people do not have access to the service that they require, it is another a nail in the coffin for post offices—as the hon. Gentleman said, if it is not this year, it will be next year.

If the BBC claims to be part of the community and wants to use taxpayers' money, it ought to go back to its roots and allow people to buy their TV licence in post offices. The sooner it tears up the existing contract the better. The message for the BBC is this: start looking after the community. We represent taxpayers and at the end of the day they are the people who keep the BBC going through their licence payments and tax.

As I have said, it is important to note that every time a service is removed customer numbers fall and we are faced with more programme closures. We must be realistic and bring in more services. The vicious circle must end and rather than remove services, we must bring in new ones. More services must be given to the post office so that it becomes a viable business operation and at the same is able to play a vital social role. I cannot understand why we have had to badger, persuade and blackmail—although that might be taking it a bit far—to try to get banks to come into the post office. Banks have had no desire to do so, but now that we own Northern Rock there is no greater opportunity. Why not put branches of Northern Rock into the post offices? That would provide them with a viable business that can compete on the high street with other banks and would also provide a whole new customer range, such as customers who have never been able to access a building society or bank before. As you come from the north-east, Mr. Atkinson, I am sure that you agree that we must ensure that Northern Rock has a viable future.

However, such a proposal would also ensure that post offices have a whole new business. If Northern Rock is not put into all post offices, I suggest that there is no better building society than the Chorley and District building society, which is very profitable, well used, well managed and wins awards year after year. The Chorley and District building society would like to grow. At the moment it has three branches and it considers that nothing would be better than opening a branch within the local post office. That would help Chorley and District building society and give customers access to a building society and to the other products it can sell.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I congratulate the hon. Gentleman on securing this debate. Does he agree that a positive way in which what he is advocating could be achieved would be to put ATMs in all the post offices that remain open? The Royal Bank of Scotland has been actively doing so in Scotland, so should we not encourage the banks to do the same in England?

Mr. Hoyle: There is no problem with having ATMs in post offices, but I do not believe it would be the saviour of post offices—although as long as the ATMs are free it would go a long way to assisting most post offices. That proposal will not quite have the necessary impact. I am fully supportive of anything that will help, but I do not believe that ATMs are the panacea for the future of the Post Office. We must be more up front than that. As I have said, Northern Rock is a good example in relation to that—people could use its ATMs. However, there is much more that we can do, which is why it is important that we do tie up—whether it is with a local building society or a national bank. We need to ensure that the Post Office has true partners and now that we own a bank, we should make good use of it.

On local authorities, I notice that Lancashire county council sent a letter to MPs that states that it wants to save the Post Office. Well, let us be honest about Lancashire county council. If it wanted to, it could encourage more services to be provided through the local post office. For example, if someone has a parking fine, why should they not be able to pay it at the post office? The county councils can do so much more: for example, they are busy closing information centres in our constituencies, so why not provide some of that information through the post office? The postmaster could be used to provide access to the information and a rent could be paid to the postmaster.

By being more creative we can do so much to save post offices. Instead of just passing a resolution at county hall, let county councils face up to the problem. I am sure that the Minister will wish to comment on this, but there is nothing at all to stop the county council from subsidising the post office network. In fact, I believe that Essex county council has done so and that the closure programme in Essex has been put on hold. There are real alternatives and ways in which we can save the post office network. Local authorities can do so much more by making more services accessible through it. That would be a way forward. However, we cannot and must not forget the Post Office card account, which has been a huge success. That really is the future of the Post Office. If it does not have that service, we can say goodbye to virtually every post office. The Post Office card account is vital to the future of the Post Office and is without doubt the most crucial part of saving our post offices.

I shall end by making the following points as I do not want to take any more time. Local authorities can play a part and I ask county hall not just to engage in gesture politics by passing a resolution, but to be part of saving the network. Local authorities must ensure that if they care about the network, they put the work into it. Much more can also be done by district councils. This debate is about saving our community post offices and, as I have said, there is no stronger business case than the Bolton street post office in Chorley. I believe that other hon. Members will be able to put similar business cases. It is time for the post office network to wake up and listen to the communities that we represent.

11.26 am

Mr. Gordon Prentice (Pendle) (Lab): It is, as always, a delight to follow my friend from Chorley (Mr. Hoyle), who made his case well. He speaks with great authority as he is a member of the Business, Enterprise and Regulatory Reform Committee.

Mr. Hoyle: The BERRC.

Mr. Prentice: The BERRC. It has just produced a report on the post office closure programme. Like everyone else, I am dismayed by what is happening because the post office is part of the fabric of urban and rural life. When post offices close, it will virtually be impossible to recreate the network.

About 10 or 20 years ago, it was fashionable to get rid of parkies—park keepers. Parks and public spaces became no-go areas. Now everyone is talking about reclaiming public space and the park keepers are coming back because people have realised that the wrong decision was made years ago. Similarly, in recent years, there have been proposals to close police stations. The police told us that no one visited police station x in a little village in the middle of nowhere, but they did not realise that police stations are hugely symbolic. People see them as a place of refuge; they are part of the waft of our life and we need such institutions.

If such a thing has not been recognised by the Post Office and others, it has been recognised by our local newspapers in east Lancashire—Pendle lies in the east of the county and 500,000 people live there. The case has been championed by the *Lancashire Telegraph*, which had the front page headline, "Doomed: quarter of East Lanc's post offices to close". It also had photographs of all the post offices. Over the following weeks, there have been stories underlining how the closures will personally affect people.

The Carr Hall post office is in my constituency of Pendle. A local newspaper article says that Tom Lees's 20-minute trip to the post office could soon take him nearly five times as long, because the Post Office wants to close his local post office at Carr Hall. He tells the paper that he has worked out that if the post office is closed, it will take him one hour and 37 minutes to get to the alternative post office that has been identified.

Another article has the headline "Hands off our sub post offices" and there is a photograph of my colleague the Member for Burnley (Kitty Ussher), who is championing the cause of the post offices under threat next door to my area. Other headlines include "Protestors vow to fight closure plans" and "Death of village!" Villagers in Higham have vowed to save their local post office. That article quotes Debi Archer, the postmistress, who took over the premises almost two years ago, as saying that the post office and shop form the heart of the community and that if they were taken away, the community would die.

"Post office closure fury" is a headline from Barnoldswick, the town where I live. The article states:

"Barnoldswick Town Council has condemned the Post Office's plans to close its office in Gisburn Road".

Barnoldswick is a town of 12,000 people. It has two post offices, so if the Gisburn road post office goes, it will have one post office for 12,000 people. Would someone from Post Office Ltd explain to me the rationale for that? No wonder people are infuriated.

I am sure that the Bishop of Blackburn does not do fury—*[Interruption.]* Well, perhaps he does in his private moments. He is, in his ecclesiastical way, upset. He said to the local paper:

"It is vital that this review process is a genuine consultation, not just a cosmetic public relations exercise to rubber-stamp business plans",

[Mr. Gordon Prentice]

and continued in that vein. The *Lancashire Telegraph* editorial picks up that theme, citing the Post Office's response to people who have been handing in petitions. My friend from Hyndburn (Mr. Pope) talked about the post office in his neck of the woods, where 800 people signed a petition. The *Telegraph* editorial says that the Post Office has been giving the impression that those petitions do not carry much weight. It goes on to say that the consultation is a sham. That is the issue. We are marching people up to the top of the hill. We are giving them the impression that, through petitions and letters, they can change the result.

Mr. Pope: Is my hon. Friend aware that when the *Lancashire Telegraph* went to the headquarters of Post Office Ltd to hand in a petition, nobody came out even to accept it? Is that not a disgrace?

Mr. Prentice: That is appalling. It genuinely shocks me to hear that people who would have spent a long time getting names for the petition should have been sent away with a flea in their ear, without even seeing someone to hand their petition over. That is, as my friend says, an absolute disgrace.

Let me return to the question of the consultation, because that is central. I should perhaps have said earlier that I wrote to all the postmasters of the post offices threatened with closure in my constituency—there are six of them. Let me say this in parenthesis. When I was first elected as the MP for Pendle in 1992, there were 28 post offices. We have already lost 10. The proposal is that we lose another six, so we will be left with 12 post offices out of the 28 that I inherited. Of course, that is not something that started in 1992; it has happened under Administrations of all colours.

According to the House of Commons Library note on post office numbers, there were 22,405 post offices in 1981-82, but now the number is down to just over 14,000. The Post Office and the Government want to get it down to about 11,500 and I think that the Select Committee has concurred with that. There has been a steady and relentless decline in the number of post offices throughout the nation year in, year out, but the rate of closure has been accelerating. Since the late 1990s, the net change has increased dramatically. In 2002, there were 345 closures and there were 262 closures in 2001, but in 2003-04, the number shot up to 1,278. In 2004-05, there were 1,352 closures. There has been a falling back since then, but the programme has been accelerating.

We do not need to be a mastermind to understand the pressures on the post office network. The banks have been vacating the high streets. The internet is now ubiquitous, and people pay their utility bills and so on via the internet. We have heard about TV licences. People can renew their car tax online. We have to recognise and accept that the context in which post offices are doing business has changed almost out of all recognition over recent years. As Lenin would say, "What is to be done?"

Mr. Clifton-Brown: A change of Government.

Mr. Prentice: Let me say this to the Conservatives. I do not want to hear them saying, "We will keep the post office network at its present size," unless they really mean it and will put the subsidies into it. Do the Conservatives want to see the post office network with 11,500 post offices, or at a level—I think that the Minister referred to this in his evidence to the Select Committee—at which only commercially viable post offices would exist, which would be about 4,000? When the Conservatives give commitments, as they do, to keep profitable post offices, are they talking about that bare minimum of 4,000? If not, how much subsidy will they put into the network?

As I said in my opening remarks, I believe that the post office network is a social good and that it should be subsidised. We subsidise all sorts of things. We subsidise nuclear power stations, for God's sake. My friend from Chorley is shaking his head, so I think that we will carry on this discussion after the debate. Within the constraints of the competition rules of the European Union—I have to raise that this week, of all weeks—we should subsidise our post offices and we should make it clear to the people who use those post offices what the public subsidy is. It is not just to the individual post office, but to clusters of post offices. If we did that, people would realise how much public money is going in to keep those post offices alive. I very much hope that we can have some lateral thinking from the Post Office and the Government to keep this essential part of our social fabric in existence.

Several hon. Members *rose—*

Mr. Peter Atkinson (in the Chair): Order. I would like to enable all Lancashire Members present to speak, if possible. I therefore ask hon. Members to keep an eye on the time. The winding-up speeches ought to start shortly after 12 o'clock.

11.39 am

Mr. David S. Borrow (South Ribble) (Lab): I will keep my remarks fairly short, Mr. Atkinson, and concentrate specifically on the issues in my constituency where four post offices are due to close. I will touch briefly on the issue of consultation. Unless local people are ready for or have anticipated the consultation period, six weeks is not an adequate time in which to consult. In my constituency, I wrote to everyone affected by the closures in the villages of Mere Brow, Much Hoole and Hutton. I invited them to write to me and to join me at a village meeting, which was a very good use of the communications allowance. I also wrote to 500 or so residents of properties near the Bent lane post office in Leyland, which is an urban post office. As a result of that letter, I received about 150 replies. At 5 pm last Thursday, I held a boisterous meeting with 80 to 100 local residents. Some very strong views on all four potential closures were expressed. From my point of view, hearing such views was very useful because it enabled me at the end of last week to put together formal objections that had to be in by Monday of this week. I want briefly to run through the results of that consultation on the four post offices.

The first post office is in Mere Brow, which is a small village of about 500 people. The whole area is very rural and the post office is open three days a week. Postwatch has expressed concern about the closure mainly because of the public transport problems of getting to an alternative

post office. The two nearest post offices are in Banks and Tarleton, but there is not a good public transport system to them. I recognise that the existing post office, which is in someone's home, is very small, but were that post office to close without an alternative, it would create real problems for people who do not have access to their own vehicles. At the very least, if that post office closes, the opportunity should be taken to use a mobile post office, and park it in the car park of the village hall, which is used a couple of times a week for pensioners' groups. That would be an ideal way of ensuring that people who cannot get to an alternative post office at least have access to post office services.

The second village affected is Much Hoole where the post office is in the village shop. The previous owner of the business reduced the hours about a year or so ago. The new owner wants to increase those hours, but nothing has happened because of this consultation. The real concern that came across to me at that meeting of local residents was that if the post office was closed it could also lead to the loss of the village shop. That is something that the Post Office should seriously take into account when considering closures. It should look to see whether the reduction in the hours has led to a loss of business. If the shop was open longer, would some of that business return?

The village of Bretherton, in the constituency of my hon. Friend the Member for Chorley (Mr. Hoyle)—it will be in South Ribble at the next election—lost its post office a few years ago. The residents of Bretherton were told that their next suitable post office was in Much Hoole. Therefore, they are now in the position of not just losing their own post office, but potentially losing the post office to which they have been directed. Residents in Much Hoole will have real problems accessing alternative post offices. The nearest one is in Walton Bridge, which is about a mile away. Access to it is across a busy main road, which is a problem for anyone with disabilities, and mums with young children find it difficult to use some of the footpaths in the area.

The third post office is in the village of Hutton. Again, it is in the village shop. The nearest post office is in a busy supermarket in the village of Longton. One could argue that that post office would be a suitable alternative, but I reiterate the point made by my hon. Friend the Member for Chorley about access for people with mobility problems. The advantage of the post office in Hutton is that people with mobility problems can park right outside. It is not easy to park outside the post office in Longton because it is at the back of the premises. Access can be difficult because it is busy. Given the access problems at the Longton post office, the post office should look seriously at the implications of closing Hutton.

The fourth post office is in Bent lane, in Leyland. There are two other post offices in Leyland that could possibly be used. Both of them are on busy main roads, which makes it difficult to park outside. One of the issues that was expressed very strongly to me last week was that many residents with mobility problems would find it very difficult to access either of the alternatives. They like the Bent lane post office because they can access it in their wheelchairs or drive there and get in and out of the premises easily.

What struck me as extraordinary was that out of the 500 or so households that I wrote to, I received 150 replies, and with just three or four days' notice of a meeting at 5 o'clock on a Thursday evening, 80 to 100 people turned up. That shows the strength of feeling that exists. The properties that I wrote to are in a block that is bordered on one side by the west coast main line, and on the other side by the M6, with main roads to the north and south. It is mainly elderly people who live there. There are a lot of bungalows and some shelter schemes. The passion in that area to retain the post office was clear on day one and was much stronger than I expected.

The Post Office needs to review the Bent lane closure and recognise how important the post office is to the area. It also needs to look at the future development of the old Royal Ordnance factory site. In Buckshaw village, which is being built, 600 or 700 properties are in my constituency; the rest of the development is in the constituency of my hon. Friend. What has come through to me, both from that meeting at which there were several residents of Buckshaw village and from letters that I have received, is that Bent lane is the obvious post office for Buckshaw village, which is an expanding development. My hon. Friend passed a letter to me that he had received from one of his constituents in his part of the village. When I spoke to the Post Office several weeks ago, it was clear that it had not taken into account the future development of Buckshaw village. There is no post office in the village, which will end up as a community of several thousand people. Such a community would usually be expected to have a post office of its own. If there is not to be one, the Post Office needs to look very carefully before it considers the closure of any of the post offices that are the obvious ones for residents to use.

I think that I have covered most of the points. I emphasise that I do not want to see any closures in my constituency and I have done all that I can to make the best case possible. The Post Office should be prepared to listen very carefully to the strong views of constituents.

11.47 am

Geraldine Smith (Morecambe and Lunesdale) (Lab): Post office closures are nothing new. Long before I was an MP, I remember fighting a campaign to save Morecambe's main post office from closure. The Conservatives were in power. The leader of the campaign against the closures—he fought a wonderful campaign—was my right hon. Friend the Member for Kingston upon Hull, West and Hessle, now the Secretary of State for Health. My right hon. Friend the Member for Neath (Mr. Hain) and Glenys Kinnock came up to support the campaign. It is amazing how things change over the years.

Mr. Hoyle: Were they successful?

Geraldine Smith: They were successful and Morecambe Crown office is still open.

The staff recently told me that they had concerns about what will happen in 2011. Even people working in the Crown post office network do not feel secure in their employment. When I worked on a post office counter more than 25 years ago, I felt that I was in a secure job. People were well trained and quite well paid. That is certainly not the case at the moment. People feel very insecure and morale is low. We must bring some stability to the post office network.

[Geraldine Smith]

In the years that I have been in Parliament, a lot of business has been taken away from the post office network. Some of it has happened through the natural changes to the way in which people live. More and more, people have pensions paid through bank accounts, and some people pay their TV licence through the post. The changes have been difficult, but the Government have failed to find new business for post offices. It is a shame that we had such a strong network throughout the country that could have been used as a Government agency; it is a wasted opportunity.

However, we are where we are, and we have been through closure programmes. In 2003, I did not oppose all of the closures that were proposed for Morecambe. Some of the urban branches were close together, and it was hard to put up an argument why they should not close. I told my constituents at the time, "Use it or lose it," which is still the case with some post offices. I am not fighting to save every single one—some have a very low number of transactions and cannot be justified—but the programme has gone too far. The Government are in danger of losing the public service ethos and simply treating everything as a business, but the Post Office is about public service, particularly in rural communities. I represent a large rural constituency, and I know how much villages in it value their post office services.

Everyone agrees that the current consultation has been a bit of a sham and people do not feel that their views will be taken on board. There is strong opposition to the closure of three post offices in my constituency, and we must wait and see whether the Post Office takes the valid objections to that on board. The local newspaper, the *Lancaster Guardian*, is mounting an excellent campaign to champion the post offices' cause, because many village post offices around Lancaster, and many in the city itself, are threatened with closure.

I should like to say something about those three post offices in my constituency that are wrongly, mistakenly, being closed, beginning with Nether Kellet, which is a small village. The post office there is the village store, so if it closes, the village loses its shop, which is important. I represent a tourist area, and the post office acts almost as a tourist information centre for people who go through the village. The nearest branch, in Bolton-le-Sands, is difficult to get to—there is no reliable public transport and people would have to change buses to get there. Such a journey is out of the question for pensioners and people with disabilities, who are the core of the people who use the Nether Kellet branch. People who have no transport, who may have lived in the village for years and years, or those who can no longer drive, need the service and to use the shop and post office together.

Post offices in villages provide human contact during normal working hours. People know that if they have a problem, they can go to the post office and find someone in an emergency, or if they simply need some support. Village offices play a vital role for the community. The Post Office should look seriously at the closure of the Nether Kellet branch.

Another office, Kellet road in Carnforth, is very different. I know the sub-postmistress, Debbie Buckley, well—I worked with her more than 25 years ago. She and her husband Paul have a thriving business, they are really good with people, and their shop and post office is successful. It serves a community in which there is some deprivation and a large number of elderly pensioners; it serves a large estate in Carnforth. People use it—it is not uneconomical; it is a very successful business, so I have no idea why the Post Office is closing it. The Post Office will tell me that that information is commercially sensitive, but I know the person who runs the office and what the figures are, and there is no way that it should be closed.

Finally, I should mention the third office. The chairman of the parish council, Michael Rothwell, talks about the matter better than I can. He writes:

"Geraldine…As requested I have listed some of the issues which would affect Yealand if the Post Office branch is closed…The following facts are relevant…The Monday morning session is the most important as it links the Coffee Stop in the village hall. The two together are an important focus of village life…The Yealand Post Office is in the village hall and fits well with the Post Office model for their Outreach scheme…The village hall has parking just outside the door and has disabled access. Parking at Warton Post Office"—

the nearest office—

"is extremely difficult, even for badge holders…The only bus service is Carnforth Connect. Funding is guaranteed only until March…Without the Post Office there is a risk that the Coffee Stop would no longer be economic. The Coffee Stop funds a monthly newsletter for The Yealands, so if the Coffee Stop ceases, so does the newsletter…There are strong community benefits to retaining the Post Office service, even if it is only on Monday mornings."

That is not too much to ask because the office is so important to the village. I ask the Post Office to look seriously at the closures in my constituency, because I think that they are wrong. We will see how good the consultation is and what the Post Office comes back with.

11.55 am

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Given the lack of time, I shall not go through the individual post offices in my constituency that are proposed for closure; rather, I shall pick up on the key themes that have emerged in the debate. I congratulate especially my hon. Friend the Member for Chorley (Mr. Hoyle) on securing the debate, and all Lancashire Members who have taken the time to attend.

I listened with interest when my hon. Friend the Member for Pendle (Mr. Prentice) spoke about the petition that his newspaper established because the *Blackpool Gazette* has collected several thousand signatures. I was appalled to hear that when the staff from my hon. Friend's newspaper went to present the petition, there was nobody there to accept it. I shall be in touch with the editor of the *Blackpool Gazette* to find out what he experienced, because it is appalling practice for the Post Office not to recognise the strength of local feeling that is so well put together by our local newspapers.

The debate has highlighted the cumulative effect of several years of closure programmes, and I especially endorse the comment made by my hon. Friend the Member for Chorley about the post office to which people had previously been referred, but that is now designated for closure. That is exactly what has happened in Blackpool. My local post office in Homefield road closed in 2003-04, and I was told to go to the Red Bank road branch. What is now being proposed for closure?

Red Bank road is. In practice, the cumulative effect will be that more and more Blackpool residents go to our central post office.

The Minister knows from correspondence with me and my colleague, my hon. Friend the Member for Blackpool, South (Mr. Marsden), that the relocation of our central post office to the basement of WH Smith is entirely unsatisfactory. Sadly, before Christmas, an elderly constituent of mine had a fall going down the stairs into that basement and died a few days later. I have also had many complaints from people who cannot use the lifts. WH Smith put a new lift in, but the two lifts are not sufficient for the elderly, people with a disability, and parents with pushchairs, who all want to use it. It is claustrophobic in the basement. The sub-post office closures will mean that more and more people use the basement in WH Smith, which is inadequate.

The consultation in Blackpool—the same applies to some extent in Morecambe—does not take visitors into account. Red Bank road post office is just off the promenade and is used by visitors as well as local residents. What are they going to do in future? That also applies to the Lighthouse post office in Fleetwood.

Finally, we have spoken about business being taken away from post offices, but the Post Office is trying to attract new business. It has announced the introduction of a Christmas savings club following the Farepak fiasco and I have seen adverts on the television for new insurance products. Surely this is a time when we should be standing back and saying, "Let the Post Office build up that new business." Let us not take away these essential facilities at this point. We should be backing post offices, not allowing them to close.

11.59 am

Mr. Nigel Evans (Ribble Valley) (Con): I take note of what you said about wanting to start the wind-ups at 12 o'clock, Mr. Atkinson. I hope that I will be allowed 60 seconds to answer the question posed by the hon. Member for Pendle (Mr. Prentice) which was, to quote Lenin, "What is to be done?" Yesterday, I was standing only a few feet from Lenin's tomb in Moscow, so perhaps I can have the opportunity to say what can be done.

The first thing is to stop the closure programme, take a breath, and see what can be done. Hon. Members have mentioned initiatives that could be introduced in post offices: local authority services, Government services and private services, including banks and mortgages. All sorts of things, including the TV licence, could be introduced in post offices.

Everyone knows that post offices are vital, and everybody knows that not all are economic. It is not communist to want to save them—it is common sense. We know that subsidies will be necessary if the branch network is to stay open. I agree with the hon. Member for Pendle that once it has gone, it will be gone for ever. It is like the railway structure of the 1960s. People say, "My goodness, if only we could reintroduce it," but we cannot—it is too late. Let us at least value what we have, and not do away with it.

We know that there is a cost, but we also know that there will be a tremendous cost if we carry on with the closure programme. There will be a cost to our villages and towns, to our elderly people, to those who do not have transport, and to those in rural areas who do not have a regular bus service. All that should be put into the mix before the Government allow one more post office to close.

12.1 pm

Sarah Teather (Brent, East) (LD): I had offered to be slightly brief so that more Members could speak, but the hon. Member for Ribble Valley (Mr. Evans) was so extremely brief that I have all the time that I need.

I congratulate the hon. Member for Chorley (Mr. Hoyle) on securing the debate, which is on a very important issue. Hon. Members from every part of the country are concerned about it, and there is widespread anger about the post office closure programme. It is probably the most important matter raised in my constituency. The hon. Gentleman spoke about a number of post offices in his area. He also spoke about low car use in his constituency, saying that the closure of post offices would have a particular impact on the vulnerable.

The hon. Member for Pendle (Mr. Prentice) spoke about the impact of closures on rural areas, as did the hon. Member for Chorley. He also said that post offices were a social good. The hon. Member for South Ribble (Mr. Borrow) said that the process would result in the loss of village shops, as did the hon. Member for Morecambe and Lunesdale (Geraldine Smith). The hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) spoke about the petitions that she has been collecting and the cumulative effect of closures in her constituency.

My hon. Friend the Member for Southport (Dr. Pugh) was keen to speak today, but unfortunately he has had to attend a Select Committee hearing in Burnley. However, he has told me how concerned he is about the loss of two post offices in his constituency. He feels that they are based on poor data and that they will have a real impact on the elderly.

There is widespread anger about post office closures but, as the hon. Member for Pendle said, post offices closures are not a new phenomenon. Since Labour came to power, 4,000 have been closed. The Government now propose closing a further 2,500, and 3,500 were closed when the Conservatives were in power.

Another theme in the debate, which echoes the feeling in my constituency, has been that the consultation is a sham. The Minister has said at Question Time that in the rare cases when a local campaign manages to save a post office, the Post Office will be required to close another next door. Communities have a real sense of helplessness. They do not wish to arbitrate with the Post Office on which post office ought to be closed; they want to feel that the Post Office will listen to their case for the local post office.

There is also great frustration that six weeks is not long enough for a community, working with the council and local businesses, to put together a package to save a post office. When questions have been asked in the House, the Minister has made it clear that the presumption will always be for closure because most post offices are not viable. He has clearly said that there is a hidden subsidy. There is a real sense that it does not matter what people want; they will never be able to put together a package to persuade the Post Office that the local post office ought to be saved.

[Sarah Teather]

The hon. Member for Chorley said that Lancashire is being hit hard, but I suspect that hon. Members from across the country will say that every area is being hit hard. For example, Brent had 40 post offices in 1997. We now have 30, with another six set to close. That is a 40 per cent. reduction. We, too, have a diverse and deprived area. Many people do not have a bank account, and the queues at the remaining post offices are appalling. A common theme—it has been raised by hon. Members—is that even if a closure does not have a large impact on the immediate area, it can have a greater impact on neighbouring post offices.

Mr. Hoyle: In the hon. Lady's constituency, a much higher concentration of people live in a much smaller area. We have geographical size, and closures mean that people have to travel much further to the next post office. That is why we have been hit so much harder than other areas.

Sarah Teather: I did not mean to suggest that less pain was felt in the hon. Gentleman's area. I was making the same point that other hon. Members have made: we are all angry about the impact of closures on our constituents. I understand what the hon. Gentleman and others say about travel, particularly in rural areas. There is also a cost to the environment, which is never taken into account by the Government when they consider the impact of a closure programme.

Several hon. Members mentioned the impact of a closure on a particular shop, but closures in my constituency can affect small parades of shops. We tend to lose the whole parade because of the loss of footfall. A number of reports have considered the impact of post office closures on local areas. The New Economics Foundation suggests that for each post office closed, the loss to an urban area is an average of £277,000. The Government are saving only £45 million from the closure programme. If we add up the additional costs associated with closure, I wonder just how much of a saving is being made. For example, a loss of £277,000 to the local economy must be a loss of between £47,000 and £50,000 in VAT to the Government.

There must be all sorts of other hidden costs. In a rural area, studies commissioned by the Government suggest that for every £1 in subsidy, there is a £2 to £4 benefit to the rural economy. We have spoken about the impact of closures on the vulnerable, but they can also have a big impact on small businesses and local areas.

The loss of a post office is one of many losses about which my constituents feel strongly. We are losing things that are seen as a community's hubs and centres. For example, we have lost many health centres, and police stations are now proposed for closure. That is in addition to the post office closures; and only last week jobcentre closures were announced. There is a real sense that all the places where people go for face-to-face advice and help are being closed.

It surprises me that the Government are going through this pain for such a small sum. In the bigger picture, £45 million is small change, especially when one considers that Royal Mail Group paid its board just over £4.5 million in bonuses. That would be more than enough to save all the post offices in London that have been proposed for closure—and, I suspect, those proposed for closure in Lancashire that have been mentioned today.

The Government have no long-term plan to save the network. Only 7,500 post offices will be required to meet the access criteria that the Government have set with the Post Office. It is as if the Government are managing the decline of the post office network. When we reach the end of the present 2,500-closure programme, are they going to stop there, or will they carry on whittling the number down until we reach 7,500? Worse still is the spectre of the 4,500 post offices that are financially viable. The belief seems to be that closing post offices that are not financially viable will force the footfall into those that remain, but I doubt whether the evidence supports that. It is more likely that a substantial proportion of people will simply change their behaviour. They will stop using post offices and use other services, including online services. All that will happen is that we will see a progressive downfall of the Post Office, and of course there will also be an impact on Royal Mail. Will people who run small businesses really stand in a very long queue in a post office that is several miles away from their area? I suspect that they will just use a competitor.

Several hon. Members said that the Government have systematically reduced the services that are provided by the Post Office. There is real uncertainty about the Post Office card account. Some 3.75 million people use that service at the moment and it will be devastating if the Post Office loses the contract for it.

We really need a full, proper and long-term plan for the Post Office. For example, we need a plan to ensure that the Post Office card account is more flexible, that ATM machines can operate from post offices, and that post offices have an opportunity to diversify their business. I think that post offices should be separate from the Royal Mail so that they have an opportunity to work with the Royal Mail's competitors. For example, why cannot post offices be set up as depots to pick up parcels from a number of different delivery companies?

People throughout the country are immensely frustrated by this closure programme. There is a real sense that the Government do not understand the important social asset that post offices are and that they have no long-term plan for securing something that is valuable to the community. However, although the Conservatives have been campaigning in their local constituencies to save post offices, they have no long-term plan either. They have no plan for investment in the Post Office and their actions smack rather of opportunism.

12.11 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): It is a great pleasure to serve under your chairmanship, Mr. Atkinson. I welcome the Minister, although I do not envy him, because I cannot remember a debate in my entire time in Parliament in which the Government's actions have been so fully condemned by so many Labour Members. The programme of closures that the Government are embarking on is clearly highly unpopular and I am not sure that it is entirely wise.

I pay great tribute to the hon. Member for Chorley (Mr. Hoyle) for securing this debate. He made a cogent case about the situation in his own constituency, which

bears many similarities to the situation in my own constituency, as I will demonstrate later. At the outset, I should say that my hon. Friend the Member for Wealden (Charles Hendry) usually speaks for our party on these matters, but he is tied up in a Public Bill Committee elsewhere. I am sure that the Minister will understand that.

I offer my condolences to the residents of Chorley who use the Bolton road, Chapel lane, Charnock Richard, Eccleston Bridge and Withnell Mill post offices, which are to be closed, and to those other residents in Lancashire who use the 54 other branches earmarked for closure. In my local media, I have described these closures as being worse than the Beeching railway cuts of the 1960s. As has been said elsewhere, in many areas people now wish that they were able to open those branch lines that were closed, and indeed I think that one or two of them will reopen. The same may well be true of some of these post offices; in 10 years' time, I suspect that one or two of them may well reopen.

Of course, as the party spokesman it would be unwise of me to claim that the Post Office network could feasibly have remained unchanged. However, as the hon. Member for Pendle (Mr. Prentice) suggested should happen, the Opposition would have embarked on a period of lateral thinking about how the post offices could have been used more viably. The hon. Member for Chorley mentioned the BBC contract, and there has also been the driving licence contract. There are lots of other ways in which the Government could have encouraged greater use of all the post offices. County councils could have used them for all sorts of services and the district councils could have used them for residents to pay council tax.

With a little lateral thinking, there is no reason why more post offices should not become more profitable. I mentioned the provision of ATMs in post offices earlier in the debate; one could think even more laterally about that issue. Why could not one have an individual ATM programmed so that the Post Office card account could be used for benefits claimants to draw cash in their own area? There are lots of possible innovations, but we have seen nothing from this Government about how they might make the Post Office more viable.

In its area plan proposal for Lancashire and Fylde with Southport, Post Office Ltd reports that 33 per cent. of residents in the area live in rural communities and it is those communities that will be hardest hit by closures. I am sure that those residents who will be affected by closures would like to understand the thinking of the Government on these closures when they are saving a mere £140 million and then investing £1.7 billion in restructuring. That really is the politics of the madhouse.

Mr. Evans: My constituency is due to lose seven post offices, all of them in rural areas, and the rural bus service is particularly useless. Would my hon. Friend agree that the social importance of the post offices in these villages cannot be underestimated? The post office is a place where local people gather and converse, and if that centre is to be closed, a very important social tool in villages will be destroyed.

Mr. Clifton-Brown: My hon. Friend made an effective short speech, proving the old maxim that the shorter the speech the more effective it is. His intervention is also absolutely spot on. As I have said, village post offices are the glue that holds rural communities together. So much is transacted in the post office that goes far outside the post office's normal business. If somebody is sick, it is the postmaster or postmistress who knows about it and gets something done. If somebody is in trouble, one way or another that news comes through the post office. That network is what the Government are destroying in this process of closures. I entirely agree with the hon. Member for Morecambe and Lunesdale (Geraldine Smith) about how much people in rural areas value their post offices.

I come now to one or two of the more technical aspects of the debate. The access criteria that the Government have produced for closing these post offices are flawed in many ways. The Government have not taken into account geographical features. If there is a very steep hill, how can one ask an elderly person or somebody in a wheelchair to get to their nearest post office? The post office may be only 3 miles away, but if there is no bus service or there is a bus service that goes only once a week, it might as well be 30 miles away. The 3 miles is measured as the crow flies, but very often the distance is much more than 3 miles if one has to walk or go by car. Furthermore, as has already been said in this debate, the programme has not taken into account the businesses that might well be damaged by the closures.

I have a post office in my constituency that serves 10,000 people, 750 new homes are about to be built near it and yet it is scheduled for closure. The hon. Member for Pendle says that one of the towns in his constituency will have only one post office for 14,000 people. In Cirencester, if the two post office closures go ahead as proposed, there will be one post office for 17,000 people. The people of the Cotswolds will gather in Cirencester on Saturday for a stamp-buying exercise. It will be interesting to see what happens to the centre of Cirencester then and whether Post Office Ltd takes note that that crowded post office will not be able to cope if the other post offices in Cirencester close.

As has already been made clear in this debate, there is evidence that if one post office that is scheduled for closure is saved another post office has to close. I hope that the Minister will be able to confirm today that that is not the case. However, if it is the case, I ask him sincerely how he will campaign in his constituency, how the Prime Minister will campaign in his constituency, and how the 20 Ministers will campaign in their own constituencies. I hope that they will not use their undue influence to keep their own local post offices open at the expense of those in other constituencies.

As has also been mentioned in the debate, the consultation period is simply not adequate. Six weeks is simply not enough time to get people motivated to protest and to find real hard evidence as to why their post office should not be closed. In the Cotswolds, 12 post offices are either scheduled for closure or for an outreach service, some for as little as two hours. There is a post office in Stratton where the postmaster has been offered £100,000 if he will retire and he still wants to keep the post office open. Last month alone, his turnover was £468,000 and yet that post office, which also serves 10,000 people, is scheduled for closure. We are closing some of the most profitable post offices, which really is the politics of the madhouse.

The hon. Member for Chorley rightly points out in his early-day motion 763 the importance that post offices play as focal points for their communities; my

[Mr. Clifton-Brown]

hon. Friend the Member for Ribble Valley (Mr. Evans) has also made that clear. The hon. Member for South Ribble (Mr. Borrow) said that he has organised local post office meetings in his constituency at very short notice. I had seven such meetings two days after the closures in my constituency were announced. Up to 250 people attended each of those meetings. I have another one scheduled for this Friday, where people will express their real anger. I have also received more than 500 letters about this closure programme. All of this evidence shows how unpopular the closure programme is.

Given this scenario of closures, it is likely that it will be the younger and, ironically, the more mobile residents who will be the first to move out of the affected areas when these changes occur, because they are the people who are able to move. It will be the poor, vulnerable, elderly and disabled who will be left in these isolated rural areas without the services of a post office.

I want the Minister to answer a number of simple questions. A number of post offices are scheduled for outreach in Lancashire, while eight are scheduled for outreach in my area, and I want some assurances. We are talking about not only the post offices that will close under the current programme, but the many that have been offered very limited outreach—one post office in my area has been offered only two hours. For how long is the funding for outreach guaranteed? How will it be modified if the outreach proves not to work or is insufficient? Is what is happening now merely a prelude? Will outreach be provided this year, with the post offices that receive it likely to be scheduled for the next round of closures?

As the hon. Member for Chorley and his constituents, the residents of the Cotswolds and people across the country know, the present round of post office closures has been badly managed and will cause devastation to local communities. The financial calculations do not make sense, the access criteria are too limited and the consultation period is too short, but perhaps the Minister can reassure us that that is not the case and that the closures will not be as bad as we imagine.

12.21 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate my hon. Friend the Member for Chorley (Mr. Hoyle) on securing the debate. I congratulate all the Lancashire Members present on expressing their views and I very much appreciate the concern that they have shown in pursuing their constituents' feelings about the proposal to close post offices. Five post offices are scheduled for closure in my hon. Friend's constituency, and other hon. Members spoke about the closures in their constituencies.

I concur with my hon. Friend the Member for Pendle (Mr. Prentice), who pointed to the expertise in this matter of our hon. Friend, who is a member of the Business, Enterprise and Regulatory Reform Committee. The Committee has looked into these issues in some detail—most recently in the report that it published just a couple of weeks ago—and my hon. Friend brings an impressive knowledge and expertise to the debate.

My hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) concluded her speech by saying that we should back the Post Office, and that is where I would like to begin. The Government do back the Post Office and we will have backed it to the tune of £3.7 billion by 2011, which includes past subsidies starting from 1997 and current subsidies going forward. I do not want to be partisan in a debate that affects hon. Members from all political parties, but there was no subsidy at all under the previous Government.

It is not a question of the Government turning their back on the Post Office or not backing it; the Post Office is undergoing huge change because of the changes in people's lifestyles, which my hon. Friend the Member for Pendle and others mentioned. We are talking about a difficult process, and I have no doubt that it is unpopular, but the change affecting the Post Office would be a great deal larger if it were not for the Government's support and subsidy to the network.

When we take into account the direct costs to local post office branches and the costs of central infrastructure support, such as IT, cash handling and other services, which are not paid for by the sub-postmaster or sub-postmistress, it becomes clear that three out of four post office branches lose money for Post Office Ltd, which is why the commercial network on its own would have only about 4,000 branches.

Significant Government support is therefore going into the post office network. Nevertheless, at just over 14,000 braches, the network was judged to be unsustainable, by not only the Government, but the general secretary of the National Federation of SubPostmasters, who said:

"Although regrettable we believe that closures are necessary to ensure the remaining Post Offices... thrive in the future".

Let us look at some of the figures and at why the Post Office is in such a difficult position. Post Office Ltd lost £174 million last year, or £3.5 million a week. The hon. Member for Brent, East (Sarah Teather) referred to staff bonuses, but paying none of those bonuses would cover the Post Office network's losses for only about 10 days. What would it do after those 10 days? The network loses £3.5 million a week; every day the Post Office is open for business, it loses £500,000 or more.

There has been a significant decline in custom. Some 4 million fewer people visit post offices every week, compared with just a few years ago. Past closure programmes have been mentioned, but 1,000 sub-post offices in urban areas are competing for business with at least six other sub-post offices within a mile of them, and that is at a time when the number of customers is falling.

The decline in customer numbers is influenced by huge changes in people's lifestyles, which we all know about. We tend to think, for example, that one of the core services that post offices offer is the capacity for pensioners to pick up their pension, and a number of pensioners do that. However, I should point out that eight out of 10 pensioners have their pension paid into their bank account, so about one in five are picking up their pension at the post office. I do not know what all the hon. Members present intend to do if they reach retirement age and live to a glorious old age, as I hope that they will, but the number of new retirees choosing to have their pension paid into a bank account is not eight out of 10, but nine out of 10.

Geraldine Smith: Have the Government done enough to look for new business for the Post Office? The network can fulfil a really good and helpful function by bringing Government agencies close to people.

Mr. McFadden: My hon. Friend makes a good point, and some of the suggestions for new business that she and other hon. Members made during the debate are being taken up. Hon. Members mentioned free ATMs, and I am happy to say that 4,000 free-to-use ATMs are being installed in post offices. Hon. Members also asked why the new Post Office card account cannot be used at ATMs, but I am happy to confirm that it will be possible to use it at ATMs. Such new business ideas are important, and we should give the Post Office management credit for some of the—

Mr. Hoyle: Northern Rock.

Mr. McFadden: I shall come to Northern Rock. We should give the management credit for some of their innovations on foreign currency, insurance and so on. My hon. Friend mentioned Northern Rock, and I should tell hon. Members that the Post Office already offers a mortgage service to the public. There is therefore new business and there is support through Government subsidy. Even given those two factors, however, the Post Office still faces the difficulty that three out of four branches are running at a cost to it.

Mr. Clifton-Brown: Will the Minister answer one key question? If one post office that is scheduled for closure remains open, does that mean that another post office must close?

Mr. McFadden: The reason why that has happened in a number of cases is that the average cost to Post Office Ltd of post offices that are scheduled for closure is £18,000 per branch per year. If one is saved, therefore, the Post Office must find that saving somewhere else. I can confirm to hon. Members, as I did to the Select Committee, that that will not happen in every circumstance, but that is why it happens in some circumstances.

Time does not permit me to go through much else, other than to say that I understand the feelings that hon. Members have expressed. We are talking about a difficult process, which is being driven by lifestyle change, and I can assure hon. Members that the Government are committed to continue supporting the Post Office in the years to come.

Proposed Eco-town (Ford)

[MR. GREG POPE *in the Chair*]

12.30 pm

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): I am delighted to have secured this debate on the concerns of many in the Littlehampton and Arundel area about the potential proposal for an eco-town at Ford and Climping in West Sussex, just south of Arundel, which includes parts of my constituency and that of my hon. Friend the Member for Arundel and South Downs (Nick Herbert). We both support measures resulting in sustainable, eco-friendly communities on brownfield sites with the support of the local community. However, the aforementioned proposal most decidedly does not have the support of local people. Nor does it have the support of Ford, Yapton and Climping parish councils, Arun district council, the planning authority, West Sussex county council or the South East England regional assembly.

We understand that the Government have received nearly 60 applications and that they will shortlist about 10. In other words, they will decide the sites, scheme, size and number of houses—all outside the established planning framework. No doubt the Minister will claim that the plan will go through the planning system, but that is not an accurate description of what will happen. The Government will make the decision first about the site and size of the development, after which they will consult the public and instruct regional assemblies to incorporate it into their regional strategies. Over all of that lies the threat that property developers could ask the Secretary of State to call in their application to decide on it or to use the powers in the new towns Acts.

The main proposal for a Ford eco-town is simply a hastily rebadged plan by property developers that was being promoted before the Government announced their eco-town initiative. The proposal was considered by Arun district council as part of the local development framework last year and rejected for not being the most sustainable. That was for a range of reasons, in particular infrastructure problems, of which the most notable is the poor road system: the A259 is congested and the A27 is unlikely to see a bypass around Arundel before 2016, at the earliest, and even that is unlikely. That stretch of the A27 is usually congested as the dual carriageway is reduced to single lanes.

That coastal stretch of West Sussex is already contributing significant new house building, with 1,350 houses being built in Bognor Regis and 700 houses in Littlehampton already under construction. Given the existing level of housing planned, the traffic modelling shows the A27, and all the minor roads feeding from it from Arun district, failing well before 2026. Evidence and research also shows that there were better sites in the area that were far more appropriate than Ford for further development. The inspector's report from the examination in public last year recommended sites that were extensions of existing urban areas, rather than rural Ford, which, despite a small brownfield area resulting from a wartime aerodrome and a small light industrial park, is still essentially very rural.

A huge amount of work has gone into that local development framework process over the past two years, including consultations and more than £250,000 of

[Mr. Nick Gibb]

consultants' fees. It seems odd that all that high-quality and careful work to determine the most appropriate sites for development can be overturned from Whitehall at the stroke of a pen on the basis of very little research or evidence, other than drawing a few lines on a map. Even on the basis of the Government's own criteria set out in their eco-town prospectus, the Ford eco-town proposal comes nowhere near fulfilling the criteria.

The first essential requirement, set out on page 14 of the prospectus, reads:

"Eco-towns must be new settlements, separate and distinct from existing towns but well linked to them."

If the Minister comes to the area, he will see that it is located between two east-west trunk roads in open land and on a flood plain. It is just to the south of Arundel, which is a unique, historic, hillside town, and immediately adjacent to the existing villages of Yapton and Climping. There is no scope to produce a separate and distinct community. An eco-town of 5,000 or more houses would essentially become an extension of Arundel and create a conurbation linking Arundel to Yapton.

Climping parish council, in its letter objecting to the proposed eco-town, which was sent to the Minister for Housing, the right hon. Member for Don Valley (Caroline Flint), set out the infrastructure problems of the area, including poor public transport and over-crowded schools. Barbara Edge, the chairman of the council, concluded her letter by saying:

"The Arun valley south of Arundel has remained unspoilt and beautiful for thousands of years. It is a haven for wild life and a recreational breathing space for our intensely overdeveloped coastal area. To destroy any part of the valley would be an act of betrayal to future generations."

Damaging that beauty would also have economic consequences. Littlehampton is a seaside town. It has beautiful sandy beaches and a river that attracts leisure craft. It is just a few miles from Arundel with its cathedral and castle and the wonderful surrounding countryside. Tourism is still a big employer in the area. Building on the flood plains between Climping, Ford and Arundel would damage a key feature of that beauty and the attractiveness of both Littlehampton and Arundel to tourists.

Our opposition to the proposal is not nimbyist. One of the concerns that I and Arun district council have is about the effect that such a large-scale development would have on the current regeneration plans in Bognor Regis and Littlehampton. In particular, about £500 million is being invested in Bognor Regis and that potential investment could be threatened by this eco-town proposal, diverting the focus and resources away from the coastal towns. The Minister should be clear that there is widespread and fierce opposition to this proposal and that people in my constituency do not want the Ford eco-town to appear on the shortlist.

In a letter of 13 February to the Minister for Housing, the chairman of SEERA raised a concern about eco-town proposals in the south-east:

"Few of these have local authority support and you need to understand the concern councils feel about the process for moving these developer-led bids forward... A great deal of time and effort has gone into preparing the draft South East Plan and the Local Development Frameworks... It is, therefore, a matter of considerable concern that the bidding and selection process associated with Eco-towns has, to date, been independent of the spatial planning process."

The Minister's response to that concern would be appreciated.

Finally, I would like clarification of the point made by the Minister for Housing in her speech at Earls Court on 27 February:

"I want to assure local authorities which include an eco-town in their future housing plans that it will, of course, count towards their future housing targets".

That contradicts everything that we have been told by civil servants and others, and the thrust of the Prime Minister's comments that it will create further housing. Whether or not the numbers count, our opposition to the Ford eco-town proposal will continue, for all the reasons that I have given concerning the suitability of the site. However, clarification on that point would be helpful.

I hope that the Minister will be left in no doubt that there is universal opposition to any plans for an eco-town at Ford. Should the development appear on the shortlist—I hope that it will not—it will trigger the start of demonstrations and protests by the people of Ford, Climping, Yapton, Littlehampton, Arundel, Bognor Regis and beyond as we seek to maintain the environment and protect plans for the regeneration of seaside towns.

12.39 pm

Nick Herbert (Arundel and South Downs) (Con): I congratulate my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) on securing the debate, and I am grateful for the opportunity to speak briefly in it. Ford village and most of the airfield on which an eco-town might be sited are currently in my constituency. Following a boundary change at the next election, they will largely be in the constituency that my hon. Friend represents, but they will still be of huge interest to my constituents and to neighbouring villages.

First, I echo my hon. Friend's point that in this country, there is a need for more housing—particularly more affordable housing. The inability of young people, in particular, to get their feet on the housing ladder is a serious concern, not least in the south-east, and one which Members on both sides of the House share. Already, 58,000 new houses have been proposed for West Sussex over the next decade. That would represent a significant increase in housing, and there are already substantial concerns about the availability of infrastructure to support house building increases on that scale.

Secondly, the eco-town, which would add to the housing numbers that have already been announced through the regional assembly, would be located on a site that Arun district council, in its consideration of the housing framework, has already rejected. The real concern about the eco-town proposal is its serious subversion of the normal planning process. There is an established planning framework for making such major decisions about housing. It is evidence-based, it includes a large number of stakeholders and the public, and it is subject to independent scrutiny. The eco-towns idea sits outside the system entirely, and it is misleading to say that it will be processed through the planning system.

Effectively, the Government want to make the decision first and then consult the public. Then, they will instruct the regional assemblies to incorporate the eco-towns idea into their regional strategies, with the threat that if private sector backers make an application, the Secretary of State will call it in for her decision, or seek to use provisions in the new towns Acts. Effectively, the Government are saying that whatever the decision of local authorities or the established consultation procedures, they will be able to drop those towns, irrespective of concerns, on to the local community.

It is quite wrong to set aside the views of the local planning authorities, which have to take decisions based on their local knowledge, about where to allocate what is already a very large number of houses. Indeed, it is wrong to subvert the decisions of the regional assembly. Why spend millions of pounds of public money on evidence gathering and analysis at all levels—from district through county to the regional assembly—only to have the results wholly overridden by fiat, or by diktat, from Whitehall? That lack of proper local accountability and decision making is of particular concern.

Thirdly, I echo the anxieties of my hon. Friend about the serious infrastructure deficit locally. The A27 Arundel bypass is long-awaited; indeed, there has been a clamour for it for decades. It has consistently fallen out of the programme, and it was about to be implemented 10 years ago, but it was dropped. The earliest that it can be brought into the programme is 2016, and without an Arundel bypass, it is impossible to conceive that there will be sufficient infrastructure to support a new town on the scale of Ford, which would need that road link to connect it to the outside world.

It is not just the inadequacy of roads that is a concern, but the inadequacy of public services, such as schools, as my hon. Friend said, and hospitals. There are proposals to downgrade local hospital services, including maternity units and accident and emergency services, and there appears to be a disconnection between, on the one hand, proposals for a very substantial increase in housing numbers and, on the other, a failure to upgrade infrastructure. It would be necessary to upgrade or preserve the infrastructure even if the housing did not materialise, let alone if housing numbers were to grow so substantially.

I also echo what my hon. Friend said about the impact of an eco-town at Ford on the regeneration of coastal communities. The proposal is absolutely not the way to achieve that regeneration—indeed, it might threaten it. There is significant and, perhaps to some, surprising deprivation along the south coast, which has been partly caused by the lack of infrastructure. The eco-town proposal would do nothing to address the issue; indeed, it would be to the detriment of existing regeneration plans. There is strong opposition to the scheme from Arundel town council, Ford parish council and Yapton parish council in my constituency. They feel that they are being shut out of the normal planning processes, and it is to that subversion—the subversion of proper examination—that I hope the Minister will address his remarks.

12.46 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It is a pleasure to see you in the Chair, Mr. Pope. I thank you for your hospitality a couple of weeks ago when I visited your constituency. We had a great time, albeit a very rainy one, but I enjoyed it.

I congratulate the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) on securing the debate and the hon. Member for Arundel and South Downs (Nick Herbert) on contributing to it. I know that they are assiduous workers for their constituents, and I pay tribute to the manner in which they have advanced their case today.

Both hon. Gentlemen know that shortly, once an initial assessment has taken place, we will announce the proposals for eco-towns and for public consultation. They know also that while the assessment is under way, neither I nor my ministerial colleagues can comment specifically on any scheme. I know that some developers have already publicised their bids, but that is a decision for them rather than for the Government. However, I should like to reassure the hon. Gentlemen—this is the main thrust of my response to their contributions—that there will be considerable opportunity for consultation before the process is complete, and that we will take every opportunity to engage with local authorities and the public during that time to ensure that all views are heard. I shall say more about that process in a moment, because it is the key. However, first, I shall provide a little context and explain why we are committed to providing more homes that are affordable and sustainable.

Mr. Gibb: May I suggest that a huge amount of taxpayers' money could be saved because I can tell the Minister now that the consultation process that he mentions will reveal total opposition from the public, all parish and town councils in the area, and Arun district council? Why proceed with announcing Ford as part of the shortlist if that is going to be the result of the consultation process?

Mr. Wright: When my Department replied to oral questions in the House last week, I mentioned that the consultation will not take place in a smoke-filled room behind closed doors. It will be a complete part of the regional spatial strategy and the local development framework process, which is right and proper. On the merits and disadvantages of the Ford eco-town proposal, I reiterate that because of judicial reviews and call-in by the Secretary of State, I cannot possibly comment on any individual schemes, as the hon. Gentleman will understand.

I was pleased with what the hon. Member for Arundel and South Downs said about affordable housing. I am glad that he recognises the massive need for us to address the issue nationally and in his constituency. Affordability pressures are nationwide. We can no longer duck the need for more affordable housing, because if we do, we will let down future generations of families and young people throughout the country. All regions are experiencing major increases in the number of households, and the question of affordability is particularly acute. For that reason, by 2016, the Government want 240,000 new homes to be built every year to keep up with the demand caused by increasing life expectancy, rising aspirations and the increasing number of people living alone.

I was particularly interested by the comments made by the hon. Member for Bognor Regis and Littlehampton about affordability in his area and in West Sussex. The

[Mr. Iain Wright]

problem is particularly acute in his constituency and that of the hon. Member for Arundel and South Downs. The coastal towns, as he said, have areas that are relatively low income for the south-east, yet house prices are very high, averaging about £234,000 in West Sussex as a whole. The average weekly wage in Arun district is one of the lowest at £428, and average earnings are about £542 a week in coastal West Sussex. In 2007, the average house price in West Sussex was nearly 10 times the average annual income. The situation is worse in the neighbouring district of Chichester, where the ratio of the average house price to the average salary has reached 12:1. On that basis, it is fairly clear that we need to do something nationally as well as locally to address the acute need for affordability.

Nick Herbert: The Minister is right about house prices in West Sussex. Will an eco-town reduce house prices in the area?

Mr. Wright: No, it will not, but it is a question of providing greater choice and supply. That is important. I have seen a similar situation in my own region of the north-east, and it is certainly acute in London and the south-east. Do we want to ensure that people do not have choice, so that they have to move out of their own area, thus reducing its prospects for economic sustainability until the only people left are increasingly older and more affluent? I do not think that that is particularly sustainable for every area.

There is a need for a greater supply of affordable housing in the hon. Gentlemen's constituencies. I must be blunt with them: recent evidence shows that that has not been provided. The need for affordable housing has not been addressed, and I shall give a couple of examples. Ford supplied 14 units of affordable housing in 2006-07, or 4 per cent. of its total completions for that year. In West Sussex as a whole, the total figure was 458 affordable homes, or 19 per cent. of the total. The draft south-east plan recommends a target of 40 per cent. It is clear that we need to do a lot more to ensure that the need for affordability is addressed and that young, hard-working families doing their best in life and playing by the rules have a chance to get on the property ladder and own affordable homes.

Mr. Gibb: The Minister is right and we do not disagree with him on that point. The issue is where the new houses should be built. Gill Brown, the leader of Arun district council, said:

"After years of study following detailed technical advice set by the Government that has cost taxpayers a small fortune, and after an independent inquiry, we have a regional policy for the South Coast based on economic regeneration aligned with the sustainable extension of existing urban areas."

That extensive work is based on evidence and research, not a Minister simply deciding in Whitehall with the stroke of a pen where the building will happen. We accept the argument, but the question is where the building should be and where it will be most sustainable, and the work on that question has been done.

Mr. Wright: I understand the hon. Gentleman's point, but I reiterate that 4 per cent. of all homes built in 2006-07 were classed as affordable. That cannot be sustainable in terms of providing suitable accommodation for hard-working young families who want to get on the property ladder. The area must do a lot more to address the situation.

We need to address the big issue of affordability, but this is about not simply more homes, but greener homes, which is where the eco-town concept comes in. Eco-towns are a different approach to providing homes incorporating the highest standards of sustainability and green features from the start. The schemes offer a tremendous opportunity to revolutionise the way in which we plan and deliver towns, as well as to change radically the way in which people travel, work and live. I suggest that they will be exemplar communities from which other towns and developments can draw.

In the hon. Gentleman's excellent speech, he mentioned the eco-towns prospectus, which was published alongside the housing Green Paper and says more about what we expect of the new places. They must be designed to meet the highest standards of sustainability, including low and zero-carbon technologies and good public transport. I know that transport is an issue that concerns him, and I shall return to it in a moment. The towns must also lead the way in design, facilities and services, as well as community involvement, which the hon. Gentlemen have made clear is particularly important. Only schemes with the potential to meet those criteria and to work best in each location will be considered by the Government to have the potential to be eco-towns.

Sustainable transport is essential to the new towns. Proposals must clearly demonstrate how the towns will encourage reduced reliance on cars and a shift towards other, more sustainable, transport options. We are looking for high-quality offers on accessible public transport and developments designed around the needs of pedestrians and cyclists, and we will expect transport plans to be drawn up for each scheme outlining how the transport aims can be achieved both within the eco-town and in its links to surrounding towns and villages.

In the prospectus, we highlighted many good examples from Europe, as well as exciting developments on a smaller scale here in the UK, that could help to shape the eco-towns. We have asked the Town and Country Planning Association, the Royal Institute of British Architects, the Prince's Foundation and the Commission for Architecture and the Built Environment to bring their considerable expertise to bear on the eco-towns. We are looking across Government at the proposals' potential impacts on the environment and the road and rail network—I understand that there are particular concerns about the A27, which I will take on board—and assessing how they will deliver on plans to link to other centres and employment in the most sustainable way.

We will need to look carefully at the transport implications of all proposals during the public consultation period. The Department for Transport will ensure that sustainable transport is properly incorporated in all eco-towns and will be looking for employment, educational and community facilities within easy access of all homes, as well as public transport and walking and cycling facilities of the highest level within and beyond the sites. We expect all developers to focus their efforts on delivering sustainable transport and smarter choices.

I have mentioned more homes, which is important both nationally and, from the statistics that I have read, in the constituencies of both hon. Gentlemen. We also need greener homes. There has been an enormously

positive response to the concept of eco-towns—we have received about 60 proposals. I suggest that that demonstrates an appetite for the programme and for the concept. However, as we have heard in this debate, there is uncertainty in some areas about eco-towns. The hon. Gentlemen have expressed their concerns on behalf of their constituents most eloquently. I reassure them that the process that we are undertaking is robust and transparent, and, crucially, that it will include full public involvement.

We are considering the proposals across Government and with agencies to assess, in particular, whether there are potential problems of flood risk or scarcity of natural resources, and to consider their possible effects on the natural environment: the green spaces that we all have the right to enjoy, protected landscapes, and the species that inhabit them. In the case of eco-towns, we are looking for innovative proposals that will enhance our biodiversity and improve the natural environment by integrating green spaces into new towns. I stress that only the best proposals will make it through the process. We will be publishing the shortlisted proposals for eco-towns for consultation shortly—indeed, almost imminently. That will allow us to conduct a full and comprehensive public consultation with communities, local authorities and stakeholders.

Although I do not have time to say more about the process, I am more than happy to write to the hon. Gentlemen to articulate the situation at length, as I know that it causes them concern. We are carrying out an initial assessment of the sites for eco-towns involving the relevant Departments, such as my own and the Department for Transport, and their agencies, including transport and environment agencies. The purpose of the assessment is to find out whether there are any issues with proposed sites that are so significant and such show stoppers that the Government could not support those locations as eventual eco-towns. Issues might include accessibility to public transport, or landscape constraints in terms of special protection and flood risk. We are also taking soundings from our partners in the regional assemblies and regional development agencies and, to address the point made by the hon. Gentlemen, seeking the important views of the local authorities that will be affected by the sites.

Alcohol-related Crime and Antisocial Behaviour

1 pm

Helen Jones (Warrington, North) (Lab): It is a pleasure to have you in the Chair, Mr. Pope. Last year, my constituent, Mr. Garry Newlove, was brutally murdered in a crime that was fuelled by alcohol. Fortunately, his murderers have been sentenced, and the details of that crime are so well known that I need not go through them again today. His case provided the latest and most appalling example of the problems that alcohol-fuelled crime and antisocial behaviour are causing to our communities.

Such developments are not new, and I do not argue that Warrington is worse or better than anywhere else in that respect. Indeed, attempts by some sections of the media to present the town in which I am proud to live as some kind of war zone have caused deep distress to many of my constituents, not least the vast majority of decent and hard-working young people, whose voices are often not heard on this issue. Nevertheless, we know that all communities face this problem. I have raised the issue in the House on several occasions and have spoken on a number of measures that the Government have introduced to tackle it. I have also been out with police and community support officers in my area, to see what problems they face on the ground, and I have discussed with the chief constable the problems that some of his officers have to deal with. I am convinced that we need to do much more, because we all know what is out there and we all know the cost.

The Government's 2004 alcohol harm reduction strategy estimated the cost of alcohol-related crime at £7.3 billion. The 2006-07 British crime survey showed that there were 1 million violent incidents in which alcohol was a factor, and that in nearly half of violent incidents, the victims believed that their assailants were under the influence of alcohol. As my hon. Friend the Minister knows, there are crimes and other effects that cannot be quantified. The effects are there for old people who feel tormented and frightened, for people who do not feel at peace in their own homes and for a number of our young people, who are frightened to go into certain areas at night because of the risk of getting involved in violence or in antisocial behaviour.

I do not suggest that the Government have not tried to tackle the issue, as they have done so repeatedly. Nevertheless, we still have a problem. That is because it cannot be tackled only by the Government; it is the result of profound social changes and only by working together will we be able to deal with them.

Our relationship to alcohol has changed. It is cheaper in real terms than ever before, and is more widely available. Also, we have become more tolerant—I would say far too tolerant—of the effects of binge drinking on our society. If we add to that the fact that supermarkets use alcohol as a loss leader to get people into the store, and that the drinks industry makes alcoholic drinks targeted directly at young people, we start to see how difficult the problem is. All that is fuelling our epidemic of binge drinking and under-age drinking.

I want to comment particularly on the effects of young people drinking. I want to make it clear that we are talking about a minority of young people. All the

[Helen Jones]

figures show that fewer young people are drinking, but our problem is that those who are, are drinking more. That minority—the 18 to 24 age group of binge drinkers—is fuelling most of our alcohol-related crime and disorder. On top of that, in my constituency and in many others we have a problem with under-age drinking. I suspect that we all know, in our own areas, the retailers who sell to children who are obviously under age, or turn a blind eye to those who are under age.

However, our problem is not just with retailers; it is also with the parents. I was horrified to hear from police in my area about incidents such as when a group of youngsters had been gathering on a field causing problems and a parent drew up in a car and unloaded cartons of lager for them. The police have also been berated by parents for bringing home young people who are clearly drunk and a risk to themselves and others. Most of us would be horrified by that, but a small minority of parents behave in that way.

To their credit, the Government have legislated to tackle the problem. We have banned minors from drinking on licensed premises, and allowed trading standards officers to use minors to make test purchases of alcohol to catch those selling to people who are under age. We have also given the police more powers to deal with premises that are in breach of licence. Recently, the Home Secretary announced that there would be further powers for police to tackle drinking in public and another crackdown on under-age drinkers, and there have been more announcements today about the review of the licensing laws.

We can see the scale of the problem from what happened last autumn, when the police cracked down on under-age drinking, and 21 forces seized 3,700 litres of alcohol, including wine, spirits, beer, alcopops—the lot. That matters because people who have been drinking are much more likely to be involved in a crime, even when all the other variables are taken out of the equation. It matters because alcohol has been a factor in a number of really hideous crimes and because it contributes to people's feeling of insecurity, day to day. What we are dealing with can range from the minor, such as drunken yobs shouting outside houses in the early hours of the morning, which I suspect that most Members have experienced at some time or another, to really serious crimes, and yet we have not found the answer. I do not think that my hon. Friend or anyone else would claim that we have. If there were a magic bullet, any Government would have used it by now.

One reason that we have not found the answers is that the problem cannot be dealt with through the criminal justice system alone. It is absolutely right that we need severe penalties for people who breach the law, but we also need a change in the culture so that binge drinking and selling alcohol to children becomes just as socially unacceptable as we managed to make drink-driving. It used to be perfectly acceptable to drink a lot and then drive your mates home, but it is not socially acceptable any more because we changed people's perceptions and we have to do that with this issue as well. That requires action right across Departments. My hon. Friend is answering for his own Department, but I am sure that he would be the first to say that action is required elsewhere as well.

We have to start in schools. When I ask the Department for Children, Schools and Families about alcohol education in school, I am told that it is delivered as part of general anti-drugs education, through personal, social and health education. I do not doubt the good intentions, but as the mother of someone who has recently left school, and having spoken to other young people, I think that our children get far more education about the effects of illegal drugs than about alcohol, and we must bring that into the equation. I am glad that the Department is reviewing that as part of its children's plan, but we must ensure that we have proper, targeted programmes and people who are properly trained to deliver them. Preaching at young people does not work; we have to find the right strategy.

We also need more training for teachers and for education welfare officers, to identify where alcohol might be a factor in young people truanting or behaving badly. When the Minister and I were teachers, we would hardly have expected that, but the number of 11 to 15-year-olds who drink has doubled since the early 1990s, so the problem is seen more often.

It is true that if young people get involved in crime, and alcohol is a factor, we need to intervene early, before they go on to commit more serious offences. I was pleased that the Government accepted the changes that I suggested to the Criminal Justice and Immigration Bill to allow courts to make orders not only for drug treatment but for alcohol treatment. The difficulty is that we do not yet have enough treatment centres, particularly those that deal with young people. I know that the Department of Health is looking at that, but treatment must be available.

It is unfortunate that, as well as having to deal with the young people, we also have to deal with their parents. I spoke about some of the cases that the police in my area have come across. We all have a duty to ensure that we try to teach our children to behave and drink responsibly. I urge the Government to think seriously about a hard-hitting advertising campaign targeted at parents about the effects of alcohol-related crime, and the effects on young people, both the victims and the perpetrators. We must get the message through to the minority who do not heed it at present. I welcome what the Home Secretary said about using parenting contracts to deal with the matter, but we also have to look at penalties for those who will not get on board, and who persist in not dealing with their children, despite best efforts to advise them and to get them to change their behaviour.

We also need more enforcement of the existing law. The Licensing Act 2003 gave local authorities far more power to deal with premises in breach of their licence, but those powers are not always used. We need to get the message over that they need to be used more.

I also want a strengthening of the law in certain areas, particularly in respect of the sale of alcohol to under-age youngsters. Currently, the offence of persistently selling alcohol to minors is only made out if someone is caught doing it three times in three months. That means that the police and trading standards officers are tied up with watching particular premises, but also that if the retailer does not offend for three months but then does so again, they start from scratch. The maximum fine is only £10,000, but if the police and local authorities impose a closure order for 48 hours and the person involved accepts it, the criminal offence is discharged.

Considering the mayhem that is caused by under-age drinking in some areas, that is not good enough. It does not automatically trigger a review of the licence, although it is true that a resident or relevant authority can ask for one. I hope, from what I have heard this morning, that the Government are planning to change that, but I urge them to go further.

I would like a "two strikes and you're out" policy: if someone sells alcohol to someone who is under age, they get fined the first time and lose their licence the second time. If we did that, people would start to ask for identification, and we would get a proof-of-age scheme. Many people who work in small shops, often women who are intimidated, would find that much more reassuring. Owners would put in security measures to protect their staff because they would know that, if they did not, their livelihood would be gone. It is as simple as that.

We must also tackle the drinks industry. One supermarket recently suggested dealing with prices through the Competition Commission, and there is merit in that, but there is much that supermarkets and other retailers could do now. They need to stop discounting cheap lagers and similar drinks, sometimes selling them cheaper than water. They could stop stacking them near the entrance, and they could ensure that they ask for ID if there is any doubt at all about the age of the person who goes into the shop to buy them.

We must also deal with those parts of the drinks industry that persistently market to young people and target alcoholic drinks at them. The alcopops and cheap ciders that are often sold in nice packaging, in blue and green bottles, are not targeted at adult social drinkers but directly at the young. We need to review the rules on the advertising and promotion of such drinks.

We also need to look at the duty. One can buy ciders that are 8 per cent. proof, far stronger than many beers, for about £1.99 for 3 litres. That situation really cannot be sustained for much longer. Young people, whose tolerance for alcohol is lower anyway, get hold of such drinks and get drunk very quickly.

As I said to my hon. Friend at the beginning of my contribution, I know that the Government take the matter seriously, and that they are doing what they can to tackle it, but we need more action across government. We need firmer penalties for those who breach the law, and we need to ensure that we work hard to change people's perceptions and views so that we can tackle a menace that is blighting our communities and making not only our older people but many of our young people feel unsafe. We must remember in all of this that many of the victims, as well as the perpetrators, are likely to be young people. I look forward to hearing what the Minister has to say.

1.16 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): It is a great pleasure to serve under your chairmanship, Mr. Pope. I congratulate my hon. Friend the Member for Warrington, North (Helen Jones) on her speech. Without over-egging the pudding, I thought that it was excellent. It was thoughtful and provocative as well as constructive. I hope that many people, not least her constituents in Warrington, get the opportunity to read it.

My hon. Friend is right to point out that despite horrific events—she referred in particular to the murder of Garry Newlove—the vast majority of people in Warrington, including the young people, are decent and law-abiding. They look to us to do as much as we can to deal with common problems. I thought that she laid out many interesting ideas, and I hope to respond to some of her points as well as setting out the Government's broader strategy in respect of this matter, which affects the whole of our country.

As my hon. Friend said, we need a variety of approaches to tackle the problem, from prevention to making people face up to the consequences of their behaviour. I have always thought that one of the great follies of public policy is that one is seen to be at one end or the other of a spectrum. I know from debates and, if she does not mind my saying it, from her teaching career, that my hon. Friend has always taken the view that if someone breaks the law, there must be a consequence. It must be appropriate, of course, but there must be one. We should follow that principle in public policy.

However, trying to change things through criminal justice system sanctions, important as that is, is not sufficient. We have to look at other measures, whether prevention, working with parents, as my hon. Friend suggested, or whatever. A range of policies from different parts of the spectrum is required to bring about real change.

To digress slightly, the point that my hon. Friend made about parents is one of the great issues that confronts us today. What can actually be done about the minority—not the majority—of parents who are irresponsible? This almost sounds trivial, but how can we pass a law that says that parents must take responsibility for their son or daughter and not allow them out on the street late at night, or that they must make sure that their children do not drink irresponsibly? As my hon. Friend rightly said, it is difficult to pass such a law. However, we must look at parenting contracts and measures such as that to ensure that parents who refuse to face up to their responsibility take more responsibility.

The national alcohol strategy, "Safe. Sensible. Social.", sets out a clear programme of action to tackle alcohol-related crime and antisocial behaviour. Priority actions in the strategy include tougher enforcement through a series of targeted campaigns to wipe out sales to under-18s; advice and guidance to parents; robust enforcement, which is essential, of the 2003 Act to clamp down on irresponsible alcohol promotions and irresponsible retailers; and targeted enforcement and support for offenders through alcohol arrest referrals to change individuals' drinking behaviour. As my hon. Friend said, it is important that we extend the availability of that sort of sanction.

Another part of our strategy is challenging the public's acceptance of drunken behaviour through a new multi-million-pound communications campaign. I take on board the point that my hon. Friend made: in addition to targeting problem drinkers and problem situations, we should also look at how to ensure that parents are involved in that communications campaign. I shall see what we can do about that.

The strategy is also about ensuring that the alcohol industry plays its part in reducing harms by considering the effectiveness of its codes of practice and strengthening them, if necessary. Those priority actions will help us to achieve our public commitment to see fewer alcohol-related

[Mr. Vernon Coaker]

violent incidents, fewer people experiencing drunken rowdiness in their areas, including Warrington, fewer admitted to hospital for acute alcohol-related illnesses and fewer children drinking alcohol.

We have made some progress, as my hon. Friend says, and fewer children are drinking. However, those who are drinking are drinking more. We have launched alcohol referral pilots in Ealing, Cheshire, Liverpool and Manchester, where advice will be provided to those who have been arrested for alcohol-related offences. To date, 758 individuals have received referrals. We will shortly be rolling out those pilots to 10 new areas.

We have achieved significant reductions in test purchase failures from more than 50 per cent. in 2004 to the current level of 14.7 per cent. to ensure that ever-decreasing numbers of children are able to get access to alcohol illegally. We are continuing to carry out various enforcement campaigns, including, as my hon. Friend said, recent campaigns related to confiscating alcohol from young people.

It is important that local partnerships work together to tackle crime and antisocial behaviour. We recently sent out an alcohol strategy local implementation tool kit, which gives people information about the tools and laws that are currently available to them to deal with alcohol-related problems. Again, as my hon. Friend said, it is crucial to ensure that existing law is enforced, irrespective of new laws that are needed. I take her point about the need to improve the law, particularly in respect of one or two areas, but we also need to enforce the existing law more robustly than at present.

Helen Jones: I wonder whether my hon. Friend has talked to his colleagues in the Government about what figures they keep on the reasons that licences are lost. I have asked questions, but it seems that we keep few statistics on that so it is difficult to know how the relevant powers are being used. I always ask, "When did you last hear about a place that lost its licence for serving people who are persistently drunk?", because that is an offence.

Mr. Coaker: My hon. Friend is right. I will consider that, because I am concerned about it. Far more premises should be losing their licences for persistently selling to children. The fact is that even if they are found to have persistently sold alcohol to children three times in three months, I understand, from the figures on the last campaign, that the number of premises losing their licences is only in the low 20s. That is not a sufficient deterrent. That is why the Government have made some announcements on that subject, which I shall come to in a minute.

Some 500 designated public place orders have been made, allowing local authorities to give the police enhanced powers to confiscate alcohol from people drinking in public. Given that local authorities can simply designate an area for a public place order, I should have expected far more orders to be used. There are often complaints that adults, not to mention children, are drinking in public, causing huge problems in town centres, or wherever. A local authority can designate areas with a designated public place order and the police can then confiscate alcohol from adults, if they believe that it is causing a problem. I do not understand why there are not hundreds more such orders. My hon. Friend will know that Brighton, for example, has made designated public place orders, and other seaside resorts and various towns make those orders, which give the police additional powers.

As my right hon. Friend the Secretary of State for Culture, Media and Sport set out this morning, the introduction of the 2003 Act has not led to the widespread problems that some feared. Although crimes involving violence may have reduced over the evening and night-time period, the evidence also points to increases in offences reported during 3 am to 6 am.

To deal with some of the points that my hon. Friend made, the Government remain determined to address the issues under discussion, and have announced new initiatives to protect the public, including a new yellow and red card alert system that clearly outlines the consequences of breaching a licence, changing the offence of persistently selling alcohol to a person under 18 from three strikes to two strikes in three months and utilising existing powers to identify a problem premises. We will make it easier to review premises where local intelligence suggests that there is a problem. We will support the police and local authorities to identify problem hot spots by ranking geographical areas and concentrations of premises on the basis of the risks that they present to crime and disorder, public nuisance and children. That will allow licensing authorities to exercise more caution and conditions when issuing licences, to withdraw licences wholesale in such areas, which I think that my hon. Friend would welcome, and it will permit local authorities and police to target enforcement resources more effectively at problem hot spots.

To tackle wider antisocial behaviour associated with alcohol consumption, the Home Office will introduce legislation as follows: to increase the maximum fine from £500 to £2,500 for anyone not obeying instructions to stop drinking or to give up their drink in a designated public place; to make it easier for the police to disperse antisocial drinkers, both adults and children, from any location—if necessary, we will change the law to make that happen; and to extend the use of acceptable behaviour contracts for young people caught drinking in public to require them and their parents to attend a session with an alcohol specialist to try to address the problem. I think that my hon. Friend will be pleased about that. In addition, we will extend alcohol arrest referral pilots so that under-18s may also benefit from a brief intervention from a trained worker. That will help deal with young people drinking in public who may already be involved in criminal activities. However, we recognise that more needs to be done.

Although young people are drinking less, it is worrying that those who do drink are drinking substantially more and are doing so more often. My right hon. Friend the Home Secretary recently outlined the Government's wish to see greater use of parenting contracts if poor parenting is identified as an issue when alcohol is confiscated from under-age drinkers. It cannot be right that nearly half of all children obtain alcohol from home. That is simply not acceptable.

We are fully aware that enforcement alone will not be enough to tackle drinking by young people. As such, the Department for Children, Schools and Families will shortly launch a youth alcohol action plan to set out the

Government's proposals further to tackle under-age drinking. That includes dealing with the cultural change, not only with children but across the board, that my hon. Friend mentioned.

Just as parents have a role to play, so do those who sell alcohol. The Government are fully committed to tackling those who sell alcohol irresponsibly. Alcohol retailers, pubs and clubs should manage their establishments safely and deal with their customers responsibly or they should be dealt with. We welcome the work that is being done throughout the country, but more needs to be done. As we know, the industry wants the irresponsible minority to be dealt with and we should deal with such people robustly. Throughout the country we are seeing what can be done, through schemes such as Citysafe in Liverpool and the Think 21 campaign in Cambridgeshire, when agencies work together to try to tackle the problem.

We will be investigating the way in which retailers offer and advertise cheap alcohol. My hon. Friend will be aware that the Department of Health is currently reviewing that. The Home Office is also reviewing the alcohol industry social responsibility standards and will report by the end of this month.

I thank my hon. Friend for her contribution, for the way in which she has represented her constituents in Warrington and for driving forward this debate. Although we all enjoy a drink—at least, many of us do—there can be no excuse for drinking that leads to violence or to some of the behaviour that we see on our streets. The public in this country have said, "Enough is enough"; they want to see tough, robust action and we will take such action as a Government.

Norfolk Fire and Rescue Service

1.30 pm

Christopher Fraser (South-West Norfolk) (Con): I am grateful, Mr. Pope, for the opportunity to bring this important matter to the House's attention today.

I am aware that the Minister recently met the head of Norfolk fire and rescue service and Norfolk county council cabinet members. Despite that meeting, several serious concerns affecting my constituency and others in Norfolk were raised during my recent visit to the service's headquarters.

I want to put on record the fact that my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) has indicated his support for my concerns, which also affect his constituents, but, alas, he cannot be here today. I am grateful for the support of my hon. Friend the Member for South Norfolk (Mr. Bacon), and I acknowledge the fact that the service's headquarters is in his constituency. I pay tribute to the chief fire officer, Richard Elliott, and the county council cabinet member with responsibility for fire and community safety, Richard Rockcliffe, and thank them for their time in keeping me briefed.

Many of the challenges facing Norfolk fire service have been brought to my attention, and relate specifically to the rural environment in which it operates. Of the 41 fire stations servicing the county, only two are staffed entirely by full-time firefighters, and a further four are staffed by a combination of full-time crew and retained firefighters. All the county's remaining 35 stations are crewed entirely by retained firefighters. In all the county's rural areas the service relies wholly on retained crews.

As the Minister knows, retained duty firefighters respond to calls on a needs-only basis, and are often employed full-time in other occupations. They are trained to deal with the same range of incidents as their full-time counterparts. As the statistics show, Norfolk's fire and rescue service would be nothing without them. The problem lies in recruitment and availability of retained firefighters. Provision of cover is proving a huge challenge, leaving some rural areas insufficiently covered. Outwell and Downham Market in my constituency are particularly badly affected. The chief fire officer told me that it is not unusual to have 10 fire engines unavailable during the working day due to crewing and availability problems. In Norfolk, difficulty in recruiting retained firefighters stems in part from the evolution of rural industries and agriculture.

With mechanisation and modernisation, fewer people are employed on the land, and businesses have moved away or closed down, thus reducing the pool of suitable people whom the fire service can target for retained duty. Employers are increasingly disinclined to give employees the necessary time to carry out their duties, not least because of the cost and inconvenience of unplanned or lengthy absences by members of the work force. Does the Minister agree that it is time to provide employers with proper incentives to release staff to work as firefighters instead of continuing to rely on their good will? Few outside the fire service understand how important the retained duty system is for our safety. They do not appreciate that by signing up they could save the life of a family member, friend or neighbour. How does the Minister respond to calls from the fire service for a national campaign to raise awareness of the system and build better links with business?

[Christopher Fraser]

The service's funding is important. Norfolk does not have a precepting fire authority and cannot raise money through council tax. The county council funds fire and community protection alongside other key services. It received an acceptable settlement this year, but the challenges of delivering adequate services across a vast rural area remain. The fire service is, of course, a priority, but so are adult social care, education, planning and transport infrastructure, to name but a few. Extra pressures on both the fire service and the council include a growing elderly population, and an increase in the financial burden of dealing with flooding and associated demands for water rescue.

On the challenges of the increasingly elderly population, at a recent meeting the council's fire and community protection review panel confirmed that fire deaths in Norfolk are almost entirely of elderly people or those living alone. That is a bleak statistic. Prevention is vastly more effective and less dangerous or costly than dealing with a fire. The service is doing what it can to educate and inform people of the risks of house fires.

Building regulations require mains-operated smoke alarms to be fitted to all new dwellings or dwellings that are substantially altered, but there is no law to require people to fit smoke detectors in their homes in other circumstances. I welcome the television campaign to persuade the nation that smoke alarms should be fitted in every home and regularly maintained, and I have used my columns in constituency newspapers to press home that point. Does the Minister agree that it is a great pity that Norfolk fire service has a large stock of smoke alarms, which the Government have supplied, that it cannot afford to fit, because the cost of that work in a rural area is prohibitive? Will the Minister give careful consideration to funding a one-off campaign to fit those smoke alarms, rather than leaving them to collect dust in a warehouse?

The assistance of Norfolk fire service in water rescue is increasingly demanded and expected, although it has no statutory duty or funding to carry out this work. Coastal and inland flooding is becoming frequent, and in my constituency flooding in the Norfolk fens shuts roads with worrying regularity. The service does not have specialist water rescue teams in place, but there is an urgent need for them. I understand that a national review of the possibility of establishing water rescue as a new statutory duty has been undertaken. If flood water rescue were a statutory duty, Norfolk county council would receive the investment that it desperately needs to provide extra resources to the fire service for water rescue equipment and training. The county council has provided some money from an already limited budget, but the fire service is looking for greater Government commitment of money and recognition that this is a serious issue that must be addressed. I hope that the Minister will give favourable consideration to that today because I am sure that he understands the problems facing us not just in Norfolk, but throughout the country.

I come to the plans for regionalisation. The Government are planning to close the Hethersett centre in the constituency of my hon. Friend the Member for South Norfolk, and to move control to Cambridgeshire in a value-for-money exercise. Norfolk county council is concerned that the cost of that move is spiralling out of control. The cutting-edge technology used at Hethersett is the envy of firefighters throughout the country, and it seems crazy that the Government want to close the centre and to move control to Cambridgeshire. I cannot believe that that regionalisation is anything but a cost-saving measure, and I am extremely concerned that the high level of delivery that we currently receive in Norfolk could be jeopardised. Will the Minister assure us today that regionalised control will not lead to a decline in the efficiency and technological capabilities of the service? Will he also assure us that value-for-money measures will not be pursued at the expense of the quality of service provision?

At the start of this year, for the third consecutive year the Audit Commission concluded that Norfolk county council continues to provide a "good" well-performing fire authority. However, inspectors also recognised that pressure on the county council's budget was challenging an already low-spending service. Norfolk fire and rescue service has already met efficiency savings above national targets. I urge the Minister to assure the service that it will not be penalised for its own efficiency in terms of future funding.

Finally, has the Minister had any discussions with ministerial colleagues from the Treasury or Department for Transport on the issue of rebated fuel for emergency service vehicles? A report published by Her Majesty's Revenue and Customs in December 2005 states:

"vehicles used by the emergency services, armed forces, and local authorities are not automatically entitled to use such rebated fuel".

Significant expenditure is committed to fuel costs for specialist vehicles, such as fire engines. With recent fuel price increases, that cost demands an ever growing proportion of the total budget. Yet, as with other emergency services, the fire service is prohibited from using so-called red diesel, on which there is a beneficial rate of duty. Does it make sense for taxpayers' money to be given to the fire service to buy diesel for fire engines when tax and duty will then go back to the Treasury? Will the Government reconsider the case for specialist equipment, such as fire tenders, so that the tax saving can be committed to front-line emergency service cover—not only in Norfolk, but across the country?

Norfolk fire and rescue service does an excellent job in difficult circumstances and I hope that the Minister will see it in his gift to ensure that that service continues in a more efficient way that suits the population better. Will the Minister give assurances to my constituents that performance will be maintained and that they will not be put at risk because they live in rural areas that are costly and more difficult to serve?

1.42 pm

Mr. Richard Bacon (South Norfolk) (Con): I will make a very brief contribution. I congratulate my hon. Friend the Member for South-West Norfolk (Christopher Fraser) on securing the debate. He highlights an important issue, of which the public are not widely aware. The general public do not necessarily realise, although you may be aware, Mr. Pope—as is anyone working as a retained firefighter and their employers—that many of the people who put their lives at risk and help to protect the public are teachers, business people, factory workers, hospital porters, bricklayers and agricultural workers. They protect the public and are firefighters on the side and they do so on an exceptionally good value-for-money basis. It costs £1 million to crew-up a fire engine if it is

serviced by full-time personnel and only about £70,000 if it is crewed by retained firemen. Does the Minister think that that ratio is sufficiently startling? I think that it is and that it is exceptional value for money. It might be worth the Government going the extra mile—or raising their game—to protect the retained fire service.

The figures that my hon. Friend quoted demonstrated that it is not unusual to have 10 fire engines unavailable in Norfolk at any one time because the available crew is absent for understandable reasons, such as pressures on employers who are unable to let people go because of the nature of modern employment and how it has changed. That suggests that the system is beginning to break down. If it were just one or two unavailable engines, it would be fair enough, but 10 fire engines are unavailable on a regular basis, which suggests that the Government need to do more in terms of recruitment, advertising and campaigns to encourage participation in the retained fire service. Otherwise, the Minister will have to bite the bullet and pursue the alternative, which would cost him and his colleagues a great deal more money.

My hon. Friend mentioned regionalisation, to which there are advantages and disadvantages. I have heard people talking about that issue from both perspectives. Like my hon. Friend, I want reassurances from the Minister that if regionalisation goes ahead and the control centre in Hethersett is closed, the quality of the service will be maintained.

Finally, the subject of water rescue deserves a mention. Most people find it extraordinary that there is not a statutory duty on the fire services to rescue people. We all know about the Royal National Lifeboat Institution at sea, but the fact that there is no statutory duty in relation to our inland waterways suggests—I know that this is not the case—that the Government think that protecting the public if they fall in a river is not sufficiently important to be backed by the force of the law. That is not necessarily the Government's position and I invite the Minister to respond to that point and say what their position is. Surely, if it is worth protecting the public, it is worth doing so whether they are on land or in a river. We should not end up in the ludicrous situation of the Health and Safety Executive threatening to prosecute fire services because a retained firefighter standing on the edge of a river bank decides to jump into a river and save somebody rather than consult the rule book first.

1.45 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): I thank the hon. Members for South-West Norfolk (Christopher Fraser) and for South Norfolk (Mr. Bacon) for their contributions to this important debate. I put on record the fact that good and admirable work is done by not only the fire service in Norfolk—the hon. Gentlemen know about that work—but fire services right across the country. I congratulate those involved on the recent settlement, which over the next three years will amount to 8.7 per cent., 6 per cent., and 5.3 per cent. That will stand the county's authority in good stead to invest in the fire and rescue service. The hon. Gentlemen can correct me if I am wrong, but the figures that I have on the strength of the local fire service in Norfolk show that numbers have risen from 430 in 2001-02 to 479 in 2005-06, which implies that the local authority takes the matter of protecting local residents seriously.

Over the next three years, the Government are investing in not only a substantial settlement, but the new dimension programme, of which the hon. Member for South-West Norfolk will be aware, given that he talked about flooding. Across the country, £200 million will be put into new dimension equipment, including the high-volume pumps that were used effectively in the floods of last summer, not least in my constituency of Gloucester. The pumps were also mobilised to the eastern coast when we had the recent surges and threats of flooding, which thankfully did not materialise.

I know that the new dimension equipment that Norfolk has received includes a high-volume pump, an urban search and rescue unit and the funding of—this might sound amusing but it is very important—a search dog, which will be based in Norfolk. There will also be an instant response unit for mass decontamination and four prime mover vehicles, which I announced earlier this year. Hopefully that will make a real difference to equipping Norfolk for not just the challenges that we have traditionally expected the fire and rescue service to face, but new challenges.

Christopher Fraser: Does the Minister accept that Norfolk has special circumstances? We have suffered for a long time because flood problems that have been alleviated upstream have been pushed down to Norfolk. Does he also accept that Norfolk is a large area in which to operate one pump? If there is a problem on the coast, it cannot be used in the fens—much of my constituency—which is at sea level.

Mr. Dhanda: The hon. Gentleman is more aware of the local geography than me. I was about to come on to that issue, as well as the importance of fire control and where that will be of real benefit to Norfolk. I will discuss those matters in a few moments, but first I shall respond to a couple of important points that were made about the retained duty service.

It was only a few months into my time as the Minister responsible for fire and rescue services that we had the tragic events in Warwick. As hon. Members will know, four men lost their lives, all of whom were retained firefighters. I was quite disturbed by some of the reporting in the media. I know that the hon. Members for South-West Norfolk and for South Norfolk will agree that it is important for us to say that retained firefighters are in no way either part-time or in the second division. They are incredibly important to our fire and rescue service and they do a terrific job in rural areas, in particular.

I meet regularly with representatives of retained firefighters. I quite recently met Adrian Hughes, the president of the Retained Firefighters Union, and its general secretary, John Barton, to take on board many of the considerations. We have also been involved in a number of reviews, including to look at some of the issues that the hon. Member for South-West Norfolk raised around business and business support. The results of the research have shown that employers are pretty keen and enthusiastic about the work of the retained firefighters. I think that there is more that we can do as a Department, in our relationship with these businesses, to get across the message of just how much we value those people and how important it is that businesses allow these retained firefighters to do their work in local communities. I will impress on my colleagues and officials in my Department that retained firefighters do an incredibly important job.

[Mr. Dhanda]

With regard to fire control, the hon. Gentleman is quite right to say that a lot of complex technology already exists in Norfolk. Such technology will allow us to use satellite navigation systems to find the closest fire engine to an incident and to trace the incident, whether it has been reported from a mobile or a land line. Norfolk has been a trail-blazer for us with the fire control project, which is a £360 million national project to ensure that all 46 fire and rescue services have the same kinds of technology. Fire control is continuing to develop.

Just a few weeks ago, I was working with a key agency: the European Aeronautic Defence and Space Company. Technology is moving on and will provide Norfolk with even more technical support than ever before. It is important to get across the fact that there are two areas from which Norfolk will benefit, although it does not benefit from them at the moment. My constituency experienced bad flooding, and despite the fantastic work that was done in our tri-service centre, rescue workers were overwhelmed by the number of calls. Those calls had to be taken by other control centres around the country. Because those control centres are all on separate networks at the moment, the calls could not be automatically relayed back to the gold command in Gloucester. Some of the calls ended up being faxed in on pieces of paper, which is not satisfactory for a 999 system.

Under fire control and the new control centre, which will serve the east of England and the rest of the country, nine regional control centres will all be on one system and will all back each other up. The system will therefore be much more resilient. If there is exceptional demand in Norfolk, or anywhere else, the new system will enable all regional controls, which will be networked to each other, to talk to the control room in the hon. Gentleman's county.

The hon. Gentleman understandably says that this should not be about savings. He is quite right. It should be about technology, resilience and saving people's lives, and that is what it is about. However, it will also result in savings in the order of 25 per cent.

Christopher Fraser: May I go back to the point about an overwhelming number of calls coming into a fire service? As things currently stand, if there is a demand for a lot of services in Norfolk, Norfolk fire service is quite within its rights to call upon the facilities of other services. However, I do not understand how the Minister's nine regional control centres differ from what we have at the moment and how that makes the system more efficient. It would be different if he was saying—I suspect that he is not—that he will man it with nine times as many people to cover the calls. I cannot understand how the system will be any better than the one that we have at the moment.

Mr. Dhanda: I can correct the hon. Gentleman on that. At present, we have 46 different control rooms, and very many of them are on different systems. That means that there is not the same kind of capacity if one of those control rooms receives a lot of calls. The nine regional controls will all be on the same system and will be able to back each other up and talk directly to the one that has been overwhelmed. That is a key difference. The system will be much more resilient. It will also allow for the cross-border mobilisation of an engine and will move the nearest engine to the scene of the incident. All that will provide our firefighters with the best system that this country has ever seen, and also, I believe, the best system in the world, which is what they deserve.

The hon. Members for South-West Norfolk and for South Norfolk mentioned water rescue, which is a very important issue. It is something that my chief fire adviser, Sir Ken Knight, is looking at. The issue of a statutory duty is important. Within our calculations and considerations, we must consider three points. First, we find the fire and rescue service to be a can-do service, as was the case in my constituency during the floods. We had fire and rescue services from across the country coming together and getting on with the job without the need for a duty. We must also bear in mind whether, if there is a duty in place, it will stop rescue services—whether they are from the voluntary sector, such as the Royal National Lifeboat Institution or others—from attending and supporting the fire and rescue service, because all of a sudden, they will know that it is not their responsibility, but that of somebody else.

Mr. Bacon: The Minister talks about the RNLI or whoever. At sea, one can understand what he is saying, but on our domestic waterways, who is it from the voluntary sector who he imagines will be dissuaded from turning up who otherwise would? Will we have members from the British Heart Foundation or Barnardo's running out into the street from their shops to jump into waterways to save people?

Mr. Dhanda: That brings me neatly on to the third of my three points. Any agency or organisation will be within its rights to say, "Actually, it costs us money to do this. You have the statutory duty, so here is the bill." That is another consideration that we have to take on board. Having said that—

Mr. Bacon: I am asking who.

Mr. Dhanda: It does not matter who it is. We are talking about circumstances that have not happened. I am trying to explain to the hon. Gentleman the considerations that it would be remiss of us not to take on board before making these judgments. Hence, Sir Ken Knight is looking into the issues around a statutory duty. We will shortly report back to the House, so the hon. Gentleman will be able to make his comments then. Sir Ken Knight's report will be ready soon. He needs to take on board all these considerations.

The hon. Member for South-West Norfolk also talked about prevention and smoke alarms. My Department has funded about 1.3 million smoke alarms for people's homes. I am very proud to say that such a preventative role is at the heart of what the fire and rescue service does. It is important that chief fire officers and others continue with such work because it saves lives and has got us to the position in 2008 in which we can say that we have the lowest number of fire deaths that this country has seen since 1958. The good work that is taking place in Norfolk and the rest of the country must continue. The prevention work must be seen as not an aside, but a mainstream part of the fire and rescue service.

Question put and agreed to.

Adjourned accordingly at one minute to Two o'clock.

Westminster Hall

Wednesday 5 March 2008

[MR. JOE BENTON *in the Chair*]

Cashback Contracts

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Michael Foster.]*

9.30 am

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath) (Lab): It is always a pleasure to initiate a debate under your wise and experienced chairmanship, Mr. Benton. I am particularly pleased to have the opportunity to raise the issue of the way in which the mobile phone industry operates, its acquiescence to mobile phone retailers who offer unrealistic cashback offers, and the consequences for customers when retailers go into liquidation.

I should first like to talk specifically about Dial a Mobile, which was an independent retailer of mobile phones in the Bordesley Green area of my constituency. It ceased business on 30 August 2007 with, it was subsequently revealed, debts of £12 million and more than 90,000 customers who were connected through the company to the networks of the big five providers, Orange, T-Mobile, O_2, Vodafone, and 3.

Prior to being contacted by constituents who were affected by the collapse of Dial a Mobile, I confess that I did not know much about the mobile phone industry or how it operated. Like an ever-increasing number of people, I use a mobile phone, and I had a contract with an airtime provider, but I did not know how the cashback system operated, the relationship between the airtime provider and the retailers, or the powers of the regulator, Ofcom. Having spent several months dealing with issues arising from the collapse of Dial a Mobile, I now have a good knowledge of how the industry operates, and I find what I have learned extremely disconcerting.

My concerns are not mine alone; they are shared by the European Union's Communications Commissioner, Viviane Reding, who has serious concerns about how the mobile phone industry operates, particularly in this country and, as she calls it, its cosy relationship with Ofcom. She is also—rightly—extremely concerned about the vulnerable position in which many customers find themselves when mobile phone retailers go into liquidation.

I should explain that cashback is one of a range of incentives offered by mobile phone retailers to attract new customers or to poach customers from the network airtime providers—the big five to which I referred. In a highly competitive industry, the retailer is paid lucrative commission by the airtime provider for each new customer signed up for the provider's network. To entice customers to sign up, the retailer will offer part of its commission to the customer, which is payable, usually in stages, when the customer has been with the network for a certain period, in most cases 12 or 18 months. That sounds quite innocent; indeed, the customer could, in theory, have a sizeable amount of their contract payment reimbursed by the retailer.

However, there is a catch, and it is a very big catch. The retailer in the mobile phone industry is under huge competitive pressure to offer bigger incentives to get customers to sign up to the network that pays the biggest commission. To retain business, therefore, the retailer will offer bigger cashback offers to the customer. Slowly, as happened with Dial a Mobile, a business model evolves whereby if more than four out of 10 new customers claim their cashback, the retailer loses money and goes bust.

If a mobile phone retailer simply went into liquidation and could not honour its customers, and the contract—this is important—with the customer became null and void, it might not matter too much. It could be put down to the normal cut and thrust of business—some you win, some you lose. However, there is a clear difference in the mobile phone industry because of the way in which the system operates. To all intents and purposes, two contracts are involved. The contract that includes incentives such as cashback is between the retailer and the customer, but a network supplier insists on a contract with the customer when a customer hooks up to it. Also, as with Dial a Mobile, the network supplier disclaims responsibility for incentives such as cashback that are offered by the retailer. It insists that the customer pays the full amount to the network provider; otherwise, it will take legal action against the customer. That could, as is the case with many customers of Dial a Mobile in my constituency in east Birmingham, result in bailiffs being sent in and the customer getting an adverse credit rating.

Fiona Mactaggart (Slough) (Lab): My hon. Friend is talking about a similar problem to one that occurred in my constituency with Cell Fones UK; indeed, local trading standards officers have been liaising closely with those in Birmingham. Is he aware that his constituents, like mine, have often not signed, or even seen the terms of, the contract to which they are tied with the mobile phone companies?

Mr. Godsiff: My hon. Friend makes an excellent point on a matter to which I shall refer in a moment.

Some 90,000 customers were affected when Dial a Mobile went into liquidation, but since it went bust in August 2007, a number of other retailers have gone into liquidation. There are now hundreds of thousands of people who had contracts with mobile phone retailers that have gone bust who thought that those contracts were null and void because the retailer had not honoured its cashback obligations. Yet some network suppliers insist that they have contracts with customers, whether written or unwritten, and that customers should pay airtime contracts in full, and threaten legal action. Of course, mobile network operators—the big five—say that they will consider any representations that customers make "on their merits", but they have not disclosed how many contracts they hold through retailers that have gone bust, such as Dial a Mobile, nor have they disclosed how many individual cases they have considered "on their merits".

[Mr. Godsiff]

However, a large number of people are being taken to court by the mobile network operators and a large number are being pursued by bailiffs.

Mr. Jim Devine (Livingston) (Lab): Is my hon. Friend aware of the *Sunday Mail* campaign in Scotland? Jane Barrie, the leading reporter, has highlighted the fact that the companies involved targeted the poorer people in our communities, who are now being pursued by the bailiffs to whom he referred.

Mr. Godsiff: My hon. Friend, as always, makes an excellent point. The mobile network operators target the most vulnerable and disadvantaged. They also target people who think that there is such a thing as a free lunch—but those people then find out that there is no such thing as a free lunch but that a price tag is attached.

As my hon. Friend said, many of the customers being pursued, such as those with Dial a Mobile, did not sign a contract with either the retailer or the airtime provider. However, the airtime providers say that once a customer has been linked by the retailer into their network, a contract exists. They expect full payment under that alleged contract—full stop, no argument.

One would have expected Ofcom, the regulator, to have been aware of the problem before the end of 2007, when Dial a Mobile and several other retailers went into liquidation. Ofcom was indeed aware of the problem. On 31 July 2007, it issued a press release stating:

"Ofcom welcomes new code on mis-selling in mobile markets but warns of consequences of failure."

It went on to say that the five mobile network operators had more than 66 million active customer accounts, and that Ofcom was receiving in the region of 400 complaints a month from people who believed they had been misled by mobile phone retailers. It said:

"Ofcom has discussed the nature of these complaints with MNOs directly and industry has responded"—

the industry responded, not the regulator—

"with a code of practice which defines the best approach to promoting and selling mobile services."

That is commendable.

The code of practice, written by the mobile operators, sets out minimum business standards on prohibited sales and marketing practices, details of proactive monitoring, due diligence, and how complaints to mobile network operators should be monitored. Furthermore, it says that mobile operators can determine how to apply those principles to their own retail channels. It also refers to selling incentives. But as is often the case with written documents, the devil is in the detail. One should always read the small print. In my opinion, the code of practice makes the voluntary code not worth the paper it is written on. The most important sentence in it is to be found on page 5, which states:

"Mobile operators do not, however, underwrite the obligations of other legal entities".

In a nutshell, it means that the five mobile network operators are happy to encourage retailers to use business models such as the 40 per cent. redemption rate, which everyone knows is unsustainable.

The network operators are not interested in whether a retailer goes bust and cannot honour his obligations, because there will always be another one prepared to chance his arm to get business. Once the retailer has linked the customer up to the mobile network operator, the customer is, to use a fishing expression, hooked and netted. If the customer tries to escape, the mobile network operators send in the barristers and bailiffs. Of course, the mobile network operators—the big five—will say, "Oh, what you are saying is grossly unfair," and that they do not expect retailers to use 40 per cent. business models, which are unsustainable. As someone once said, "They would say that, wouldn't they?" One of the five—3—certainly encourages its retailers to do just that. In a letter to a retailer, 3 says:

"As promised, here is confirmation of our belief that many retailers currently operating cash-back schemes are experiencing a 40 per cent. redemption rate. This is based on feedback from a range of businesses operating both a Distant Selling model and a high street retail model. Perhaps the highest profile success story of a business operating this model is Dialaphone, whose results speak for themselves".

The retailer to whom that letter was written tried it—and he went bust.

The power of the mobile network operators and their absolute determination not to give up these highly lucrative contracts, however they were obtained, can best be seen in their attempts to pressurise local authority trading standards departments, which have valiantly tried to help affected customers. Birmingham's trading standards department was inundated by calls after the collapse of Dial a Mobile. Chris Neville, the head of the department, told the trade magazine *Mobile* on 13 September that

"The directors of Dial a Mobile told us that any documents—any contracts—were shredded and never passed onto the MNOs—and that was routine."

That is the firm in my constituency that went bust. It did not even pass contracts on to the mobile network operators; it shredded them. Chris Neville continued:

"They said the network providers knew this, and that this has been the case for a few years, and they'd been happy to accept customers via a phone call"—

presumably a mobile phone call.

I pay tribute to Chris Neville and his colleagues. Based on the lack of written airtime contracts, they advised customers to give notice to their airtime network provider of their intention to terminate their airtime contracts. Chris Neville said:

"The air time providers are getting upset at the advice we put out and are putting pressure on us to remove our advice."

The trading standards department was being told by the mobile network operators that it was not serving the best interests of their clients—the people who live in Birmingham—but that the operators were doing so.

The mobile network operators say that they have what the Independent Mobile Phone Dealers Association, a reputable body, calculates to be more than 1 million customers of failed retailers since 2005. Mobile network operators are saying, "We have them over a barrel. We don't want trading standards or Government Departments

interfering, and Ofcom's in our pocket. We want to be left alone to pursue them through the courts for the millions of pounds that these contracts are worth." I therefore ask, what is the regulator, Ofcom, doing? It is supposed to be looking after the interests of consumers.

I said that the regulator issued a press release in July 2007, saying that mobile network operators had produced a voluntary code, which they hoped would work. Seven months later, Ofcom launched an investigation into cashback and slamming. Slamming is a separate issue, but we all know what it is. Its true name is "erroneous transfers"; that is the posh expression. To mere working-class lads such as myself, it is called thieving of business. Nevertheless, I welcome the Ofcom investigation.

In a letter to me dated 23 October 2007, Ofcom said it wants:

"to find a permanent fix to these problems."

Although I welcome Ofcom's review of the voluntary agreement, that will not help the hundreds of thousands of people, including the 90,000 customers of Dial a Mobile, who are being pursued by the mobile network operators. Indeed Ofcom has already made it clear that the voluntary code of July 2007 is inadequate and has failed, and that Ofcom itself does not have the powers to compel the mobile network operators to tear up Dial a Mobile contracts.

The regulator sent me a very blunt e-mail in November, in which he said:

"Mr. Godsiff, in answer to your questions as to whether I have got any powers, as Dial a Mobile has gone out of business there are no Dial a Mobile contracts to tear up."

This is the regulator, Ofcom, talking. The e-mail continues:

"The problem is, rather, that the Dial a Mobile contracts were supposed to give money to customers to part compensate for the money customers were paying to the mobile operators. Now that Dial a Mobile has gone out of business, customers are often having to pay the full amounts to honour airtime contracts with mobile operators, even though they are no longer in receipt of cash-back payments from the retailer who sold the contract to them."

So here is Ofcom, the regulator, saying, "I am powerless. I know what the mobile network operators are doing and I cannot do anything about it."

I would like to pose some questions. First, why did it take Ofcom until July 2007 to announce a voluntary code of practice, drawn up by the mobile network operators, which it now admits is inadequate? Secondly, why has Ofcom now acknowledged that it has no powers to force the mobile network operators to underwrite the unsustainable business models that they are encouraging retailers to adopt?

It may come as something of a surprise to many mobile phone users, particularly the many hundreds of thousands of people who have been affected by retailers going bust, that one mobile network operator—Orange—contributes £2.5 million a year towards Ofcom's running costs. The other mobile network operators are believed to contribute to Ofcom's running costs too. I say "believed", because when my office sought the information on this from the regulator, Ofcom refused to release it on the grounds that, if it did release that information, it would reveal the turnover of the mobile network operators. So here we have a regulator, which receives £2.5 million from Orange, one of the companies that it is supposed to regulate, and quite possibly receiving other amounts of money from other mobile network operators, refusing to put that information into the public domain on the grounds that, if it did so, it might reveal the turnover of the mobile network operators.

I find that very interesting, particularly in the light of Orange's memorandum to the House of Lords Select Committee that looked at the mobile phone industry. In that memorandum to the Select Committee, Orange questioned, quite bluntly, whether the £2.5 million that it was putting into Ofcom every year was:

"good value for money for their shareholders".

So Orange is saying there, "We give £2.5 million a year, but we are not so sure that we are getting good value for money." Well, it hit the jackpot over these cashback contracts, did it not?

This sorry saga began with the belated recognition by Ofcom in July 2007 that the industry needed a code of practice; it continued with the inevitable collapse of Dial a Mobile and other retailers who had been encouraged to operate 40 per cent. cashbacks, which were unsustainable business models, and it resulted in hundreds of thousands of customers being ruthlessly pursued by the big five mobile network operators for at least £10 million that is allegedly owed to them. However, if the big five were to reveal the true number of people who have been connected to them through firms that have subsequently gone bust, the independent assessments are that they would have to reveal that the amount that they are pursuing from customers is about £50 million.

Finally, there was a belated acceptance by Ofcom that what has happened over the last six months, including the failure of the voluntary code, has, in its own words, "highlighted certain weaknesses", and that is the reason why

"Ofcom is now agreeing to launch a formal review to see if formal regulations backed by the full weight of Ofcom's legal powers would provide better protection for customers".

If Ofcom is saying, as a justification for now launching a review, that it might use "the full weight" of its powers, that prompts the question as to why it has not used those powers before.

In my opinion, what I have said this morning clearly shows that the mobile phone industry is not only an industry that is out of control but is operating a system—the cashback system—that is a totally discredited relic of the past. Indeed, when the furore arose at the end of last year, even some of the network operators themselves backtracked. Mr. Bernie O'Beirne, 3's dealer and distributor chief, said:

"We would love to ban cashbacks, but legally we can't."

He went on to claim:

"Cashback is really last year's problem. Cashback is always going to create problems".

Basically, he was saying that cashback had reached its sell-by date. There is nothing like a sinner who repents, but it does not help the large number of people who are being pursued for money by 3 and the other mobile network operators.

The mobile network operators could have acknowledged that they were aware of what some retailers were doing in pursuing unsustainable business models. They also could have acknowledged that they themselves were sitting on a mountain of contracts worth up to

[Mr. Godsiff]

£50 million, and they could have said something to their customers to the effect of, "We would like to help you." They have said that they will consider any representations that customers make "on their merits", but they deny any responsibility whatsoever for the shambles that has occurred.

I should make it clear that I not only recognise that the mobile telecommunications industry makes a valuable contribution to the UK economy but know that there are mobile phone retailers who will not offer cashback deals, because they know how flawed the business model for such deals is and they are prepared to forgo business rather than adopt a business model that could place their customers in difficulty if they themselves went bust. Many retailers, including some small family firms, contacted me when this furore arose over Dial a Mobile. They wanted it to be known that there are retailers who will not touch cashback deals, but they also wanted the general public to know that the mobile network operators, despite their protestations of innocence, are fully aware of the unsustainable business models being operated and pushed by them on to some retailers, and they are quite happy to turn a blind eye as long as the customers keep getting connected to their networks.

Following the representations that I have received, I have developed a great respect for those reputable retailers who have been prepared to say, "I'm not going to con my customers, even if I lose business." Such dealers deserve respect; they are the sort of people Ofcom should be talking to and encouraging, and I very much hope that it will talk to some of them as part of its review.

I have endeavoured to set out the background to this sorry saga, which has impacted on a large number of my constituents and on many other people around the country. Ofcom should have been much more rigorous and should have drawn up a code of practice that gave customers far greater protection, instead of letting the mobile network operators run rings around it.

It is still not too late for the big five to make a gesture towards their customers, and I do not have in mind the two-fingered gesture that they seem to be making at the moment. Before Christmas, I had a meeting with the parliamentary representatives of the big five, where I suggested—it was the season of good will—that they at least tear up the alleged contracts of people who had not even signed a contract or received the cashback promised by the retailers. I said that the operators could keep the rest and that they were making a fortune, but I suggested that they could at least tear up the alleged contracts of people who had signed nothing. In retrospect, I acknowledge that I was naive to think that fat cats would give up even a drop of their milk, and, sadly, that proved to be the case.

I suspect that the Minister will say that he has sympathy for the many people who are suffering, but that this is a matter for Ofcom, and he is of course right, because it is the regulator. However, he, with parliamentary approval, is responsible for setting the parameters within which the regulator operates, and I hope that he will be prepared to raise a number of matters with Ofcom.

First, if the regulator was so concerned about slamming and cashbacks because of the number of complaints that it received each month, why did it take until July 2007 to ask the mobile network operators to come up with a voluntary agreement? Secondly, why did it think that a voluntary code was acceptable, only to state that it was flawed and needed reviewing seven months later?

Thirdly, I hope that the Minister will emphasise to the regulator that cashback schemes should be scrapped, as even some mobile network operators, such as 3, now suggest they should be. If such schemes are allowed to continue, operators must insist that all retailers who sell mobile phone contracts must get customers to sign and forward contracts to them. Most importantly, I hope that the Minister will emphasise that the mobile network operators must be made responsible for underwriting cashback offers made by retailers who are pushing their goods.

I hope that the Minister will also ask Ofcom proactively to engage with the European Commission, which, as I said, is unhappy about the relationship between the regulator and the mobile network operators. I hope that he will instruct Ofcom to make known its yearly contributions from the operators, rather than allowing it to hide behind the cloak of commercial confidentiality.

Finally, I very much hope that, as a result of this debate, the mobile network industry will soon be properly regulated by a vigilant regulator that protects the customer from the dodgy business practices and rampant greed that have, I regret to say, characterised the industry over the past few years.

10.4 am

Mr. Richard Benyon (Newbury) (Con): It is a pleasure to be under your watchful eye today, Mr. Benton.

Let me start by saying where I come from on this issue. My constituency contains the world headquarters of Vodafone, of which I am a great admirer. The company has a very good corporate responsibility record, and there is a scarcely a school, arts body, sporting institution or voluntary organisation in the area that has not received funds or help from it. Although I am great admirer of Vodafone as a business, that is not to say that I come to the House as a mouthpiece for it or, indeed, any of the other network operators. In fact, I consider myself a challenging friend, and I have at times raised issues that would be of particular interest to the hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff).

I have great respect for the hon. Gentleman, who has been a worthy campaigner for his constituents, many of whom are on low incomes and who have undoubtedly suffered extremely badly as a result of some dodgy dealings by Dial a Mobile. That said, he and I probably look at business issues from different ends of the telescope, and I will seek in my few remarks to add a tone of caution as we perhaps move towards a new regulatory framework for the industry.

I recently saw early-day motion 696, which is in the hon. Gentleman's name, but one phrase leaped out and caused me such concern that I was unable to sign it. Speaking of cashback deals, the hon. Gentleman said that he believed

"network providers to be complicit in the active promotion of an unsustainable business model".

That is a sweeping statement. There are five major network providers, and I have not had time to speak to them all since I heard that this debate had been called. However, I have spoken to Vodafone, which takes great exception to the hon. Gentleman's assertion.

We must recognise that mobile phones are now cheaper and more reliable, that they cover much more of the British isles and that they do more—we can access the internet with them, and they have all sorts of other uses. Many of those advances in technology and provision have been achieved through competition. The marketplace is highly competitive, which is a good thing because it has given a lot of people on low incomes access to mobile communications and transformed their lives. I entirely concede, however, that that has resulted in some pretty dodgy dealing, as in all highly competitive marketplaces.

In seeking to sift out the bad guys, however, we need to look at the actions of the independent dealers. As we seek to secure value for money and consumer rights for our constituents, we should ensure that our fire is directed at the real culprits, and it is open to debate whether the networks are complicit. In fairness, the hon. Gentleman made a good case, and some network providers may have encouraged activities among independent dealers that might, in the wrong hands, be open to question. However, we are certainly not talking about all network companies and we should all be careful about the words that we use.

The hon. Gentleman referred to the mobile networks' self-regulatory code. I have read the code, which I believe was a genuine attempt by the networks to do what they could to set out the principles governing the behaviour of independent dealers. However, anti-competition rules limit the extent to which operators can restrict independent dealers' freedom to set out their own deals. In other industries, such as the airline industry, we have seen how a cartel of large companies can set prices and establish business models in an entirely illegal way, and they pay a heavy price for that. It is not in our interests for network providers to behave in that way; indeed, they should not and would not want to do so. In attacking them, however, the hon. Gentleman might be taking them down a route that is illegal under the EU's very strict competition rules.

The Independent Mobile Phone Dealers Association does not think that the code is enough or that it will work. If that is the case, perhaps Ofcom should look at the statutory regulations of the independent dealers. The independents have been offering the deals that have caused consumer harm. People close to me often tease me for my financial caution. The only cashback deal that I would take is the one that put cash in my hand at the time that I was purchasing the contract. Even then, I would question who was getting the money back at another time in another way. I have always been dubious about such arrangements and of snake oil salesmen who may, from time to time, try to sell me things beyond the area of telecommunications. Any cashback deal is surely an area for question.

Lorely Burt (Solihull) (LD): I commend the hon. Gentleman's caution. It is very true that if something looks too good to be true, then it usually is too good to be true. However, the hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) has described people who do not have the same commendable financial acumen that the hon. Gentleman has. Does he not feel—and I am asking an open question—that there should be some form of protection for such individuals?

Mr. Benyon: I think that there should be. Indeed, there is already a considerable amount of protection. It is a question of balance. How far should Parliament and the regulator go to hold the consumer's hand throughout the whole process? The hon. Member for Birmingham, Sparkbrook and Small Heath rightly mentioned the clarity of contracts and the implications of the so-called small print. However, there is a point at which one has to say "caveat emptor". I recognise that some people find it hard to read the small print. For example, they might have literacy problems or a shortness of attention span. Certain dealers and businesses across the whole commercial sector can take advantage of such people. However, it is very difficult to legislate for everybody. We have to recognise that if we go too far in one direction, we could achieve something that is much more damaging.

I am interested in the Independent Mobile Phone Dealers Association, which has an impressive website. I recommend that hon. Members look at it. However, it is hard to tell from that website how many members it has and what percentage of the independent dealers it represents. My understanding is that it has yet to have a formal meeting with the networks to discuss this matter, which seems extraordinary. I know that communications are a two-way street, but this matter seems to call for an urgent meeting between this organisation and the networks.

I welcome—and we should all welcome—any attempt by an industry or a commercial sector to police itself and to set standards. I hope that that is what the IMPDA will do. It is the rogues in the sector who are blighting the whole industry and blackening the name of telecommunications sales across the board, but we and the IMPDA should be careful what we wish for. If we go too far down a regulatory route, it could result in fewer dealers, less choice and a higher cost to people on low incomes for whom mobile telecommunications are increasingly important.

Let me give hon. Members an analogy related to the Financial Services Authority. A large number of independent financial advisers operated in an able and capable way, giving advice to individuals on a one-to-one basis. They went to people's homes and talked about pensions, life insurance and so on. They provided a very good service. Among them, however, were some rogues who were involved in some very bad cases of mis-selling. The FSA went in very hard and has regulated that industry to within an inch of its life. Now, the only people who can provide the kind of financial services that are wanted are the large operators. Those small one-to-one, one-man-band financial advisers come to our surgeries and tell us how the FSA has ruined their business. I worry that if we go down the wrong regulatory route, it could work in a similar way in the mobile telecommunications sector.

Regulation is good if it is pitched right and targeted at where the problem lies. I suggest to the hon. Gentleman that his attack on the networks is slightly missing the target. The real rogues exist among the

[Mr. Benyon]

independent dealers, the vast majority of whom are entirely honest—and many want nothing to do with cashback deals—and provide a good service. Nevertheless, that is where the problem lies. The networks undoubtedly have a role to play in ensuring that the rogues are not buying into them.

Mr. Godsiff: The hon. Gentleman said that he has looked at the voluntary code of practice, which was drawn up by the mobile network operators. If he looks at that code, he will see that the operators say very clearly that they will come down very hard on the sort of rogues that he is referring to. But they will not do so because, as letter after letter from reputable retailers says, they are quite happy to turn a blind eye all the time that those rogues get connected up to their networks.

Mr. Benyon: If you will forgive me, Mr. Benton, that is a simplistic view. Undoubtedly, such people sign up to the networks; that is their only means of operation. I have spoken to one company and it is not the case that it is encouraging them in any way that it can. Strict competition rules prevent companies from imposing on the dealers a business model that is too prescriptive.

In conclusion, regulation, if it is done correctly—not as it has been done by the Financial Services Authority in financial services—is the way forward. Otherwise, the perfect will become the enemy of the good and many people on low incomes will suffer a higher cost for their telecommunications provision.

10.18 am

Lorely Burt (Solihull) (LD): I congratulate the hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) on securing the debate. He has raised the lid on a particularly unsavoury can of worms, and I am sure that hon. Members will have been quite shocked by some of his stories. I appreciate the points made by the hon. Member for Newbury (Mr. Benyon) in relation to how far regulation should go. It is true to say that if something looks too good to be true, it probably is.

The question that we should consider is how far one should go to protect the gullible. Gullible people are not only those on low incomes who may or may not have the opportunity to read the small print in the first place, but ordinary people such as myself. Two members of my family have taken out cashback contracts, so I have personal experience of this. One of those family members is an organised person. He arranged his cashback through a reputable retailer and gets his money back. I am a disorganised person and often realise to my cost and chagrin that I have forgotten the relevant date, and that that date has gone by. Deals under which claims must be made on, for example, the third, ninth and 10th month—if the day falls on a Monday and it is not raining—are not sensible.

The problem is that even organised and sensible people who enter into contracts with their eyes open will find that sometimes it is virtually impossible to get their money back, and that cannot be right. I understand that, under the deal offered by Dial a Mobile, individuals were paid back the whole of their £35 monthly rental. Customers would have been given an agreed number of free calls and texts, but of course there is no such thing as a free lunch. The company's business model obviously miscalculated the number of people who would claim back that cash, and that smacks of being disingenuous. Operating a business model that relies on people not claiming what they are entitled to is an inappropriate way in which to carry out any form of business dealings.

The hon. Member for Birmingham, Sparkbrook and Small Heath talked about the role of mobile operators. Certainly, Orange and T-Mobile insist on the honouring of contracts even when the middleman has gone, which is a fact that we should publish to make consumers aware of the pitfalls of contracts into which they might consider entering. The Mobile Broadband Group has mounted a defence of the situation. It says that the activities of less than 10 per cent. of dealers have been complained about, which it seems to think is highly commendable. As I see it, it means that we have a core of disreputable organisations. I agree with the hon. Member for Newbury that some of the larger retailers operate entirely honourably, but I do not think that it is a good thing that 10 per cent. of retailers are being complained about.

Ironically, the Mobile Broadband Group says that the voluntary code of practice is not voluntary for the dealers, but forms part of their contract with mobile operators. So there is one rule for operators, for which the code is voluntary, and another for dealers, for which it is compulsory. It says that there are no more complaints about mobile companies than about fixed-telephony ones, which apparently now have a smaller client base and are formally regulated. However, that again suggests that there is a nub or niche of businesses operating inappropriately, which raises the question of whether some form of formal regulation would be appropriate to rid the market of those who bring everybody else into disrepute.

Has the Mobile Broadband Group cleaned up its act? It claims so by pointing to the introduction of the voluntary code On examples coming to light, it says, "Well, it takes some time to flush through existing contracts," which might be the case. However, I have concerns, particularly in light of the comments of the hon. Member for Birmingham, Sparkbrook and Small Heath about the lack of clarity from Ofcom itself on how long we should wait for that process to take place. Of most concern is the fact that the Mobile Broadband Group will not take responsibility for the actions of its dealers. It still claims to have a contractual relationship with people whom it has never met, even though the middleman—the dealer—has gone out of the equation. It also claims to be considering the matter on a case-by-case basis. I am not a lawyer, but I am dubious about whether that is appropriate, given that whole classes of individuals have clearly been affected.

The concept of what is going on in the market has a peculiar odour to it, which would not be the case if there was a straightforward deal from which everybody could benefit. Ofcom is considering whether regulation is needed, but perhaps we should wait and see whether the problem will flush through, as the Mobile Broadband Group claims that it will. In the meantime, mobile operators should take their fair share of the

flack and publicity and be made to appreciate that they cannot just enforce what legally might be contractual arrangements with users without considering the consequences of people's caution over, and annoyance with, the practices that they operate.

10.27 am

Charles Hendry (Wealden) (Con): It is a pleasure to serve under your chairmanship, Mr. Benton. I congratulate the hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) on securing the debate and on the way in which he introduced it. His commitment and passion were clear from the way in which he spoke, although I caution him about damning an entire industry, particularly one in which Britain is a world leader, because of problems in one small part of it.

I also pay tribute to my hon. Friend the Member for Newbury (Mr. Benyon) for the way in which he spoke. He presented an extremely balanced view and spoke with great clarity. He is indeed a critical friend of his constituency company, Vodafone. I had the privilege to visit that company with him a while ago. It has made an incredible investment in that community, which is typical of the industry. As I said, we must be careful that if we have concerns about failings in one sector of an industry, we do not simply damn the entire industry.

There are about 70 million mobile phone customers in the UK—more than one per adult. That is a huge penetration, and it is one of the success stories of British industry. As we have heard, cashback deals are a way in which to attract customers from one company to another, which is an entirely legitimate business practice. It happens in every walk of life and it is understandable that businesses would seek to do that, particularly in a largely saturated market. Clearly, there are not many people out there who want a mobile phone and have not yet bought one, which means that the only way in which companies can increase business is to attract customers from other companies. That does not mean, however, that they should do so by any means available. There still have to be rules and fairness.

As we heard from the hon. Member for Birmingham, Sparkbrook and Small Heath, Dial a Mobile went bust last year, and it is quite clear that its business plan was flawed. It put out into the network too much money and, ultimately, it was unable to honour its commitment. The hon. Member for Solihull (Lorely Burt) said that it was bad business practice to put out more than one could honour, but that is the way in which many business deals work. It is exactly the way in which Airmiles works, for example. One reason why British Airways moved Airmiles into a separate company was because if everybody had sought to redeem their Airmiles entitlement, BA would technically have been insolvent. BA relies on the fact that some customers will collect Airmiles and never redeem them, or redeem them in many years' time. That is the way in which the business world works, and to stop such a thing absolutely would be rather damaging.

Clearly, people have been affected by the situation, and in some cases they have made their concerns known and complained to Ofcom. I understand that the number of complaints peaked last year with 569 in August, and 813 in September, which relates to the spike when Dial a Mobile went out of business. We must put the issue in context: 800 out of 70 million customers made complaints. I accept that this is a matter of great importance to those 800 people and others who have been affected, but one must put the issue in context. Let me draw an analogy. The Liberal Democrats got about 6 million votes at the last election, so the situation under discussion is similar to about 50 of those voters being unhappy about the outcome. I imagine that all Liberal Democrats were unhappy about the outcome, but in the situation under discussion, the number is relatively small when compared with the total market.

We also heard from the hon. Member for Birmingham, Sparkbrook and Small Heath that on 31 August last year, the code for the responsible selling of mobile telephony came into effect. That is a responsible action by the industry and, generally, it is the right way forward. The major companies—O2, Orange, T-Mobile, Vodafone and 3—have signed up to it, and although the Independent Mobile Phone Dealers Association wants legislation to force full cashback payments within 90 days, with penalties for failure to comply, we must understand what the right process is when something goes wrong.

First, local trading standards officers should investigate to ensure that nothing has been done illegally—from what the hon. Gentleman said, that has clearly happened in Birmingham. Secondly, once a problem has been identified, it is right that the industry involved tries to produce a voluntary code for better practice, and that has clearly happened. There might be debate about how effective that is, but it has happened. Thirdly, it is also right that the regulator should investigate the problem. Once it has had the chance to investigate, it should decide whether it needs to use its full powers to bring about change. The regulator can do several things: it can enforce a tougher code of conduct; stop cashback payments completely; and, probably, require repayments when people have lost out in the way in which the hon. Gentleman outlined. However, we must go through that process, and only if it fails should we consider legislation.

Ofcom will have to examine the issue of contracts. We will all have been concerned by what the hon. Gentleman said about the lack of contracts, but I suspect, although I am not sure, that the practice will have been driven by customers. They will have said, "I want a phone, I want it today and I want it to work today. I do not want to have go through the process of having a contract sent off, submitted, approved and everything else." Businesses, therefore, might have been trying to react to the demands of their customers. I do not know that for certain, but I suspect that that has been the case.

We must also have cognisance of the principle of caveat emptor, however, and the fact that at the end of the day, people did a deal with their local phone shop, not with the company itself. Similarly, if I go into a travel agency and buy an airline ticket, I realise that I am doing business with the travel agency, and if I go into a garage to buy a car, I deal with not Mini directly, but the garage. This is the same sort of relationship, and we must have clarity about it.

[Charles Hendry]

The code of practice says that the offer must clearly state in writing which legal entity—the dealer or the mobile operator—is making the offer, and who will undertake to meet the obligation. It also sets out a number of unreasonable practices, such as

"a requirement that the customer submits their original statements—copies of statements should be accepted as proof; a charge for processing a cash back claim; a requirement that cash back claims are submitted within an unreasonably short period, such as anything less than 60 days".

The code has a number of powers, such as a power whereby dealers that breach the code could have their contracts with the networks terminated.

The hon. Gentleman highlighted one aspect of the contract that states that companies would not be responsible for the losses of other business operators. I thought about that and wondered in what business sector that would apply. To return to my analogy of buying a car, would Mini be responsible for the losses of a garage in Birmingham? Would Zanussi be responsible for the losses of a high street electrical retailer that went bust? If they are not responsible, what is the opposite position? The company that provided the major service would be responsible for the losses of the companies that dealt with it. However, that would be a recipe for bad practice. It would allow companies to take risks in the knowledge that a large multinational company would step in to cover them if everything went wrong. Although I understand why the hon. Gentleman drew attention to the phrase, the alternative would be something that no business could contemplate.

Mr. Godsiff: Is the hon. Gentleman really suggesting that the mobile network operators did not know that retailers were operating unsustainable business models that pushed those operators' products? With reference to the code of practice, the operators themselves did not root out retailers that operated unsustainably and used bad practice. I have a letter from a couple who live in Chesterfield. I have read it, and they do not strike me as particularly disadvantaged people. They signed up with a firm that went bust, and they say:

"From our perspective, at the time of taking this out, the cash back and network provision were intrinsically linked, and portrayed as this"

by the retailer. The retailer says, "I am selling you a product of one of the mobile network operators, and myself and the network operator are part of the contract." The hon. Gentleman says that the mobile network operators' argument is that there are in fact two contracts. What the retailer does is his business, but once there is a link to us, we want full payment.

Charles Hendry: I am grateful to the hon. Gentleman for his intervention, but it would be quite inconceivable that a network operator could be liable legally for the individual business decisions taken by every single retailer throughout the country selling its products. There must be a separate legal arrangement between the customer and the retailer, and the customer and the service provider. Clearly, the mobile operators will have known of the practices, but they could not then determine that they were unsustainable because, in some cases, they clearly were not.

Companies have managed to offer such a service and not go into liquidation. To make a decision on whether the situation was unsustainable, we would have to know how much money the directors took out of the company, the leases that they undertook and whether they were affordable, how much they paid in rates, and their staffing costs. A range of costs would determine whether a business model was sustainable, not just the ratio between the cashback that was offered and the take-up that was expected.

Lorely Burt: I fully understand, and agree with, the hon. Gentleman's points. However, the problem has been exacerbated by the mobile operators' insistence on prosecuting their contract with the retailer and then transferring it to the end user. That is the issue that we should examine, because the operators appear to have been acting very inflexibly and not exercising any discretion. They now have a new relationship with the end user, and they should examine the circumstances with that end user.

Charles Hendry: My recollection is that I signed a mobile phone contract with Carphone Warehouse, not directly with Vodafone, so the contract was made specifically with the retailer. However, I would have assumed that I had formed a contractual arrangement with the network operator the moment that I started using the network—in other words, I would not have been allowed to start making phone calls without some implicit contract relating to how the calls would operate and what charges would be imposed. To return to my point about caveat emptor, there is a point at which members of the public ought to think, "Well, if I've started using my mobile phone, I must, de facto, have some contract with the network operator." Those are exactly the issues that Ofcom should investigate.

I am pleased that Ofcom is looking into the matter and I hope that it will not be long before it provides the evidence from its investigations, but I think that the comments made by the hon. Member for Birmingham, Sparkbrook and Small Heath about Ofcom, particularly its "cosy relationship", were regrettable. I have had a lot of dealings with Ofcom and have found it absolutely objective and fair in all of them. When Ed Richards became its chief executive, some people were concerned, because he had worked at No. 10, that his appointment might be political. From everything that I have seen, I must say that he is an expert in his field and scrupulously objective and fair, and that he and the people who work with him do a great service to the industry.

Mr. Godsiff: I should make it clear, as I thought that I did in my speech, that the comment about the cosy relationship was not mine, but that of Viviane Reding, the European Commissioner with responsibility for telecommunications, who has made it perfectly clear that she is unhappy about what she calls the close-knit and cosy relationship between the regulator and mobile network operators in the UK.

Charles Hendry: It is my sense that we have one of the toughest regulatory regimes in Europe. Our system is the envy of many other countries. Ofcom is an expert organisation. I always find that it puts consumers'

interests first and is not afraid of a fight with the industry when it feels that that is appropriate. I want to put that firmly on record.

I hope that the Minister will answer a number of questions about his Department's position on the matter. Does the Department monitor complaints, and to what extent have cashback sales been an issue of concern in the complaints that it has registered? What discussions have he and his colleagues had with representatives of the telecoms networks and dealers? Has he had discussions with Ofcom about the issue, and does he believe that the code of practice is generally working satisfactorily?

To return to the points made by my hon. Friend the Member for Newbury, the British telecoms industry is a world leader. We lead in innovation, we have one of the highest rates of market penetration in the world, and we have a very good geographical spread, as many hon. Members know from having opposed masts being put up in our constituencies. We have a system that works better for those on lower incomes than systems in many other countries because handsets are often given away free, which gives people access to mobile telephony who would not otherwise have that. Our system is also highly competitive. We have almost too many different tariffs on the networks; I find it incredibly confusing to look at the tariffs available to see whether I am getting a good deal.

Clearly, the system is not flawless, and some schemes will be mistaken, but it does not help to denigrate an entire industry and all its operations because of failings in one small sector. We have a blame-and-legislate culture in this country: whenever anything goes wrong, we find somebody to blame and pass a new law to address it. All too often, the newspapers that say that Parliament legislates too much are the same ones that call for the next law to be introduced. The right way forward is to identify the problem, which has clearly been done, and to create a voluntary code, which has also been done, although it does not work as well as it should. The regulator should then investigate and use its powers as necessary. Only if that fails should we look to legislation.

10.44 am

The Minister for Energy (Malcolm Wicks): I, too, congratulate my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) on securing this debate. I think that all of us have been struck by his commitment and concern on behalf of his constituents, particularly those on low incomes. Many have certainly been badly treated, and I was struck by his comments on the consequent financial distress that some are suffering. I thank him for continuing to highlight the issue.

My hon. Friend is right to be concerned; thousands of people feel aggrieved that they have lost money by agreeing to cashback deals. I hope that he will understand that I shall not comment in any detail about the particular case of the collapse of Dial a Mobile, as that would not be appropriate. However, he has raised wider issues, so today's debate is welcome.

Consumer protection is a key role of the Department for Business, Enterprise and Regulatory Reform. I know from my constituents and the many people who write to the Department that consumers expect to be treated fairly and expect their voices to be heard by business. Most importantly, they expect the best consumer protection regime that we can provide.

Regulation of the telecommunications market in the UK falls to the independent regulator, Ofcom, a statutory corporation set up under the Office of Communications Act 2002 with duties to further the interests of citizens in communications and relevant matters. Ofcom introduced the voluntary code of practice last July with the aim that consumers should be able to trust those who sell to them. As Ed Richards said at the code's launch:

> "We expect this new voluntary code of practice to stamp out mis-selling in mobile; if it does not, we will not hesitate to step in to protect consumers."

The Department monitors complaints, which have, unfortunately, continued at a relatively high rate, peaking at an average of 665 per month in September 2007. Given the continuing complaints to Ofcom, it is absolutely right that it has reviewed the voluntary code of practice. I understand that the conclusions of the review will be made public shortly, and I look forward to seeing them. I hope that before Ofcom finalises its voluntary code, it will listen carefully to the voices in this debate, which I know it is monitoring, particularly the complaints of my hon. Friend. That seems the best way of tackling mis-selling and cashback deals that do not materialise in practice.

Part of the role of an independent regulator is talking regularly to mobile network operators and retailers about enhancing mechanisms to give consumers improved protection. As we have heard, the mobile telecommunications sector is one of the most intense and competitive in the UK. By the end of 2006, there were nearly 70 million active mobile phone subscriptions in the UK. Further growth is being driven by multiple handset or SIM card ownership. That intense competition has given us one of the most dynamic markets for mobile telecommunications in the world, and it puts pressure on everyone—vendors, customers and regulators—to ensure that business is done fairly and contracts are honoured.

The Office of Fair Trading can take action against standard terms used by traders in contracts with consumers, seek assurances from anyone using terms that it considers unfair and, if necessary, seek injunctions forbidding the use of specific terms. A term may be unfair not merely in substance but, equally, by being so obscurely worded that the consumer cannot reasonably be expected to understand it. If a trader uses standard terms and conditions but hides away important or onerous contract conditions in the depths of the document, that may be unfair. There are also controls on misleading trading practices. If a trader knowingly misleads a customer about what is on offer or the conditions of the sale, that may be a false trade description or misrepresentation.

In a couple of months, we shall bring into force new regulations implementing the unfair commercial practices directive. The regulations will repeal much of the existing law in this area and replace it with a simpler, more general framework. The essence of the new system will be simply that the trader should not mislead the consumer or omit important information if

[Malcolm Wicks]

those actions or omissions might lead the consumer to take a different decision. I give that information as general background, as it is not clear that those aspects of the law are of particular relevance to this issue. The central problem in most cases seems to be that the reseller has gone out of business. In those circumstances, the general consumer protection regime is unable to offer any practical assistance.

Cashback has been a commonly available offer from independent mobile retailers for the past five years: retailers undertake to pay an amount of money to customers when they take out mobile phone contracts. Cashback contracts are with retailers and are separate from customers' airtime contracts with mobile providers such as Vodafone, Orange and O2. Ofcom recognises and welcomes Vodafone's rescue package for its Dial a Mobile customers. It has offered contract exits and downgrades to affected customers, and Ofcom has urged other providers to adopt similar, generous rescue packages. In most arrangements, cashback is funded by retailers from the commission that they receive from mobile providers for making sales. There has been a welcome focus on operators supplying customers without using third-party suppliers. By May 2007, direct sales accounted for nearly 60 per cent. of sales.

It is important that customers ensure that they have as much information as possible before agreeing to anything. However, I recognise that my hon. Friend would argue that people on low incomes who do not have information that many other people might have can be particularly vulnerable. We need to think through the implications of that. My Department is committed to putting knowledgeable, empowered consumers at the heart of a strong UK economy, and to ensuring that the UK has a first-class consumer policy framework. We want confident, well-informed businesses and consumers, because they are key to ensuring that competition benefits us all. We are determined to maintain and, crucially, to enhance a robust, effective consumer and competition regime that gives consumers the knowledge and information they need to shop confidently at home and overseas. We want it to educate consumers so that they know their rights and where to turn for protection.

On 26 May 2008, the new consumer protection regulations will usher in the EU's unfair commercial practices directive. The new rules will help consumers by banning all types of unfair selling and marketing methods and by tackling unfair conduct that is not currently illegal. The directive will ban misleading statements or omissions, and deceptions about the value of cashback deals or the conditions necessary to qualify. It will not, however, ban cashback or other incentives.

My hon. Friend has raised an interesting issue. I do not think that my words will satisfy him entirely, but it is important to re-emphasise that Ofcom has recognised that the voluntary code needs reforming and strengthening. Although the code is near to publication, I hope that Ofcom will step back for a few moments and consider today's debate and the different contributions that have been made. We should consider in particular the important issues that my hon. Friend has raised.

10.54 am

Sitting suspended.

Governance of Britain

11 am

Mr. Graham Allen (Nottingham, North) (Lab): I should like the Gordon Brown Government to be remembered as one who revitalised our democracy and returned power to our people, individually, locally and regionally; who finally ended the privilege of the unelected to vote in our legislature; who allowed people locally to run their own local affairs; and, finally, who enabled the people directly to elect not only their parliamentary representatives but their nation's chief executive, as is commonplace in virtually every other western democracy.

The Blair Government did their best to pay their debt of honour to the democratic radicalism of John Smith, especially through Scottish and Welsh devolution, but we knew that in their heart they were not motivated by democratic change. They fatally—some say deliberately—delayed efforts to establish English regional government, which could by now be entering its second decade and be a stable part of our democratic arrangements. They were inconsistent on mayors and local cabinets. There was no rebuilding and refurbishment of the vital local party political infrastructure that is required by all parties. There was no tackling of issues around state funding to sustain our democratic parties, and we know the consequences of that: funding is not even at the level at which we rightly fund the BBC. Our parties, politics and democracy apparently are not even worth that amount of money.

That all betrayed a Government who, at heart, trusted Whitehall before the localities, and officers and bureaucrats before politics and parties. They preferred to manage the dance between the media and No. 10 that monopolises British politics, rather than re-engage directly with the British people. They presided over well-meaning, policy-light centralism, not the creative, liberated political entrepreneurship of the sort for which many of us hoped.

Ten years of massive majorities and unprecedented economic growth gave real space to transform our democracy, but the opportunity was not even seen, let alone grasped. Instead, we have empty shells of elected local councils, people who do not have written rights, an unelected second Chamber, and, perhaps above all, a Parliament that is seen at best as irrelevant, and at worst as the hapless, dependent lapdog of the Government. Parliament can now be popularly defined as the house of sleaze, individualised and greedy. We are pilloried on expenses, and not respected for representing political opinions. Parliament itself has the most to gain from democratic renewal and serious self-appraisal. It, instead of the media, should become the forum of the nation. The "Today" programme and "Newsnight" obviously occupy a good place in the pantheon of British democracy, but so should our Parliament.

Parliament should hold the Government to account, rather than be seen as rival supporters' clubs. It should reach out to involve the electorate in law-making, rather than being a shabby rubber stamp. This is the best opportunity in my lifetime for democratic change. In our system, the grossly overdeveloped and unchecked Executive allow the Prime Minister to make change in a way that no other western democracy permits. That is a bad system. Its only advantage is that it enables our new Prime Minister to move forward with real pace and urgency on an agenda that he cares about, and to change for good the way in which we are governed. I have no doubts whatsoever about the Prime Minister's sentiments on the issue, nor those of the Minister, whom I regard as an hon. Friend indeed.

In his leadership campaign, the Prime Minister made only one commitment to legislation, and that was on democratic reform. He chose to use his precious and unique first speech to Parliament as Prime Minister to outline a new democratic settlement for Britain. However, even with such prime ministerial resolution, the dead-weight of conservative culture, bureaucratic tradition and the soporific comfort zone of colleagues all combine to slow, soften, and suffocate his vision to spread democratic power.

I have called the debate today to enable the Minster to reassure those of us who want democratic change that we should keep the faith, and to enthuse and motivate those who wish our Government well in this endeavour. He has been working hard, but he knows that outside there are no torches lit, no passionate debates being held, no sense of this being Philadelphia in 1787. New technology should enable literally millions of people to take part in debates. The media should be abuzz with excitement around creating free-standing, independent local government, democratising the health and police services in regions with elected representatives, enabling taxation and bonds to be raised and spent locally in accord with the wishes of local people, being clear about the federal nature of the United Kingdom and the powers of the nations and the regions of our country, and defining our rights and responsibilities in a British Bill of Rights.

Mr. Neil Turner (Wigan) (Lab): Will my hon. Friend give way?

Mr. Allen: I gladly give way to my hon. Friend, who has a long and honourable record in local government and in democratising local government.

Mr. Turner: I apologise for the fact that I shall have to leave before the end of the debate, Mr. Benton. Unfortunately, in this place, we all have to be in two places at once.

Would my hon. Friend agree that the elephantine gestation period between the idea and the concept, let alone the concept and the implementation, of the regional Select Committees is far too long? Would he also agree that one of the good things that has happened is the appointment of regional Ministers, but that they cannot do their job properly if they are not properly scrutinised and supported by regional Select Committees? That change could be made fairly quickly, irrespective of some of the other ideas that are in the Government's White Paper.

Mr. Allen: My hon. Friend makes sound sense, as always. I believe that we all welcome the fact that regional Ministers have been appointed, but that has to be just the first step. There must be proper parliamentary scrutiny of regional Ministers and

[Mr. Allen]

power structures. Equally, regional Ministers themselves could form the nucleus of regional government, if they chose to bring in as an advisory board two or three people from each of the key parties and started to give responsibility to people in the regions, perhaps on the basis of variable geometry. Perhaps in the north-east they would want to go a bit quicker, whereas in my region, the east midlands, which does not have the same sort of identity, we would go a little slower. If we were to let those things blossom, and give regional Ministers the authority to push the envelope and push the boundaries back a little, incredible things would happen, not least in terms of proposals for democratising health, the police, transportation and several other services. That could happen and be supported by Parliament.

There seems to be a view that if Parliament holds the Government to account for anything, it diminishes government. My view is that it enhances government. It adds value and can often save money to have effective scrutiny by people such as my hon. Friend—I do not flatter him at all—who have experience in the field, who have passion and who care about such matters. They often have something to give from this place rather than merely going through a formulaic process. I, too, wish for Select Committees and more powerful regional Ministers with advisory boards to be established in the near future.

It should be possible to generate excitement around the writing of a British Bill of Rights, or the writing of a written constitution for the UK. We should seek to have millions of founding fathers and mothers eagerly participating in debates and drafting documents. Passion and excitement should be generated and provoked by a Government who are committed to profound change. Instead, if we listen carefully, we can hear the scratch of a quill pen somewhere in the bowels of Whitehall: worthy, workmanlike and carefully crafted, no doubt, but not in the same league as the Prime Minister's original starburst vision that he gave us all and enthused us with so much last July. We need to recapture that as we proceed over the next few months and as we move towards a general election.

Sir Peter Soulsby (Leicester, South) (Lab) *rose—*

Mr. Allen: I am happy to give way to my hon. Friend, who has great experience in local government, before I come to the end of my remarks.

The Prime Minister must revisit the policy area of democratic reform, give the democratic plate a vigorous spin and restate his vision for our democracy, so that the time between now and the writing of the next manifesto is used to work out how we can fully involve and excite the British people. Without their full understanding and participation, whatever change is introduced will not be theirs and will not, therefore, command their allegiance.

Sir Peter Soulsby: I congratulate my hon. Friend on securing this important and timely debate on issues that he feels powerfully about and on which he is speaking again today persuasively, as he has spoken and written in the past. I encourage him to say some more about the need in Britain for a Bill of Rights and a written constitution. Although the steps that the Government are taking at the moment are important, does my hon. Friend not agree that the vision that he is setting out for a much more democratised Britain can be achieved only in the context of such a Bill of Rights?

Mr. Allen: Sadly, this goes back to 1993, when I was the shadow home affairs spokesman in the future Prime Minister's home affairs team. We wrote and agreed, and had endorsed by our party conference, not only that we should incorporate the European convention on human rights, but that the second stage would be a British Bill of Rights. Admittedly, that would come some 200 years after that of our compatriots across the Atlantic, but it is better late than never. We had, effectively, a draft of that Bill of Rights: I have a copy and there is, no doubt, one mouldering somewhere, perhaps on shelves in the Cabinet Office, that could be dusted down and used as a basis for debate.

Let every school and every sixth form debate what should be in a British Bill of Rights; let every Labour group, Conservative association and Liberal Democrat group in the localities debate what should be included in that; and let us do our job and pull together those thoughts, mediated properly through the Hansard Society, to form the core of what we would want to see in a British Bill of Rights. Those arguments are even more applicable to a written constitution.

If we have rights and responsibilities and a democratic framework in this country, let us write it down. What are we afraid of? Why should we have to engage in what John Smith called judicial archaeology to find out what are the responsibilities of a second chamber, a monarch or local government? Why can we not own this so that every schoolboy and schoolgirl, and every local councillor and Member of Parliament, can have it in their back pocket or purse? We could raise people with clarity about their rights under a written constitution.

One of the sad things about the current debate in the main Chamber is that a so-called constitution for Europe is so vague, woolly and amorphous, rather than being crisp, clear and inspirational and able to lead us to feel that we all want to be European and have our rights written down. Let us not make the same mistake in the United Kingdom. Let us start that debate in this place, start formulating our own written constitution and find out what we need to reform before we write it down.

Many things in our current unwritten constitution would be laughable in a written constitution. For example, it would not say: "There shall not be an election for the Prime Minister of the day; Parliament shall send the leader of the main party to Buckingham palace to be anointed as Prime Minister; there shall be an unelected second Chamber; there shall be no British Bill of Rights." A written constitution could not be produced on the back of that without a lot of belly laughs from other countries around the world. We would need to get the parts in place and then write a written constitution. That is a fundamental thing that we need to do.

The Prime Minister cannot kick-start a written constitution given the current state of debate. However, a debate needs to take place in the country and in Parliament in order that a written constitution can first be drafted and modelled. I am sure that that was the Prime Minister's intention in July last year and I hope that it remains his intention today. The opportunity for significant, democratic change has not been missed and has not passed us by, but it requires reinvigoration and reaffirmation from the top. I hope that my hard-working hon. Friend the Minister, who is labouring away in the depths of the Ministry of Justice on so many important and detailed issues, takes that message to the Prime Minister. We need the Prime Minister to reassert leadership of the democratic vision that can sustain our country for the next 100 years.

11.16 am

The Minister of State, Ministry of Justice (Mr. Michael Wills): I congratulate my hon. Friend the Member for Nottingham, North (Mr. Allen) on securing this important debate. I pay tribute to his many years of hard and creative work on building an increasingly democratic society. I also thank my hon. Friends the Members for Wigan (Mr. Turner) and for Leicester, South (Sir Peter Soulsby) for their contributions.

This is an enormously important subject. People often think that constitutional reform is a matter for a few parliamentarians locked away in the Library poring over old textbooks. That is absolutely wrong. As my hon. Friend the Member for Nottingham, North has so cogently pointed out, this fundamentally concerns everyone in our society, because it goes to the heart of who we are. In the end, it is about power: where it resides in our society, how it is distributed and how it should be distributed better so that we have a healthy, vibrant politics and society. There is nothing more important.

People often talk as if this matter is remote from the concerns of everyday life and perhaps think that concerns about public services, health, education, traffic, and all such matters, really drive politics. However, none of those issues can properly be decided unless we have a fully functioning democratic society. That goes to the heart of my hon. Friend's comments. This is an enormously important issue and I assure him that the Government take it seriously. There is no need for the Prime Minister to reassert his leadership in this matter, as my hon. Friend said, because he is demonstrating it every day. It is important to him and to the whole Government. We will move forward on that.

Before I set out some of the steps that we are taking, I should like just to say to my hon. Friend that he was a little bit hard on the first stage of constitutional reform that the Government have already undertaken. I think that when he looks back in a few years' time on the period since 1997 he will see an enormously significant programme of constitutional reform. He would have to go back at least 100 years to find anything equivalent in our history.

I shall remind my hon. Friend of some of the reforms. For example, we have had devolution in Scotland, Wales, Northern Ireland and London and a changed relationship with local authorities—perhaps that has not gone far enough yet and there is more to come—which is clearly dramatically different from 10, 12 or 15 years ago. Let us consider the vibrancy of political debate, which is often difficult for this Government, in Scotland and London at the moment. Such vibrancy of political discourse would have been inconceivable without the devolution measures that the Government introduced. The Human Rights Act 1998 was fundamentally important in bringing home to the British people essential rights that define who we are. Those rights, which belong to all of us, have been brought home to the British people by this Government.

Freedom of information, another area for which I am responsible, has been given a new lease of life, and has been taken forward to bring transparency to the practice of government. One of the most important and empowering devices that we can offer to our citizens is to make government more transparent. The Government have implemented that Act and are taking it forward to the next stage of its development.

My hon. Friend mentioned House of Lords reform, which has been an intractable problem in the governance of our country for many years. My hon. Friend, with his deep and intimate knowledge of our constitutional history, will recall previous attempts to reform the second Chamber that have failed for a variety of reasons. The intractability of that problem has defeated Government after Government. Almost everyone knows where we need to end up—a few may disagree—and that we must have a wholly or largely democratic second Chamber for the governance of our country.

It is absurd to have the current system, which has persisted for so long, but this Government have brought the governance of this country to a stage at which we can imagine that democratic second Chamber. We are close to publishing our White Paper on our proposals, but my hon. Friend should not underestimate the enormous degree of hard work, passion and commitment shown particularly by my right hon. Friend the Secretary of State for Justice and Lord Chancellor, who has worked tirelessly and met colleagues in the House of Commons and House of Lords endlessly to try to find a way forward. For the first time in our lifetime, we are at a stage at which can see a real prospect of a democratic second Chamber, and my right hon. Friend deserves credit for that enterprise.

My hon. Friend has been a little harsh about the achievements so far, but he is absolutely right that we must continue to move forward, and to drive forward. That is exactly what we are doing. I can offer him that reassurance. I understand his impatience, but constitutional change is an area, above all others, in which we must take people with us. We must prepare the ground carefully. That means that we cannot proceed energetically and publicly in a matter of weeks, and I understand my hon. Friend's impatience about that. We must take months, but not years and years, and we will not take years and years.

This debate is timely, because we will shortly announce a whole raft of constitutional reforms, which, I hope, will encourage my hon. Friend. I assure him that we are not being suffocated as he fears. We are energetically working away, and it might reassure him if I take a few minutes to set out some of the areas in which we are moving forward.

[Mr. Michael Wills]

We shall shortly publish our draft constitutional renewal Bill, which will be available for pre-legislative scrutiny—another innovation that the Government have introduced—which my hon. Friend, as an eminent parliamentarian, will welcome. Proper scrutiny of legislation is crucial, and is an area in which the governance of this country has been deficient in the past. I hope that he agrees that that measure and others that we have introduced are improving the process.

We have consulted widely on the various measures that could go into the draft Bill. There has been extensive consultation on the role of the Attorney-General. The Prime Minister has said that reform is needed, and there will be significant reforms to that role. We have consulted on war powers and the ratification of treaties. We have consulted on judicial appointments. We have consulted on protests around Parliament, which is a particularly emotive and symbolic issue, as my hon. Friend is aware. We have consulted on flag flying, which is also an important symbolic issue for the cultural expression of our national identity. Those consultations have now closed, and we are considering the responses and will respond in due course. We will announce the Bill shortly.

In December, we established a concordat between the Department for Communities and Local Government and the Local Government Association, which will take forward our commitment to work with the Local Government Association to try to find ways of increasingly empowering local authorities, which, as my hon. Friends have discussed, is so important. My hon. Friend the Member for Nottingham, North emphasised that a Bill of Rights and duties is fundamentally important. We have made it clear that we intend to build on the Human Rights Act 1998, which has been an enormous achievement.

When my right hon. Friend the Secretary of State for Justice and Lord Chancellor took the Human Rights Bill through Parliament, he made it clear that it was to be a floor not a ceiling. We are now in the process of building our approach to the next stage of this important reform. I hope that it will reassure my hon. Friend if I say a few words about our approach.

First, contrary to what some people are saying, we are not resiling from the Human Rights Act. It is important, and we want to build on it. We want to bring out more the responsibilities that are so integrally intertwined with the rights that citizens enjoy. That is important, and we believe that it will reassure people who feel that rights are for other people and not for them. That is an important strand of the work going forward.

We want to explore the rights and duties inhering specifically in citizenship. This is a complex and difficult area, and it is not about excluding anyone. We want it to be a genuinely inclusive process for all the peoples who live in these islands, but we believe that specific rights and duties inhere in citizenship. One area that we want to explore—I reassure my hon. Friend that I am not advocating this, but it is important to explore it—is whether there should be a duty to vote. Voting is a fundamental expression of our citizenship, and is obviously a fundamental act in our democracy, so it is important to look at that. We will also look at other ways in which to ensure that the democratic process is legitimate.

My hon. Friend will know that as part of the reforms that we are taking forward, we have looked at a range of measures such as modernising electoral administration to try to increase participation. We must look carefully at the levels of participation in society, because it is crucial, in everything that we do, that the democratic process is seen to be legitimate. People must have faith in that process.

Everything that my hon. Friend discussed would contribute to enhancing the legitimacy of the democratic process, but we can go further and look at ways of increasing participation. We must be careful, because if we have reached a stage in our constitutional development at which participation falls to the level that we saw at the last general election—and possibly even lower—we face the prospect of successive Governments being elected by a very small minority of voters, with other voters abstaining or voting against them. That must be cause for concern, and we must see what we can do to increase participation.

One measure that we shall take forward is to consult intensively with the British people, using new processes, on whether we should move the voting day to the weekend. Associated with that consultation, we shall look at other measures, and we must keep an open mind on that. As my hon. Friend knows, I announced in a written statement a review of voting systems, which sets out a survey of all the different voting systems that we have introduced in this country—again, a significant measure of constitutional reform. The debate about the first-past-the-post voting system often ignores the fact that we now have a plural system of voting arrangements in this country. It is enriched. The review of voting systems analyses experience and draws out some of the lessons.

When my hon. Friend considers what we are doing, I hope that he will feel able to take part in the debate about what is the most appropriate voting system. If one is concerned about participation and its implication for legitimacy, the alternative vote system—I stress that I am not advocating this, but it is a subject for discussion—

Mr. Allen: In the one minute remaining, will the Minister address the question of how to excite the media and the public to become involved in our democratic renewal?

Mr. Wills: My hon. Friend has put his finger on an important challenge for all of us. It is obviously my job, the Government's job and the Prime Minister's job to persuade the media not to be cynical about the process, and to understand that it is fundamentally about things that genuinely matter to people. It will not be easy, for the reasons that I suggested earlier, but we will shortly publish—there are a lot of publications on the stocks right now—our view about some of the ways in which we can better engage with the British people. If we can engage with the British people, online, practically and physically in town hall meetings up and down the country—

11.30 am

Sitting suspended until half-past Two o'clock.

Climate Change

2.30 pm

Mr. Andrew Tyrie (Chichester) (Con): When I was at school, the standard orthodoxy in geography lessons was that we were on the threshold of a new ice age. Another orthodoxy was that the world faced an era of unparalleled mass starvation unfolding as a consequence of a Malthusian population growth trap. Forty years later the science of global cooling has been replaced by the science of global warming and the Malthusian crisis has been solved by man's capacity to adapt, using new technology. In the latter case, high-yielding crops delivered what became known as the green revolution. We need to be careful about swallowing orthodoxies. I have initiated the debate to make one straightforward point about the latest orthodoxy. I support the view that mankind might be contributing to global warming, but there is little evidence to support the view that the correct response at this time should be rapidly to decarbonise the economies of the world.

Mr. Mark Field (Cities of London and Westminster) (Con): I was at school slightly more recently than my hon. Friend—probably about 30 years ago. One other orthodoxy to which he has not referred, and which has since been disproved, was the idea that we were going to run out of oil and gas by the end of the century. That was the theory of well-paid Government scientists who had research grants in the late 1970s. The same people, or perhaps their successors, are now coming up with the theories that I hope that my hon. Friend will do his best to explode.

Mr. Tyrie: That was an interesting intervention. The idea of a peak oil moment in the resources industry is an old chestnut that has been around for at least 50 years. Anybody minded to give the idea houseroom could do no better than read the outstanding paper that was written only a few months ago by Professor Peter Davies of BP in which that theory is decisively scotched—of course, it is complete nonsense.

On current knowledge, acting swiftly to reduce carbon emissions across the world could be as economically imprudent as it would certainly be morally reprehensible.

Philip Davies (Shipley) (Con): As my hon. Friend knows, I share many of his views. Does he agree that it would be a mistake to act too swiftly when, according to the Met Office Hadley Centre, last year there was a 12-month long drop in world temperature sufficient to wipe out a whole century of warming? In addition, China, which is supposed to be spewing out more carbon emissions than ever before, has had its coldest winter in 100 years.

Mr. Tyrie: There are a lot of measurement problems with global warming. There has not been any global warming for the past eight years, although that is not well known, and whether there was a rate of faster growth in the temperature of the planet in the 1930s or in the 1990s is hotly disputed—if I may use that phrase. There are also some interesting disputes about whether the last century or the mediaeval warm period was the warmest in the last millennium.

Mr. Andrew Smith (Oxford, East) (Lab): I am pleased that the hon. Gentleman has secured this debate, and I am glad to be able to squeeze in between the interventions of his hon. Friends. Does he accept that if the downside risks of not acting are greater than the downside risks of acting, given the scientific knowledge that we have—even with the qualifications that are put on that scientific understanding—it is imperative for us to act?

Mr. Tyrie: That is the nub of the matter. I shall discuss that in a moment as it is why I have initiated this debate.

To finish off my comments on the intervention made by my hon. Friend the Member for Shipley (Philip Davies), the summary of the Harvard-Smithsonian centre for astrophysics' study on proxy climatic and environmental changes in the past 1,000 years states:

"across the world, many records reveal that the 20th century is probably not the warmest, nor a uniquely extreme climatic period of the last millennium."

There are, of course, equally well-qualified people who dispute that vigorously, so a fierce debate is going on about this.

The Government are advocating a policy of almost completely decarbonising our economy over the next 40 years. That will mean drastic reductions in the use of fossil fuels on the roads, for heating our homes and in industry. Such a policy will cost a fortune and will represent a massive undertaking. It will also almost certainly mean a fundamental change in our way of life and will leave us less well off. We are embarking on such a policy without having properly thought through the consequences, or the alternatives.

Mr. Greg Knight (East Yorkshire) (Con): Has my hon. Friend read the recent report by Professor David Newbury of Cambridge university, which concludes that if motorists were required to pay the true cost of the effect of motoring on the environment, they would pay fuel tax at 20p a litre? Our fuel tax levels are nearly 60p a litre, so whatever side of the argument one is on, there is not a case for further increasing tax on the motorist.

Mr. Tyrie: I need to think carefully about that point. At first blush, I am not convinced of the argument, so rather than dwell on that now, I shall move on.

Six conditions need to be met to justify the Government's proposed action on carbon emissions over the next 40 years. The first is to establish whether the planet is actually warmer, which was what we were just discussing. Establishing that involves considerable measurement problems, but it is clear that the planet has warmed. The Intergovernmental Panel on Climate Change's median estimate is 0.6 per cent. over the past 100 years, with a margin of error of plus or minus 0.2 per cent. Secondly, it needs to be shown that we are causing that increase.

Thirdly, we need to be confident that global warming will continue and that the so-called feedbacks that will come with any change in the temperature will not abate the warming. Fourthly, we need to be clear that by sharply reducing mankind's carbon emissions, we can secure an arrest or reversal of temperature increases. Fifthly, we need to be sure that the main carbon

[Mr. Tyrie]

producers of the world—the UK contributes about 2 per cent. of total carbon emissions—will co-operate and implement massive reductions with us. Sixthly, we need to ensure that the cost of largely decarbonising all the world's economies is less than the damage that would be caused by a failure to abate carbon emissions. That was the issue raised by the right hon. Member for Oxford, East (Mr. Smith).

I intend to consider only the last of those six conditions today, although it is important to bear in mind that they all need to be fulfilled before any country embarks on sharp reductions in carbon emissions. As I have pointed out, several of those conditions might not be fulfilled and, contrary to popular perception, all six are highly controversial. There are strong majority views among experts on some of the issues, but the world of climate science is new and fast-changing and, contrary to what we are often told, there is certainly no consensus on many of those matters.

Mr. Mark Field: Like my hon. Friend, I have a sceptical frame of mind. It is important to consider this matter in such a frame of mind and not to be blind to certain evidence or science that is important in relation to climate change. He referred to initial conditions that he will not discuss at great length now. I want to mention one issue. On a number of occasions he said that we needed to be sure. Does he not recognise that, at least in the context of this debate, this is not a matter of being absolutely certain, but about the balance of probabilities? That perhaps makes his argument a little less forceful than might otherwise be the case.

Mr. Tyrie: That is an issue of cost-benefit analysis. Clearly, one can never be absolutely sure when one tries to mitigate a risk, but one has to apply a probability, and the balance of probabilities—51 per cent.—is clearly not enough to justify a complete restructuring of our economy. What percentage should be applied is one of the issues that we need to examine carefully.

People often invoke the precautionary principle. If that means anything, it should lead us to be wary of embarking on a policy unless we are clear that it is right. The risk of making a mistake, prejudicing global growth and consigning a substantial proportion of the world to continued poverty, not to mention the risk of hitting hardest the poorest in our own community—they are the people who pay for this—could be even greater than the risks of global warming. In other words, the precautionary principle is double edged. This is only another way of addressing the sixth condition to which I referred. The key question is how one weighs the benefits and costs of mitigation policies to remove carbon from the atmosphere against policies to adapt to warming once it has happened.

By far the lengthiest piece of work on the subject has been produced by Professor Stern, the former chief economist to the Treasury. He concludes that the damage caused by unchecked global warming would substantially outweigh the costs of reducing carbon emissions. The key question is: is he right?

Rather than going into too much detail, perhaps it would help if I gave the considered view of some of the world's leading environmental and welfare economists on the subject. Professor Richard Tol of Carnegie Mellon university, who is a top environmental economist, said:

"If a student of mine were to hand in this report"—

the Stern report—

"as a Masters thesis, perhaps, if I were in a good mood, I would give him a 'D' for diligence; but more likely, I would give him an 'F' for fail."

Professor Dr. William Nordhaus of Yale university, arguably the world's leading environmental economist, has described the policy prescriptions of the Stern review as "completely absurd". Professor Dasgupta points out that the implications of Stern's logic are "patently absurd". These people are queuing up. The list is so long that I do not have time to read out all the names, but what about a few more from the home team? There is Professor Wilfred Beckerman, one of Britain's and the world's leading environmental economists of the past 30 years and a former economic adviser to earlier Labour Governments. There is Sir Ian Byatt, the former director general of Ofwat; Professor David Henderson, the former chief economist of the OECD; Professor Alan Peacock; Lord Skidelsky—the list is virtually endless. To cut a long story short, they all say that Nick Stern has got it wrong, that he has overestimated the damage relating to global warming, and that he has underestimated the costs of decarbonising the economy.

Perhaps, though, we should not be as harsh on the Stern review as some of those academic colleagues. For a start, Stern does have some equally eminent supporters. More importantly, he has done us a service by setting out a framework for thinking about how to address this hugely complicated question.

Gregory Barker (Bexhill and Battle) (Con): My hon. Friend is making a case that he obviously believes quite sincerely. Does he remember that back in the 1980s, more than 100 eminent economists wrote to *The Times*, I believe, to slam the policies of Margaret Thatcher, saying that she was doomed to failure?

Mr. Tyrie: That is exactly my point. When we see a consensus, we should be wary of it. That one turned out to be completely wrong. Another from the list of those that we have had to address in the House in the past might be appeasement in the 1930s. A better one, which is more closely related to that cited by my hon. Friend, would be post-war Keynesian economics as a means of controlling inflation. That idea has now been overturned and rejected by the Labour and Conservative parties, but it was the prevailing consensus. To challenge that consensus in the economic community took a great deal of bravery in the 1950s and '60s. It was down to the bravery of a small number of economists, mainly the Chicago school—whether we agree with everything that it said is another matter—that there was a breakthrough to enable us to re-examine it.

Steve Webb (Northavon) (LD): The hon. Gentleman has been very generous in taking interventions. In principle, there ought to be an objective scientific issue to be debated. Relatively few of us are expert scientists, but what puzzles me about this issue is that it tends to cause alignment on political grounds. I wonder whether

he has any thoughts, because he is a thoughtful man, about why it tends to be people of the right who are sceptical about the science. Is it that climate change might imply some sort of collective action, which is anathema to them, so they look for the flaws in the science? That is an important question. Why does it tend to be the right that does not believe the science?

Mr. Tyrie: That is quite an interesting question. I have not come to debate this issue because I have a hidden agenda about attacking a new form of collectivism that might derive from the science. I have studied a good deal of the material carefully and come to the conclusion that we are rushing to take action about which we should be very cautious.

I wanted to defend Nick Stern a little, having had a go at him. This man stepped up to the plate and at least set the right framework for analysis, so even if he got the answer completely wrong, as I think that he probably did with his main conclusions, that should not necessarily be treated as a blot on his escutcheon. However, he really should stop digging. He is still trying to defend a position that has been pretty much discredited.

At the very least, even those who want to support the view in every particular would have to conclude that Nick Stern's conclusions are deeply controversial. That point is beyond controversy. Therefore, the question that we should be asking ourselves is: should the UK, or the rest of the world for that matter, embark on such a radical restructuring of our economies on the basis of that controversial advice?

Philip Davies: This is not just a question of Nick Stern. My hon. Friend will know that Al Gore's film, "An Inconvenient Truth", was ruled by a judge to contain at least nine inaccuracies, yet the Government have sent it out to every school in the country. Does my hon. Friend agree that that is more propaganda than science?

Mr. Tyrie: Absolutely. The Gore report is a scandal. The fact that it has been distributed to our schools reflects badly on the House. It has been comprehensively rubbished by a series of top papers produced by the American Academy of Sciences, so much so that even a judge felt the need to intervene in the debate. It should be withdrawn from our schools. There are many mistakes in it. If hon. Members want to challenge me on that, I will start going through them one by one, but if I do so, others will not get a chance to speak. I am not quite sure how many Members have put in to speak. At the moment, I know of only one, so I do have a bit of time.

At the very least, we all have to agree that the Stern report is deeply controversial. It should have been the duty of the Treasury and the Opposition parties to listen to some of the trenchant criticisms, but both, regrettably, have swallowed the Stern report whole. My party's Front-Bench spokesmen welcomed the recommendations of the Stern report before they had even had a chance to read it, and I find that quite shocking.

Treasury Ministers, however, have done worse. A full year after the report's publication, and with the benefit of a cacophony of dissenting material to hand, the Treasury published "Moving to a global low carbon economy: implementing the Stern Review", which recommended that we proceeded as if none of the criticisms had been made. That beggars belief.

It is worth briefly examining some of Professor Stern's many mistakes, although perhaps I will pick just one. Nick Stern has applied a discount rate of only 2.1 per cent. to his calculations, although the Treasury requires a discount rate of 3.5 per cent. for any other major project. There are some very good arguments, and some of the world's leading economists, behind the view that the rate should be much higher than 2.1 per cent. The World Bank customarily uses a rate of 8 to 10 per cent., and 3.5 per cent. is considered historically extremely low.

This is not a trivial or academic point; it is quite fundamental. Just by using a sensible discount rate, Nick Stern's conclusions would probably be put into reverse. In other words, he would have had to conclude not that we should be rapidly decarbonising the economy, but that we should, for now, be primarily adapting to climate change.

To arrive at his conclusion, Nick Stern had to make an extraordinary assumption: that we should value the welfare of every future generation, however far distant, to the same extent as our own. A moment's thought shows us what a ridiculous assumption that is. If it were taken to its logical conclusion, as one of the many eminent professors whom I cited pointed out, we should start saving virtually all our income for the benefit of a future generation. Alternatively, as Ian Little, perhaps the world's greatest post-war welfare economist, put it when I discussed the matter with him to ensure that my head was clear on the subject, we might as well start safeguarding the planet now in case the Martians decide that they have a use for it when they invade.

Gregory Barker: I find that a curious statement for a national politician to make. Is not thinking about the welfare, livelihood and liberty of future generations at the heart of the matter? Was that not the driving force behind our forefathers who fought in the second world war? If they took my hon. Friend's line, those people would have appeased Adolf Hitler, done a deal and kept the British empire, and perhaps things would have carried on very well for a generation or two. However, it is surely incumbent on politicians in this place to think about future generations and their welfare and to act accordingly, and not to take selfish, self-interested, short-term decisions. That is the weakest point in my hon. Friend's argument.

Mr. Tyrie: The best thing that I can do in response to that somewhat confused intervention is to move on.

Nick Stern has one powerful shot in his armoury, but for reasons that I cannot fully explain—only he can—it is not set out anywhere in the 700 pages of his review. I am talking about the thought that we are dealing not with damages that can be broadly estimated over 50 or 100 years of global warming, but the likelihood that the planet will cease to be habitable as a consequence of global warming. That might be true, but it is certainly not the view of mainstream climate scientists, who have queued up to disagree with it—most of them repudiate it. Most, including the Hadley Centre, which my hon.

[Mr. Tyrie]

Friend the Member for Shipley cited, also repudiate the view that we should implement policies on the basis of what has become known as the "Save the planet" mantra.

Mr. Christopher Chope (Christchurch) (Con): I congratulate my hon. Friend on his excellent speech. Does he accept that if it is so desperately vital that we have low-carbon economies now, we should expect to see a much larger campaign for nuclear energy than there is from people across the political spectrum? The logic is that we should convert our electricity production to nuclear immediately, but that is not what even the most enthusiastic greens go for.

Mr. Tyrie: That is an interesting point about some of the people who argue most strongly for early action on global warming. There are interesting implications for Nick Stern's discount rate analysis regarding what we should do in the nuclear industry. However, although I have been speaking for about 22 minutes, I have got only a little way through my speech, so I shall not detain hon. Members further on that point.

Even if we accept that there is a risk that we will fall off a cliff, or that if we do not take urgent action, we might suddenly face extinction, we need to weigh that against the other, similar risks with which we are dealing. For example, a number of leading scientists have told us that nanotechnology, bioengineering, meteors and pandemics such as avian flu will imperil the planet in the next 100 years. Of course, we are already taking what most people would consider to be reasonable steps to mitigate the risk of those things. Some experts might say that the amounts that we are spending are inadequate, and others that that is a waste of money. The point is that the threat of extinction from global warming cannot be exempted from the need to weigh its risk against those that I listed and the application of a probability function. That is where the idea of the precautionary principle breaks down completely.

Take meteors, for example. Astrophysicists are able to give us a probability function for the likelihood of being hit by a meteor. It is a small risk, but not a zero risk. If we were to apply what some people think of as the precautionary principle logically, we should stop investing in everything until we find the technology that could definitely enable us to cope with the very small risk of being hit by a meteor. Of course, we need to balance that risk against all the others against which the Government are rightly trying to safeguard, using reasonable assumptions about each one and employing a probability function.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): The hon. Gentleman has spent a great deal of time on a critique of the Stern report, but suppose that it had never been written. Does he not accept the evidence of the intergovernmental panel on climate change that there are predicted effects and that the science indicates where we are going—the sea level and temperatures have risen and we can expect them to rise further? That being so, it is within our means to tackle the effects, whereas it is perhaps not within our means to tackle things such as meteors. Does he not believe that some action is needed?

Mr. Tyrie: I do. I was nearing the point during that intervention at which I would have said that there was some woolly thinking creeping in, but the Minister rescued herself a little.

The point is not that the science might be nonsense; rather, we should ask whether in response to the science, we should attempt to remove carbon from the atmosphere or find other ways of addressing it. That is the key question—the Stern review was set up to address that, but made a mess of it. I shall address how to come to the right answer in a moment.

The Stern cost-benefit analysis is almost certainly not correct; it is way out. Anyone who has looked at the evidence would have to conclude that there is something seriously wrong with it. We need to ask ourselves how much would it really cost to decarbonise the economy. The truth is that we simply do not know—the experts are only in the foothills of the subject. In answer to the Minister, while that controversy rages, the right Government response should be to prepare for global warming in case it happens, not to rapidly decarbonise. That means adaptation through, for example, allocating a much more sensible budget for flood and sea defences, not least, if I may say so, in my constituency, where the Government are not providing enough even to maintain existing defences. It also means more research into the best adaptive techniques, for example, in agriculture, sea defences and so on.

Mr. David Kidney (Stafford) (Lab): I disagree with the hon. Gentleman's view of the risk and the need for urgent action on mitigation, but he has now mentioned adaptation. We are still in Sir Nicholas Stern territory, because he recommends action on adaptation. To tempt the hon. Gentleman one step beyond that, Sir Nicholas also says that retaining our forests and avoiding further deforestation is cheap. Would the hon. Gentleman take that step with Sir Nicholas?

Mr. Tyrie: I do not know. I would like to think about that, and I would need to do quite a lot of reading on the subject before coming to a view on something so technical.

Gregory Barker: For clarity, to avoid the woolly thinking of which my hon. Friend is such an enemy, am I right in thinking that he accepts the premise that climate change is to some extent man-made—

Mr. Tyrie: Anthropogenic.

Gregory Barker:—yes, partly through the emission of carbon into the atmosphere? Does he accept that premise, but not that the way in which to deal with the problem is to reduce the amount of carbon? In other words, he does not disagree that climate change is man-made per se, but that reducing the amount of carbon is the way to deal with it. I am not clear on that and I wish to understand the terms of reference.

Mr. Tyrie: At the beginning, I gave a list of six conditions that need to be met, among which were that we need to be clear that the planet is warming, that we are causing it, and whether removing the effect that we

might be introducing to the system can arrest or reverse the process. My personal view is that global warming is taking place and that there is, in the language of climate science, an anthropogenic signal, which might be large.

I have noted that arguments within the scientific community about the scale of that signal are now extremely vigorous. It is not true that the scale of the anthropogenic signal is settled among climate scientists. However, my hon. Friend asked for my personal view. I have read quite a lot on the subject, and my view is that the anthropogenic signal probably forms a large proportion of the increase. Nevertheless, we must bear in mind that the temperature increase was only 0.6 per cent. over the past century, with no further increase in this century, and a not yet fully explained cooling period between the late 1930s and early 1940s and the 1960s. In other words, we are back to the measurement issue that I raised a moment ago.

In addition, there is another measurement problem. Although we know pretty accurately the temperature at sea level for the past 150 years, our records are much poorer about temperature in the ocean depths and in the atmosphere, particularly in what is known as the tropical troposphere, about which a fierce debate is taking place. There are unreconciled differences in temperature readings from the tropical troposphere and sea level. Some have tried to come to a clear view about that dispute, but they have failed. The tropical troposphere has not risen in temperature by remotely as much as theory and models predict that it should have, based on what has happened at sea level.

Mr. Nigel Evans (Ribble Valley) (Con): I am grateful to my hon. Friend for giving way. I apologise for not being here at the start of the debate. It is a subject that interests me. Indeed, I was with the Minister in South Africa at the sustainability conference several years ago.

The nub of the matter is using science to establish why global warming exists, and we all agree about that. Another aspect, about which I have read, is the sun's activity. Records show that there is far more activity on the sun, which is shown by sunspots. Indeed, not only is the earth warming but it is now thought that other climates are warming. We need to differentiate what could happen naturally and what is man-made. That is vital, and far more research needs to be done.

Mr. Tyrie: My hon. Friend has articulated in a few sentences one of the key minority dissenting views. The majority view, to which I tentatively subscribe, is that the increase is primarily anthropogenic. A serious group of people, mainly astrophysicists—I have some of their material with me—are convinced that the increase is not primarily anthropogenic but that it is caused by variations in the activity of the sun, particularly its interaction with parts of our atmosphere, especially cloud cover and the ionosphere. However, I do not want to go into the detailed science. Incidentally, most scientists who speak on the subject are from other parts of the scientific community, and have scarcely more legitimacy in commenting on the subject than we have. We need to listen to that much smaller, select group—the world's leading climate scientists, particularly those of a certain type. I shall now do my best to make progress with my speech.

Given the uncertainties that I have flagged up and the controversies that are clearly raging on the subject, what should we do now? I shall list a few things. First, we need to get out of what I described a moment ago as the foothills of knowledge about the cost-benefit analysis. We should create a commission of our best economists to examine Professor Stern's conclusions. The commission should include some of the leading critics of that review as well as some of its advocates.

Secondly, the Treasury needs to take a lead by creating an internal group, which should publish an annual assessment of the full cost of decarbonising measures taken during the preceding 12 months. We must have transparency. The public need to know what is being spent on decarbonising the economy.

Thirdly, the same Treasury group needs to examine critically whether the carbon trading emissions scheme, which is not a market-based scheme but a quota-based rationing scheme by another name, can be made to work. It should be borne in mind that all other attempts at quota-based controls have generated massive economic inefficiencies, and that many brought with them corruption and fraud. The European Union's initial experiment has so far been a disaster, something that could easily have been predicted.

Fourthly, we should seriously examine introducing a carbon tax, initially at a low level, with its proceeds being allocated to reductions in general taxation elsewhere in the economy.

Fifthly, the Government should begin the process of removing all subsidies to carbon consumption still in the system. That raises some highly contentious political issues, and it can be done easily only with all-party agreement—and then only gradually. The sort of things that need to be considered include VAT on domestic fuel and power, red diesel and others. I do not advocate action now; I am saying that the Government should start examining such things. The reason is that most measures in this field distort economic activity and therefore, ceteris paribus, reduce economic growth. Removing the subsidies will increase efficiency and growth, provided that there are offsetting tax cuts elsewhere in the economy.

Sixthly, the Government should give much greater prominence to removing carbon subsidies in other countries. It is a scandal and the height of absurdity that the Germans are still subsidising their coal industry.

Seventhly, Nick Stern relied for much of his work on the political summaries of the IPCC panel. Another huge row about whether those summaries are accurate is now taking place in learned journals. Those who are interested might want to read *World Economics*, but there are many others. We need to find a way to include the Washington institutions and the OECD in the scrutiny of the IPCC process, to bolster the credibility of their conclusions, to ensure that their summaries are a fair reflection of the main text, and to review their methodology.

Eighthly, we need to find a more intelligent and systematic way of allocating research into global warming. I am reliably informed that such research is threatening to crowd out other important work in our universities. It is difficult for applicants to get a grant unless they can find a way of describing their research

[Mr. Tyrie]

as being related to global warming—usually on one side of the debate. We need to come to a clear view about how much we want to spend each year, and ring-fence it. We also need to ensure a balance between those challenging and supporting the orthodoxy.

Ninthly, we should act only when the world can go forward together. The UK should not try to take the lead by cutting carbon emissions faster than other countries. It would be particularly absurd if we were to impose carbon-reducing measures that resulted in the closure of British industries, only to see those same industries reopening in China.

Philip Davies: Does my hon. Friend agree that the argument is similar to the one put forward by CND in the 1980s—that if we were to get rid of our nuclear weapons, everyone else would follow? I was never persuaded by it. Does he agree that there is no real evidence to suggest that if we were to reduce our carbon emissions by 80 per cent. every other country would automatically follow suit?

Mr. Tyrie: I completely agree with my hon. Friend's unilateralist-multilateralist analogy. Our actions must of course be multilateralist.

Tenthly, we must ensure that we do not use bogus or ropey arguments drawn in from outside the climate change debate to justify our actions. Among them is the idea that because fossil fuels are ultimately a finite resource we might as well end our dependence on them now rather than later. That, of course, is an absurd piece of economic illiteracy, and the argument could have been used at any time in the last 100 years.

Another such argument is that we should decarbonise our economy because it would make us more secure against blackmail by producers. For those old enough to remember the oil crises of 1973 and 1979—I am sorry to say that that includes me—it is an old chestnut, and we know the answer. Short-term interruptions to supply can be a major threat and need to be dealt with by a variety of measures, including stockpiling. However, long-term interruptions are exceptionally unlikely. That is because all resources cartels collapse and, in the end, all producers need to sell their product.

I should also like to throw in a few things that we definitely must avoid. First, we must do our utmost to avoid doing anything that could hurt the poorest, whether at home or abroad. As I said, it is the poorest, not the rich, who will be hit hardest by decarbonising at home.

Secondly, we must resist protectionism at all costs. A number of western leaders, including the EU industry Commissioner, Mr. Verheugen and President Sarkozy, have foolishly proposed that we consider protectionist measures to coerce China and other developing countries to introduce rapid carbon reductions, but that would be as economically suicidal as it was morally reprehensible.

Thirdly, we must avoid gesture politics as much as possible. I fear that the Climate Change Bill falls into that category, and on the basis of what I have seen so far, I do not think that I will be able to vote for it.

I want now to come to a conclusion. I have taken a huge number of interventions, but I think that I can bring my remarks together. Alarmism is breaking out everywhere on this subject. When the Government's chief scientific adviser tells us that Antarctica is likely to be the world's only habitable continent by the end of this century if global warming remains unchecked, and when their former chief economic adviser tells us that the damage by the middle of century might be greater than that caused by the first and second world wars put together, politicians may suspect that something is amiss with the advice that they are getting from their experts—and there is.

The issue of global warming is acquiring some of the characteristics of a religion. On the one hand, those who disagree with the so-called consensus are often treated to abuse, being described as flat-earthers and no-hopers or condemned as selfish and immoral.

Joan Ruddock: You said it.

Mr. Tyrie: The Minister has added to that abuse by saying, "You said it." It is a pity that she is so disengaged from the points that I am trying to make.

On the other hand, toeing the line on global warming is becoming a new moral comfort zone in modern politics—a seemingly unassailable moral high ground. We need to be very wary when our political culture suspends the application of all reason and common sense to this debate. We need to be clear that it would be just as immoral to make mistakes in responding to climate change—mistakes that could trap the most vulnerable in the world in poverty—as it would to ignore the claims of those who press on us the need for urgent action, although much of the media, and particularly the BBC, seem to have been ignoring that point. Of course, apocalyptic predictions make good copy, and challenges to the so-called orthodox are rarely given a fair hearing.

I end where I began: some global warming is certainly happening, and mankind is probably contributing to it, but before we rush to decarbonise our economies, we must think most carefully about those who will be hit hardest by any mistaken restructuring of the global economy. Our primary duty must, as always in this place, be to protect the most vulnerable, at home and abroad, and they deserve better than they have had so far from policy makers on this subject.

3.13 pm

Rob Marris (Wolverhampton, South-West) (Lab): I am pleased that the hon. Member for Chichester (Mr. Tyrie) has secured this debate. He made a thoughtful speech, but he will know from the many conversations that I have had with him that I disagree with most of what he said about the causes of climate change. I am not a flat-earther; I accept Stern and I accept that human activity is leading to an increase in greenhouse gas emissions, which are having a deleterious effect on the climate around the world, including in this country. The hon. Gentleman mentioned Antarctica, and I am glad that I am a Canadian citizen, because Canada includes part of the Arctic. I hope, however, that things will not get that bad if we take action in time.

Like many hon. Members, I have listened to a lot of debates on climate change on the Floor of the House, and they are dominated to the point of hegemony by those who are concerned about the causes of climate change emissions. The debate in Parliament is totally unbalanced, and we seldom talk about effects, although we talk a lot about causes. Action on causes is important, but so is action on effects, by which I mean adaptation. Let me give one example. On 22 November 2007, we had one of our new one-and-a-half-hour topical debates on climate change on the Floor of the House. Unfortunately, I could not get to the debate, but I read *Hansard* carefully afterward, and not a single word was said by any speaker about adaptation during that hour and a half. That is a shocking indictment of the politicians of the United Kingdom.

I pay tribute, however, to the hon. Member for Croydon, Central (Mr. Pelling), a Conservative MP who secured a Westminster Hall debate on the issue on 10 July 2007, which I attended. That was thoughtful of him, and he was absolutely right to raise the issue. We should talk a lot more in the House and in society about adaptation to climate change. When I say adaptation, I have in mind the definition used by the Intergovernmental Panel on Climate Change, which states that adaptation is the

"Adjustment in natural and human systems in response to actual and potential climatic stimuli and their effects, which mutually moderates harm and exploits beneficial opportunities."

The Minister is well aware of my interest in this matter, and one of the things that got me going on it was a DEFRA publication on climate change from March 2006. In round terms, that publication contained 190 pages on climate change, of which a dozen, or 6 per cent. of the total, were on adaptation to climate change. When I went through that publication, I was outraged by that imbalance.

As the hon. Member for Chichester said, the UK is responsible for 2 per cent. of world emissions in round terms, and we have 1 per cent. of the world's population. The intervention by the hon. Member for Shipley (Philip Davies) is the first time that I have heard him say anything with which I agree. He will correct me if I misunderstood him, but he said words to the effect that we must be careful not to end up beating our breast and driving down emissions in this country, while others do nothing. That does not remove from us the moral responsibility to drive down our emissions and to urge that on others, but what, as the hon. Gentleman rightly said, if we do it all and others do nothing? If we do it all and others do nothing, and one accepts, as I do, that human activity leads to deleterious changes in the climate, this country will still be hit with those changes. We therefore need to adapt to them, and we need to start adapting now.

UK emissions are within the control of the UK, but world emissions are not. Let us therefore have a bit more emphasis on that part of the climate change equation that is within the control of our country, rather than talking almost exclusively about that part that exists at the world level and which is outwith the control of our country. That is another example of imbalance.

Joan Ruddock: My hon. Friend knows that I agree very much about the need to advance the issue of adaptation, and I hope to get a chance to say a few words about it if time permits. Does he not accept, however, that there is a real case for having international leadership, which is what this country has shown on the issue of mitigation? That was incredibly important in getting the Bali agreement, where all countries could come in at last, and in persuading the emerging economies of China and India that we will do our bit, which is the only way that we will ever get them to do their bit.

Rob Marris: I entirely agree. The UK has a leading role, if not the leading role, in addressing the causes of climate change emissions internationally through agreement and debate. However, we must be realistic and we must bear it in mind that emissions have gone up massively around the world since 1990.

Mr. Mark Field: I thank the hon. Gentleman for his sensible comments about adaptation. The concern among many on our side of the debate is that much of the so-called leadership that the Minister mentioned is cost-free—it is a matter of great, rhetorical talk and of targets to be met in 42 years or beyond. There are great concerns that this is a wonderful bandwagon on which certain rather cynical political leaderships can jump, without achieving any results in the short-to-medium term. That is why the issue of adaptation is of great importance, and it is with that in mind that I thank the hon. Gentleman for raising the issue in a much more practical way without any high-flown rhetoric.

Rob Marris: To some extent, I agree with the hon. Gentleman. The international discussions are cost free, but there is a huge cost to not having them and to failing to have international agreement. The Government are acutely aware that they must continue to try to build international action through agreement. Emissions in the world have gone up massively since 1990. For example, the figures for cars in the UK are slightly out of date, but a reply to a parliamentary answer in February 2006 said that between 1997 and 2005, the average CO_2 emissions per kilometre of new vehicles sold in the United Kingdom—I do not think that that covers the commercial sector—went down by 1.2 per cent. per year. Despite all the publicity that we had, the emissions went down by only 1.2 per cent. a year. Between 2000 and 2006, which were the latest figures I could get, per capita—not overall—CO_2 emissions in the United Kingdom increased.

While the Government have shown a lot of international leadership, people living in the United Kingdom are not as seized of this issue as the Government are in terms of changing their day-to-day activities as regards emissions.

Mr. Field: Will the hon. Gentleman give way?

Rob Marris: No, I must make some progress. Therefore, we must look at the practicalities. We all know young people of 18, 19, 20 or 21 who are flying off to stag nights and weekend trips to Berlin. They are taking their gap year in countries such as Thailand, Australia or the States. Good luck to them, I say. Those opportunities were not so available for my generation because there were no low-cost airlines. However, those

[Rob Marris]

are all massively CO_2 producing activities undertaken by the next generation who will cop for this and the effects of climate change.

I agree with the hon. Member for Chichester that some of the stuff that gets talked about on emissions is gesture politics. To talk about 80 per cent. is gesture politics. There is nary a Member in either House who will be an active politician in 2050. I think that the youngest is the hon. Member for East Dunbartonshire (Jo Swinson), who is 28. She might be an active politician then, but she is about the only one. It is easier for people to say that we will go for an 80 per cent. rather than a 60 per cent. cut. It is gesture politics and we need to be doing much more about adaptation. The Government are slowly starting to deal with adaptation. I do not have time to go into all of the replies that I received when I sent a written question to every Department except for the Northern Ireland and Scotland Offices, because of the devolved stuff. I asked them what they were doing about adapting to climate change. Some are doing a bit of stuff and some are doing nothing. I tabled a question to the Department for Environment, Food and Rural Affairs and I received a written reply from my hon. Friend the Minister on 6 December. It said:

"Defra is also leading on the development of a cross-Government Adaptation Policy Framework to be published in the Spring."—[*Official Report*, 6 December 2007; Vol. 468, c. 1411W.]

I think that means spring 2008, which is good. But 2008 is now and we are just starting to have a cross-Government adaptation policy framework.

We have been talking about climate change for years and years. It is now 42 years until 2050, which is the 60 per cent. deadline. I have been aware of this issue for the last 34 years. I learned about greenhouse gases at university. In those 34 years emissions from around the world, including from this country, have gone up massively, not down. That is why we need to do so much more about adaptation. I mention briefly in passing that there are other institutions doing rather more than the Government. I urge on my hon. Friend the Minister a little faster progress co-ordinated across Government on adaptation to the effects of climate change. She should listen to the Association of British Insurers, the Woodland Trust, the Wildlife Trust, the Royal Society for the Protection of Birds, the Marine Climate Change Impacts Partnership and the British Beekeepers Association. She should also listen to the Met Office, the Environment Agency and the European Union Commission itself, which produced a very helpful document on adapting to climate change on 29 June 2007.

Gregory Barker: The hon. Gentleman is undoubtedly the greatest expert in the House on adaptation. Most of us are very familiar with his thesis, which he makes with great emphasis. However, given that he has only a few minutes left, can he give us a few specific points about adaptation that we should consider? He cites those organisations. I am familiar with what they are saying. Connectivity, for example, for biodiversity is very important. In using his knowledge and understanding of the imperative for adaptation, will the hon. Gentleman talk about the specifics that we should be doing now?

Rob Marris: That was a very helpful intervention. We need to look at wildlife corridors so that those creatures and species that have to move north because of climate change have a passage north and do not get blocked by urbanisation. With regard to flood control, the Government have announced a big increase in spending on flood control, which is not nearly enough. I would pray in aid the Association of British Insurers, which probably knows that issue better than anyone, which says that we need to spend a lot more on flood control. We have to be a lot more careful about where we build houses because of future flooding. We have to be a lot more careful about coastal defences. We are already doing stuff on that, but we need to do a lot more, as the hon. Member for Chichester said. We need to consider the design of our buildings to make them more flood resistant. We need to change planning regulations so that the National Trust, which owns ancient properties, can put proper drain pipes on them. Such drainpipes would not be an original feature but will be needed for the heavier downpours. I am happy to give the hon. Gentleman some more examples afterwards.

Overall, what we need is more leadership, and more foot to the floor from the Government. Adaptation to climate change simply should not, and will not, wait. I accept that the climate out there is changing, and changing because of human activities. I accept that those human activities are largely unabated. From that I draw the conclusion that climate change will continue to occur and probably accelerate across the world in the next 50 years and that that will produce hugely negative effects both in the United Kingdom and in other countries. While we should do our bit in terms of international aid to help people adapt to climate change in other countries, particularly the poor countries that have been the worst affected due to our industrial activities, we must have a huge concentration on adaptation to climate change within the United Kingdom because that is the major thing that is within our control. International agreements, desirable as they are—I salute the Government's efforts in that regard—are not within our control and neither is international action. Let us do what we can more quickly and more comprehensively in our own backyard.

3.28 pm

Steve Webb (Northavon) (LD): I must admit that I came along this afternoon anticipating a routine—if I may use that word—Westminster Hall debate on the relative merits of adaptation and mitigation, and no one can say that the hon. Member for Chichester (Mr. Tyrie) has given us a routine afternoon, so I thank him for that. He is a thoughtful man. I first met him when he was a special adviser to the Treasury in the mid-1980s. I was a wet-behind-the-ears economist, and he was busy totting up the cost of Labour's spending plans. I was trying to validate the Treasury's numbers, so some things never change.

Let me try to find some common ground with the hon. Gentleman because I did not find very much. He has probably never seen a Liberal Democrat membership card. On the back, it says:

"Liberal Democrats exist to build and safeguard a society in which none shall be enslaved by ignorance or conformity."

When he began, I agreed with him that we should be nervous of consensus, and of received wisdom. I also agree that those who have divergent views and who criticise the orthodoxy should be heard and their comments should be evaluated and treated with respect. *[Interruption.]* They should not be heckled, for example. The serious points that they make should be listened to.

Having said that, I have some reservations about the hon. Member for Chichester's speech and my intervention on him earlier got to the nub of my concern. I have come to this issue relatively fresh, having been the party's environmental spokesperson only since Christmas, so I do not regard myself as an authority on these matters. When I examined the climate change evidence, I wondered what I would conclude.

The first thing that struck me is that, although there is divergence of scientific opinion, as the hon. Gentleman says—I do not think that it is on the scale that he suggests, but there is some divergence of scientific opinion—I wondered why it tends to be those on the political right who are most sceptical. Why was it the Americans who were most sceptical and why was it that the social democrats of Europe were most ready to be convinced? There was a clear correlation. I think that the answer is the one that I suggested to him in my intervention. It is the sense that, if the diagnosis—I know there are a lot of steps from saying that there is a problem to reaching a particular diagnosis—is that, essentially, the rich west is the biggest part of the problem and we, the market economies of the rich west, may need to make sacrifices to tackle the problem, that is a very unpalatable message, especially if some sort of collective, co-ordinated action is involved. That diagnosis is anathema to the political right, as broadly defined.

The hon. Member for Shipley (Philip Davies) intervened earlier and said that the opposite would also be true and the left would think that such a diagnosis is great. But, of course, that is not true. That is because none of this is terribly palatable. Nobody really wants to believe in climate change; we would all love it not to be true. There are not votes in standing up to the rich west and saying, "Actually, we may have to have a lower standard of living and we may have to change the way we do things". That is a tough sell.

Philip Davies *rose—*

Steve Webb: I will not give way to the hon. Gentleman, if he will forgive me, because I think that I have the shortest time slot in the entire debate and I want to try to develop my argument.

That division of political opinion makes me suspicious. My point is this: if even President Bush, who presumably has no real incentive to believe all this stuff on climate change—he certainly had no real incentive to believe it when he became President—has started to believe it, and is now one of the people talking about India and China and international co-operation on tackling climate change, surely that is prima facie evidence that the scientific and economic evidence is quite striking. Otherwise, why would someone coming from that political perspective have moved so far? Clearly, one could say that, once someone is not fighting for re-election again, they can just indulge in rhetoric. However, I am struck by the fact that, although this is an uncomfortable political message, many politicians are accepting the need to make it and many of us would not do so if we were not convinced of the need for it.

Philip Davies *rose—*

Steve Webb: I hope that the hon. Gentleman will forgive me for not giving way.

I disagree with the hon. Member for Chichester on a number of points. First, he said that it is the poor who will suffer from decarbonisation. Certainly, in the personal sector, the carbon outputs are coming from driving, and the people who do not have cars are poor people. We are also talking about flights, and the people who do not fly are poor people. On a global scale—this was what I expected to hear at some point in the hon. Gentleman's speech, but we did not hear it—if the climate is changing and if sea levels are rising, it is the poor "that's gonna get it" around the world. He argued that decarbonisation is somehow bad news for the poor; carbonisation is bad news for the poor, in the big picture. For that reason, the message that he gave was rather unbalanced.

I agree with the hon. Gentleman on the need for a sober cost-benefit analysis. However, as the right hon. Member for Oxford, East (Mr. Smith) said, my judgment is that the downside risk is potentially cataclysmic, and I do not use that word lightly; some of the things that could happen are pretty dramatic and would have to be seriously weighed in any such cost-benefit analysis. Some of the costs that the hon. Member for Chichester mentioned are not, in my judgment, as great as he suggested.

The hon. Member for Chichester also suggested that international leadership is a bit of a con and is irrelevant, and we are a small part of a big problem. I do not think that that is true. Funnily enough, I would cite the example of Germany, which has really gone hell for leather on renewables and made huge strides on them. No doubt the hon. Gentleman may think that Germany perhaps got the cost-benefit analysis on renewables wrong. Nevertheless, if renewables is part of the response to climate change, the fact that Germany has a comparable economy to ours and has seriously gone for renewables and delivered a huge amount in that area enables us to shame the British Government for their pathetic record on renewables. Because the British Government are hearing this all the time—"Germany has done it, Germany has done it, another country has done it and our country has not done it"—they are starting to move on renewables. Therefore, it is not an entirely empty argument that, when one country provides a lead, other countries can be shamed, cajoled or encouraged to follow. One country demonstrating that change can be achieved does provide a lead. There is an issue about unilateral action, and there is some evidence that there is a role for leadership.

I would like to return to the central point made by the hon. Member for Chichester. I fully accept the argument for a cost-benefit analysis, but I also agree with the hon. Member for Wolverhampton, South-West (Rob Marris) that adaptation has been very much

[Steve Webb]

the Cinderella at the feast; I am not quite sure if that image works, but hon. Members will know what I mean. We have heard little about adaptation and I was thinking about why that should be. I think that the answer is straightforward. From a Treasury point of view, adaptation has a price tag attached to it. Mitigation can be achieved through carbon pricing, emissions trading and all the rest of it, and it is not a Budget line; it is there, it comes through, but it is not a Budget line. Adaptation, by contrast, is a Budget line. I agree with the hon. Gentleman that Chichester needs better flood defences, but that is a public spending line and I think that that is the nub of the problem. That is why we do not hear much about adaptation. As the hon. Member for Wolverhampton, South-West says, adaptation is not only about public spending; planning, reform and other measures could help.

I think that that explains why we hear so little about adaptation. The draft Climate Change Bill had virtually nothing—only a tiny little bit—about adaptation. I think that it is being beefed up a little, thanks no doubt to the hon. Member for Wolverhampton, South-West. When the Bill comes to this end of the building, I hope that the hon. Gentleman will help to beef it up some more.

Where do we go from here? I am puzzled by the suggestion from the hon. Member for Chichester that there is a considerable diversity of opinion on the science. I am not convinced that the scientific viewpoints on climate change and its causes are as diverse as he suggests they are, but we can differ on that. My sense is that the leading-edge science is well ahead of the international consensus of opinion. The IPCC assessment is a consensus document and tends to be what the hon. Gentleman would no doubt call a lagging indicator. It is not a leading indicator at all; it tends to follow behind scientific opinion, because it has to get all the Governments to agree, and some of the scientists who are most worried about climate change cannot get their latest evidence included. Consequently, there is a time lag. The scientific consensus is a lagging indicator in the IPCC and that makes me think that the case for urgent action is growing.

Climate change is not a philosophical issue. My sense is that the scientific opinion is much more alarming than the hon. Member for Chichester thinks it is, and so my sense about the cost-benefit analysis is different from his. I accept the need to evaluate mitigation against adaptation and I also accept the need to look after the most vulnerable people, although I conclude that the best strategy to help them is to treat this issue more seriously, because my judgment is that, in the long term, serious global climate change will ultimately hit the poor most of all and that is what I am most concerned about.

3.37 pm

Gregory Barker (Bexhill and Battle) (Con): It has been an interesting afternoon. I thought that we were in for a run around the course and a discussion simply about adaptation; I had not realised that we were in for a "sceptic fest". Nevertheless, it is always good to test one's own beliefs and to go through the arguments to make sure that they are robust.

Certainly, nobody could accuse my hon. Friend the Member for Chichester (Mr. Tyrie) of not having thoroughly researched his subject, although I am led to very different conclusions from those that he reaches. Despite the sceptical rhetoric that he couched his opening remarks in, we are not so very far apart in our views. He conceded that some global warming was happening and that—I think that I wrote this down verbatim—"man is probably responsible for part of it". If we accept the principle of anthropogenic climate change, we are simply discussing the degree to which it is responsible for climate change as it is happening now.

Climate change is happening now. I have been to the Arctic. I have seen the vast stretches of open Arctic sea water where there were frozen ice caps just a few years ago. In 2007, the Arctic summer ice reduction was 30 years ahead of the predicted melt rate of the most advanced climate models. If melting continues at that rate, before 2030 the Arctic ice shelf itself could completely disappear in the summer months.

Mr. Elliot Morley (Scunthorpe) (Lab): I also had the opportunity to visit the Arctic and I saw the retreat of the glaciers there, which was very visible. However, this takes us back to the IPCC assessment, because the IPCC is, in fact, a consensus body. It tries to find agreement among the many countries that are involved. There are many scientists on the IPCC who would go much further than the IPCC report, alarming as it is.

Gregory Barker: Absolutely. The right hon. Gentleman, who has a great deal of experience in this sector, makes a key point.

I must also agree with the hon. Member for Northavon (Steve Webb), who speaks for the Liberal Democrats, that the IPCC is, by definition, a lag indicator. If my hon. Friend the Member for Chichester could point to at least one Government who were dissenting from the IPCC report, his remarks would have a little more credibility. Of course, I am not suggesting that there is no scientific dispute. There will never be an end to scientific dispute. As long as there are more than two intellectuals, there will always be a debate on any given subject. It is good that there are sceptics out there questioning the science—no knowledge on this subject is perfect. However, on the basis of a rational assessment of the risks, very few people, and certainly no single Government, would now doubt that the climate change effects being seen all around us are man-made and that we should act to try and prevent the catastrophic effects that will follow if we allow the world temperature to rise rapidly to 2° above pre-industrial levels.

Philip Davies: Will my hon. Friend explain why, over the past year, we have seen the single fastest temperature change ever recorded—a reduction in world temperatures of between 0.65 and 0.75 per cent.—and why China has had its coldest winter in 100 years, despite increased carbon emissions?

Gregory Barker: Absolutely. We are seeing an extraordinary change in weather patterns. With global warming, we could see a 2° rise, which sounds very boring and quite slight. However, the real impact of climate change is an increase in extreme weather

patterns, which is why Africa's worst floods in three decades hit 23 countries from Senegal to west Somalia, and affected 2 million people, in 2007; why Nepal, India and Bangladesh were hit by their worst floods in living memory affecting 41 million people; why two category 5 hurricanes and unusually heavy rains in central America and Mexico affected more than 1.5 million people in 2007; and why, at the height of the flood in Mexico, more than 80 per cent. of the state of Tabasco was under water.

With climate change, we are seeing not just a steady, manageable, predictable rise in temperatures, but violent, global weather patterns and, of course, fluctuations, which explains the hurricanes and catastrophic losses recorded by the insurance industry. If my hon. Friend the Member for Shipley (Philip Davies) goes to the City of London and asks about pay-out rates from insurance companies 20 years ago, compared with today, he will find an extraordinary seismic shift. That is why the capital markets and business are taking climate change very seriously.

Those who doubt the scientists and cannot come to a consensus, should consider what the most progressive businesses, nationally and internationally, are doing. My hon. Friend should go and ask his old employer, Asda, or Wal-Mart, what they are doing about climate change. He will find that his old employer, whom he cites quite frequently, is taking climate change extremely seriously. The chief executive of Wal-Mart has signed up to a massive reduction in its carbon emissions and is not waiting for the Government to tell it how to do it. Progressive, responsible, private-sector organisations, such as HSBC, BP, RTZ, Marks and Spencer and Tesco are not waiting to be told by the Government what they should be doing, but acting now. They are doing that not just because of the imperative of climate change or because that is what their consumers and customers are telling them to but because they realise that it makes good business sense. They also realise that squeezing out fossil fuels and decarbonising their production costs makes sound economic sense.

Companies such as BP, GlaxoSmithKline, RTZ and General Electric have all managed to reduce their overall operating costs by hundreds of millions of pounds—BP has saved about $500 million over seven years. That money has gone straight to the bottom line. It is never wrong to get rid of waste and inefficiency, to bear down on the cost of energy and to squeeze out manufacturing costs. I worked in the oil industry. In 1999, the cost of a barrel of oil fell below $10; at times, it now reaches nearly $100—an extraordinary rise in the cost base.

I can tell hon. Members what the single biggest threat to poor people is: it is the spiralling cost of fossil fuels. Never mind climate change—in the short term, the fuel- poor and those dependent on fossil fuels for heating and cooking will be the ones to suffer. They are the ones being squeezed the most by fossil-fuel dependency and who will benefit the most from actions that we should take to reduce that dependency, to tap into the potential of renewable energy and to ensure the long-term, cheap, predictable cost of renewable energy. The world's poorest people, in places such as south-east Asia and sub-Saharan Africa, will be hit the most if we do not tackle the causes of climate change, and adapt and mitigate. They are the people who require adaptation—never mind us in the UK, who will probably be among the last to suffer the ill consequences of climate change, which are being felt already by people in Bangladesh and sub-Saharan Africa. They suffer already from drought and flooding and feel now the direct consequences of 200 years of industrialisation. We cannot sit back and wash our hands. We have a moral responsibility, not only to our own people in the UK and those abroad, but to future generations. We cannot sit here complacently.

Mr. Mark Field *rose—*

Gregory Barker: I am sorry; I will not give way.

Some say that we should act for long-term climate change reasons, others because of the spiralling cost of fossil fuels. I do not believe in peak oil any time soon, but I do believe that, whichever way we cut it, the cost of oil and fossil fuels will continue to rise in the long term, not just because it is running out, but because, given consumption patterns and the demand from the fast-growing economies of the far east, pressure on those reserves will increase—even if they are not going to run dry tomorrow.

Those factors will push up the cost of oil and fossil fuels. We should do as much as we can to squeeze out our dependency on high-cost fossil fuels and to invest in clean energy and the technologies of tomorrow. We should follow the model of places such as California, where people have realised that non-polluting, sustainable forms of economic progress are the way forward. Look at sunrise technologies and silicon valley. Look at the entrepreneurs whose private capital backed the fast-growing businesses of the '80s and '90s and who are now looking to the green-tech revolution and at sustainable forms of economic growth. They see that as the big future.

That is what we should do in this country. We should do exactly the things that the hon. Member for Wolverhampton, South-West (Rob Marris) spoke about. In our own backyard, we should be looking at climate change and empowering local communities and local authorities, which need the power and responsibility to frame solutions that are right for their areas. For example, some of the things that we need to do in the south-east, on connectivity and flood defences, differ greatly from what needs to be done 200 miles away in Derbyshire. Pockets of local and regional sub-climates will be impacted on much more than places elsewhere. We need to think very carefully about that.

Biodiversity has not been mentioned yet—

Mr. Joe Benton (in the Chair): Order. I apologise for interrupting the hon. Gentleman, but I want to give the Minister the chance to respond.

Gregory Barker: With that, Mr. Benton, I am very happy to draw my remarks to a conclusion. I look forward to hearing what the Minister has to say.

3.48 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): For the very first time in my life, I must say how incredibly grateful I am to the hon. Member for Bexhill

[Joan Ruddock]

and Battle (Gregory Barker). He has done a superb job of demolishing the arguments of his hon. Friend the hon. Member for Chichester (Mr. Tyrie), allowing me to come straight to adaptation. He has so wonderfully espoused the cause of mitigation, for which I am extremely grateful.

I congratulate the hon. Member for Chichester on acquiring this incredibly important debate. Although he spent a great deal of time on the Stern report, he acknowledged that climate change is happening and that it is man-made. The Government are responding to the science. If Stern had never existed, the science would still dictate that we have to address what is now the misnomer of global warming, but which is definitively climate change. The climate is changing and we have to adapt.

We are working hard throughout the Government both to ensure that all our operations, investments and policies take into account the unavoidable impacts of climate change, and to facilitate adaptation in every sector of UK society. One of the cross-Government public service agreements for the new comprehensive spending review period is for the UK to:

"Lead the global effort to avoid dangerous climate change."

That target includes an objective, shared throughout the Government, for the UK to develop a robust approach to domestic adaptation to climate change, and encourage adaptation to climate change internationally.

Mr. Mark Field *rose—*

Joan Ruddock: I shall not give way, because I have so little time. We have put in place a world-leading resource, the UK climate impacts programme, to provide information and tools that all types of organisations can use to help them adapt to the risks and opportunities of a changing climate. UKCIP is also working with the Met Office's Hadley centre on the UK 21st-century climate change scenarios, known as UKCIP08. Those scenarios are due to be launched in November this year, and they will provide probabilistic UK climate projections up to 2099. They will be absolutely critical for doing the work to which my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) referred. The projections will provide more localised detail than we have ever had, drilling down to 25 km grid squares over land, regions and river catchments. The UKCIP08 scenarios will support risk-based decision-making on adaptation, and they will be a major tool for understanding the risks that we face and how we can respond to them.

We have already set up a new adapting to climate change programme, led by the Department for Environment, Food and Rural Affairs, to co-ordinate action throughout the Government and drive adaptation throughout society, the economy and the natural environment. Reference was made to biodiversity, and as Minister with responsibility for biodiversity as well as for climate change, I know how critical it is. From the work of the Royal Society for the Protection of Birds in particular, on the way in which birds already have difficulties finding suitable habitats and moving north, we already know that we need wildlife corridors to protect our biodiversity. There will have to be a huge programme of work, and Natural England, which is very much devoted to it, already has an adaptation strategy.

We have three main areas of work in our adaptation programme: the Climate Change Bill, to which the hon. Member for Chichester referred, the adaptation policy framework document, and the new local government performance framework. The Climate Change Bill, which is on Report in the House of Lords, not only sets statutory targets for emissions reductions, but introduces a legislative framework for adaptation.

The Bill requires the Government to produce a national risk assessment on adaptation, which we will follow with a cost-benefit analysis. No doubt, the hon. Gentleman will wish to contribute to that analysis, and I hope that as he approves of adaptation, he will join us as we try to create a national risk assessment so that we can properly develop policies to meet those risks. The Bill also requires that we produce a national programme of work every five years, with interim updates. In addition, it gives the Secretary of State the power to request reports and action plans on adaptation from public bodies and statutory undertakers, such as water companies. Those aspects are new, and I hope that my hon. Friend recognises that we have responded to his arguments in particular, and to the arguments made by many others, who either responded to the consultation on the Bill, or indeed, were critical in the House of Lords.

We are also developing an adaptation policy framework, to which my hon. Friend referred. The framework will identify the key impacts and vulnerabilities that we face. It will set out what action the Government are already taking and provide a road map for the way in which we will meet our statutory commitments under the Climate Change Bill. My hon. Friend quoted my parliamentary answer that the document would be available in the spring, and I know how anxious and frustrated he is. We have agreed that it will be produced as the Climate Change Bill becomes an Act, meaning a small delay but one of which he should approve, because it will enable us to take account of the amendments that we are making in the House of Lords. It is more appropriate to align that work with the new framework that will arise from the legislation. The APF will set out a strategic vision for a UK that is adapting well to the impacts of climate change, and it will explain our understanding of the existing barriers to adaptation and the role of the Government in addressing them.

We have also introduced climate change adaptation into the new local government performance framework. The new indicator will require local authorities to assess the risks that climate change poses to the delivery of their services, and to draw up and implement action to address those risks. It will help to ensure that local authorities are more prepared for the climate change risks to service delivery, local infrastructure, businesses and the public. Negotiations are still under way, but we have been pleased with the initial positive response from local authorities during our consultations on the indicators.

The Local Government Association has also set up its own climate change commission, whose recent report we warmly welcomed. At the heart of our work on climate change is the recognition that it is a cross-cutting issue. An example of that is the recently

published water strategy "Future Water", which was launched last month. That strategy has adaptation at its core. It is amazing that the lack of water in London is comparable with that in many Mediterranean countries. The water problem in many parts of the country is much more serious than many people appreciate, so addressing the questions of drought, water shortage and so on are important. We will do so, and the issues of water efficiency, maintaining sustainable supplies, and surface water drainage will all be critical to the development of that water strategy.

We have also been working closely with our colleagues from the Department for Communities and Local Government on the supplement to the new planning and policy statement—planning and climate change. It was launched in December last year and sets out how planning should help us to shape places with lower carbon emissions that are resilient to the impacts of climate change. Several people mentioned that issue, and again it is critical. We must ensure that the new homes we build, and those that we already have, are protected, because we anticipate more severe weather patterns and more flooding as a consequence. We have dramatically increased the flooding budgets, and we are dealing with coastal erosion, too.

The hon. Gentleman did not ask me any questions about that, but he certainly commented on coastal erosion in his constituency. I understand how he feels about that, but DEFRA concluded that the council's scheme appraisal did not adequately demonstrate that the preferred option was the most appropriate. We will not be able to keep in place every inch of our coast, and we will have to understand that at times, allowing nature to come into our coastal areas is one of the best ways in which we can protect against flooding elsewhere. Those are difficult judgments, but I assure the hon. Gentleman that the decision has not been taken lightly; it has been carefully assessed.

More widely, throughout the Government, the Department of Health has recently published a report on the health impacts of climate change, and the Department for Transport has plans for its own adaptation strategy. In my Department, we are setting up a dedicated team to work with the agricultural sector to help it adapt its businesses in the most sustainable way.

Mr. Tyrie: I should be grateful if the Minister would confirm exactly what she is telling my constituents. Is she saying that the decision has already been taken to release a lot of land to the sea, or is it still a matter for debate and discussion?

Joan Ruddock: Indeed, it is a matter for debate and discussion. I simply make the point that it is only honest to understand, say and accept that it is not possible—I use the term carefully—to protect every inch of the coastline. Those are matters for debate and for difficult decisions, and of course, more consideration will undoubtedly be given to the issue. We hope that we can persuade authorities that they should work on coastal defence plans.

There is undoubtedly a need for us all to work together to protect the very poorest people, as the hon. Gentleman said. I have not the slightest doubt that we must reduce our carbon emissions to allow space for the carbon emissions of the poorest economies in the world to develop. That is why there must be a global deal on mitigation and adaptation. If he had met, as I met on Monday night, a woman from Bangladesh who has rebuilt her home five times because of the floods, and now receives support from this country and so many others that are trying to help developing countries, he would understand that there is no conflict. We must mitigate and adapt in this country certainly, but we must also enter into that global agreement. Nothing else will save the planet.

Post Office Closures (Mole Valley)

4 pm

Sir Paul Beresford (Mole Valley) (Con): I am grateful for the opportunity to debate this subject, Mr. Benton. I thank the Minister for attending, at least to listen, and I hope that he will pass on the information. He must feel like a one-man relay; he has a team on one side, and he is standing on his own on the other.

I looked up the Minister's constituency. It is completely different from mine, but I have some understanding of it. Originally, I came as an ethnic minority immigrant from a very rural area of New Zealand to work in one of the deepest, darkest, most difficult areas in inner London, so I have some idea of the sort of problems that he faces, although I have moved to a mostly rural area. My constituency has real farms, some semi-rural. It is geographically the largest constituency in Surrey, and the electorate is somewhat bigger than the Minister's. It has two small towns and approximately 32 villages, and the proportion of elderly people is equivalent to the proportion of votes that he received at the last election.

Transport is predominantly by private car. There are some buses and there is a little bit of train service, but they are not much use to local people, particularly for getting to post offices and so on, because services run predominantly along radial lines to and from London. As I said, a considerable proportion of the population—about 60 per cent.—are elderly, and the proportion is slightly higher in the areas where post office closures are being suggested. One must add to that the fact that in some villages, particularly those near farming areas, there are many families whose members do not or cannot drive—or at least mum cannot drive because the car goes with dad to work—or do not wish to drive.

Many outsiders see Surrey as green and wealthy, but it is mixed. I could take the Minister to some of the villages in my constituency, particularly the deeply rural ones, where people are extremely poor. The mobility of such people is also extremely poor. Life expectancy in Surrey and Mole Valley is high, but that brings access problems, because quite a few people there are elderly, and some are very elderly. I was intrigued by a Help the Aged survey pointing out that between 2001 and 2005, the proportion of the elderly who used the post office at least once a week rose in both rural and deprived urban areas. Some 99 per cent. of older people in rural areas consider their local post office to be a lifeline, and 88 per cent. would have to make special travel arrangements to reach alternative services. That applies particularly to the areas in my constituency where closures are suggested.

My Surrey villages have been under threat from a number of events. Village shops have gone and village halls have been hurt by recent licensing legislation, although that is not the subject of today's debate. There have been a number of post office closures in my constituency over the years, but on this occasion seven closures are threatened. Seven closures is fairly savage, and most of them will have a severely detrimental effect. I realise that, realistically, asking for all seven post offices to remain open would be whistling in the wind. From looking at the results of the consultation and the changes that have occurred, it is particularly apparent that I am unlikely to get any, but I hope that the Minister will think carefully and perhaps pass back the information that I give him as part of the consultation. I shall pick several of the post offices, touching first on some of the most important ones, the closure of which would be severely damaging.

I do not know whether the Minister knows Surrey at all, but I shall start with the post office at Mickleham, which is a small village tucked in under Box Hill. On the other side of the village, some distance away and hidden by trees, is the busy A24 dual carriageway. The village is well known for the Running Horses restaurant and public house, the Box Hill school and Rose's store and post office. Rose's is a true community store. Several years ago, the then owner and postmistress wished to retire, so the people of Mickleham reached for their cheque books and wallets and the whole community bought the store. It is now run on its behalf by an enthusiastic postmistress and her equally enthusiastic partner, who share ownership with the village.

A high proportion of the community are elderly, and a surprising number are very elderly. Royal Mail's figures say that 63 per cent. are retired. Some have cars, some prefer not to use cars, and some I would prefer not to use their cars, but all shop at the little local store. Some residents of Mickleham are unable to go elsewhere because they are elderly, disabled or children who attend Box Hill boarding school, which is an international school with many pupils from overseas. They have no access to postal services other than at Rose's store and post office. I am being a little cautious because one young lad said to me, "Well, if the post office closes, my school report will be much delayed getting home to China."

If the Mickleham post office closes, private transport will be the only choice for pensioners. They will have to go to the post office by car. Yes, there is a bus, but the service is pretty irregular, and going on foot is not a realistic choice. The store owners and managers accept people's difficulties, particularly those of the elderly in the area, and they deliver to and work with residents in their homes, including by providing some post office requirements. I probably was not expected to be able to say that, but those residents would not get those services otherwise.

The local parish council's reaction has been extremely vigorous. The council points out that Rose's store is the only shop in the area; that it is central to the village; that it serves commuters, farmers and other workers, young families and retired people; that it is a general store and the only post office; and that it is used by the people of Mickleham parish, as well as by the pupils of Box Hill school, the staff and pupils of St. Michael's school, St. Michael's church, St. Michael's community nursery, the Juniper Hall field centre, the Surrey Hills area of outstanding natural beauty project office, the Surrey Wildlife Trust office, the National Trust offices for the North Downs, the two local pubs, and a hotel, café and restaurant.

Many local residents, particularly those who are ageing, work from home. The post office is vital to them. The alternative would be to move full post office facilities to Leatherhead or Dorking, which would involve a six-mile round trip that is not easy. Parking,

including disabled parking, is available outside Mickleham post office, and a small ramp is being developed for the severely disabled. Those facilities are not easily available at the alternative post offices.

Another post office that I should like to mention is the Abinger post office at Abinger Hammer, which is a very old and quite famous village on the busy A25. Because the village is so old, the A25 is particularly narrow there, but it is still as busy as one would expect from a road called the A25 and the footpath is very narrow. The retail areas in most villages in the region were busy 100 years ago, but now they have gone. The exception for Abinger Hammer is the post office, general store and tea shop. That is like a business with three legs and, like the three-legged stool, if one leg goes, it will fall over.

The post office serves Abinger Hammer and, unlike Mickleham's, the area beyond it, which goes way back south into the country lanes all the way to Holmbury St. Mary. I mention Holmbury St. Mary because it has a little post office that is not used much and is closing. All the people between those two villages and beyond will have to go to Abinger Hammer, as many already do. If Abinger Hammer closes, they will have to go to Gomshall, which is where the nearest post office would be, but travelling there would be quite difficult.

I have received a large number of sad letters from my constituents about the post office closures. Most of the letters are about the Abinger Hammer post office, and many are from very worried, elderly people, a number of whom are disabled. There are still elderly and disabled people in this country, particularly in country areas such as that around Abinger Hammer, who do not understand or have cheque books and who do not use banks. They use cash for everything and rely on the post office to get it. The number of elderly and disabled people is surprising, and they will be severely affected.

There is a bus service, but it is erratic and many such people cannot use it. They time their shopping around the post office. I mention that because one complaint that has been made about the Abinger post office by outsiders—this is mentioned in the Royal Mail dialogue—is that it is not open every day. That does not matter in a village area such as Abinger Hammer, because the village people will shop on days when the post office is open. That is why the system works. It is extremely likely that if Abinger Hammer lost its post office, the other two businesses would close. If that happens, the village as we know it will be gone. It will have the structure, the old houses and the Abinger Hammer clock, but it will not have those three remaining retailers.

The last rural post office that I want to discuss is the one at Effingham Junction. Most of the points that I have made apply to this post office, so I shall not repeat them. Effingham Junction is a strange village in that it sits alone, isolated. It is near to a railway station, but one that is not suitable for the people who live there. The village has a high population of elderly people and a large number of families. Many of the mums cannot drive, either because they do not have licences, or because their families have one car and dad has the car in the day to go to work.

I am running short of time, but I want to discuss two more non-rural post offices that are in the main towns of Leatherhead and Dorking. It is disturbing that the Royal Mail usage figures—as both the postmasters and I see them—do not fit with the postmasters' understanding. They are gross underestimations, which was why I asked the Minister about the mode and method of assessing usage. He gave me a holding answer and I received an answer yesterday saying that the query had been passed to the Post Office to get an answer. Unfortunately, therefore, I cannot discuss the answer today, but there is a distinct feeling, particularly at the Kingston road post office in Leatherhead, that the figures are wrong.

The owner of the Kingston road post office bought it about six years ago. He is an extremely enthusiastic gentleman who works exceptionally hard, and in the past 12 months, he has spent a considerable amount of money on refurbishing and modernising his shop and shop front, including the post office sections. As he, his accountant and the Inland Revenue understand the figures, they have gone up year on year. I wonder whether the Post Office saw that his post office was between two others and simply picked piggy in the middle. If it did, that was a big mistake. His post office serves one of the most deprived wards in Surrey, but it is different from others because around and behind it are a considerable number of firms on industrial parks. When a single footfall comes in off the industrial parks, it can mean a load of postal work, especially because the dubious nature of deliveries means that there are many special delivery, high-value and expensive postal requirements at that office.

One of the two alternative post offices is, admittedly, not far away from that post office—it is just down the road. However, it is not preferred by local residents because youths and gangs congregate in that area and there has been persistent trouble there. Also, as far as I can see, it is not open for the hours that the Post Office proclaims it to be. It is not popular. On the other side—the south—is a much bigger post office, which is in the centre of Leatherhead. That one is overworked and therefore has not been chosen for closure.

There is not much time left to discuss the South street post office in Dorking, to which the same issues apply. It is busy, but does not have the appreciation of the Post Office, because the usage figures seem to be low. It is used by many people, especially elderly people, because the main post office in Dorking is extremely busy. On Saturdays, the postmaster has to organise the queues because it is so busy.

I should like the Minister to look specifically at the cases I have mentioned—some more than others. I know that he will tell me sweetness-and-light things because we are in the consultation period and he cannot give me any yes-or-no answers. However, I ask him to put those cases to the Post Office for realistic reconsideration.

4.16 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate the hon. Member for Mole Valley (Sir Paul Beresford) on securing the debate. I appreciate the spirit and genuine concern with which he made his points on behalf of his constituents. As he said, Post Office Ltd proposes to close seven of the 29 post offices in his constituency.

[Mr. Pat McFadden]

There is no doubt that the closures have caused concern to the communities that will be affected, as he has outlined.

Let me start by responding to the hon. Gentleman's final point and clarifying the situation. As the Minister, I have no role in asking Post Office Ltd to consider individual post office closures. Neither do I have a role in deciding whether post office A or post office B should close. I shall explain the Government's role in the situation, but he is mistaken if he thinks that Ministers are the court of appeal on individual offices in the programme. Sadly, that is not the case. Post Office Ltd and Postwatch have a system for implementing such decisions, and a system for reviewing them if Postwatch is not satisfied. However, that process does not involve Ministers in relation to individual post offices.

The hon. Gentleman outlined the important role of post offices in his constituency, and many others, for elderly people, disabled people and other vulnerable members of the community. He is right, and the Government recognise that point. That is why we do not see the Post Office as a commercial service, and why it is heavily subsidised. Indeed, we are in the midst of a programme of support for the Post Office that is worth up to £1.7 billion between 2006 and 2011, including an annual subsidy of £150 million a year. Without that, instead of the current 14,000 branches throughout the country, we would have a commercial network of about 4,000, and many thousands more post offices would be under threat. We subsidise the Post Office significantly precisely because we realise the importance of its role. However, several changes occurring in this country and others mean that, even with that level of subsidy, the current network is not sustainable. That has been recognised by the general secretary of the National Federation of SubPostmasters, who stated:

"Although regrettable we believe that closures are necessary to ensure the remaining Post Offices are able to thrive in the future."

I do not pretend that the process is an easy or popular one, but let me give some of the background reasons for the closures. The Post Office loses a significant amount of money. Every day that the network is open for business, it loses a little more than £500,000—some £3.5 million a week. There are 4 million fewer customers visiting post offices, compared with just a few years ago. In some of the least used offices, the subsidy per transaction—every time someone does something—can be up to £17.

Even after other closures in recent years—a programme a few years ago concentrated on urban areas—1,000 sub-post offices in urban areas compete with six or more sub-post offices within a mile for a declining number of customers. I appreciate that that situation may not be reflected in the hon. Gentleman's constituency, but it is part of the national picture.

Why are financial losses going up and the number of customers going down? There have been big lifestyle changes. The hon. Gentleman mentioned pensioners, cash and so on, and I appreciate that that is a factor, but it is one that has gone down a great deal in recent years. Eight of 10 pensioners choose to have their pension paid directly into the bank. Among new retirees and people coming up for retirement, the figure is nine out of 10. The Post Office card account plays an important role for some pensioners, but not for the majority or close to the majority.

There have been other changes as well. People pay bills by direct debit and online.

Sir Paul Beresford: I understand the point that the Minister is making, but I hope that he understands in turn that, with high life expectancy, my constituency has a large proportion of very elderly people who do not have cards, cheque books and so on. They do not understand and cannot handle change. So although the figures may be right nationally, they do not apply to my area.

Mr. McFadden: The hon. Gentleman says that the national picture is not reflected in his area. I do not know whether that is also true in respect of the figures for people paying bills online. We gave people the option to pay their car tax online, and 1 million a month choose to do so. Perhaps none of them live in Mole Valley—I do not know—but I suspect that some do. People can still go to the post office to renew car tax, but, given the choice, 1 million a month choose to do it online. That reflects the wider changes that are taking place in society.

There is also a cost implication to how benefits and some bills are paid. It costs about 1p for the Government to make a payment directly to a bank. It costs about 80p for the transaction to be done at a post office, and £1.80 to make a payment by girocheque, which is then cashed at a post office.

I am not sure whether any Government in the future would reverse the process. We intend to have a successor product to the Post Office card account, and to keep that option available for people, but I doubt that we will ever return to the benefit books of the past. I do not know about the Conservative party. Perhaps it will make a commitment in that direction, but I am not sure that any future Government would do that.

Let me say a little about the process and the consultation, which have caused a great deal of controversy. People say, "The consultation cannot be genuine because we do not want the closures but they are still happening." But it is important to understand that the consultation is actually about how the process will be implemented; it is not about whether people want closures. The overall decision was announced in May last year. Losses are running at such a rate that we cannot just make them go away. Through consultation, Post Office Ltd is trying to ensure that it does the best job of getting right what is already a difficult process. That is why it talks to local authorities, sub-postmasters and hon. Members. It then has to make the difficult decisions.

If the hon. Gentleman thinks that, within its criteria, the Post Office got it wrong for individual offices in his constituency—he touched on that—my advice to him is that the review process operates through Postwatch, which would say to the Post Office that it got it wrong. That starts on a local basis and builds up through the Post Office structure. Ultimately, Allan Leighton, the chairman of Royal Mail Group, will make a final

decision. The decision does not come to Ministers, and I believe that that is right. I am not sure that Ministers should make decisions about which post office should close and which should stay open.

The financial implications are real. I cannot speak about the individual post offices in Mickleham, Abinger Hammer and the other attractive sounding places in the hon. Gentleman's constituency, but the average cost to Post Office Ltd of the post offices that are closing is £18,000 per branch per year. The Government are committed to subsidising the Post Office network and have contributed a significant amount of money to do so—£150 million a year—but even that cannot sustain a network in which three out of four offices lose money. The loss is some £18,000 per branch per year, depending on the individual circumstances of the branch.

One of the branches that the hon. Gentleman mentioned appears to be profitable from the sub-postmaster's point of view. I would make two points on that. It may be profitable in terms of a retail business and the post office going together. Post Office Ltd obviously does not take into account the retail side. On the post office side alone, the sub-postmaster does not see the central infrastructure costs—things such as IT support, delivery of cash to pay benefits, delivery of various Government forms such as passport forms and so on—for supporting the branch. They do not appear in his or her branch accounts, but when both the central infrastructure costs and the payments to the sub-postmaster themselves are taken into account, three out of four branches lose money, including, I have to say, some relatively busy branches, depending on whether they are close to others and so on.

The hon. Gentleman disputed the customer usage figures given to him by Post Office Ltd for some of the individual branches in his constituency. He is right to say that we have asked the company to write to him about how they are calculated. Perhaps I should not go into them today, but the figures indicate that fewer than 200 customer transactions a week take place in some of the branches that he mentioned. I appreciate the value that his local communities put on the branches, but a relatively small number of transactions take place in some of them on a weekly basis.

I appreciate the hon. Gentleman's points. I also appreciate the nature of his constituency. Because it has many small villages and towns, it has 29 post offices in the first place. I appreciate that the closure process is difficult, but even with the large subsidies that the Government have put into the network and have guaranteed for the next few years, some closures are, unfortunately, necessary. That is the difficult process that we are going through at present.

The Post Office criteria for access are that, broadly speaking, most of the population in urban areas should be within 1 mile of a post office and, in rural areas, within 3 miles. Other factors are also taken into account. If the hon. Gentleman thinks that the criteria are wrong, he should ask Postwatch if it would be willing to refer the decisions on some individual branches to appeal. That is the way to deal with the issue. I cannot make decisions about individual branches, nor should I be able to.

The process is difficult, but at the end of it there will still be a larger number of post offices than all the banks put together, and three times as many post offices as outlets of the five major supermarket chains put together. I hope that the network will be more stable in future.

Portable Antiquities Scheme

4.30 pm

Mark Fisher (Stoke-on-Trent, Central) (Lab): I am grateful to you, Mr. Benton, and to Mr. Speaker for allowing me to address this issue in this short debate.

Over the past 10 years, the field of antiquities in England and Wales has been transformed—there is no other word for it—by the Treasure Act 1996 and by the portable antiquities scheme. After years of campaigning and lobbying, pressure and private Member's Bills, led by number of people, particularly Lord Poole in the other place and Sir Anthony Grant in the House—and, in a small way, myself—the Treasure Act came into force in 1997. The portable antiquities scheme was started in the same year and it effectively animated and augmented the 1996 Act, which requires a small proportion of archaeological finds that qualify as treasure to be reported and offered to museums.

The portable antiquities scheme, which is a voluntary scheme, complements the 1996 Act by encouraging anyone who finds an archaeological object to report it to a finds liaison officer at a local museum. There are 49 such finds officers throughout England and Wales, from Cornwall to Durham and from Bristol to Suffolk. The scheme is administered by the British Museum on behalf of the Museums, Libraries, and Archive Council.

The effect of the scheme has been extraordinary. In 2007, 77,500 objects were recorded on the online database that now contains, after 10 years, 320,000 objects and 160,000 images. That is the largest database of its kind in the world, and it hugely extends our understanding of our post-iron age world. I say "post-iron age" because almost all the finds have been discovered by metal detectors, so we do not discover quite as many pre-iron age objects, which are discovered by chance or other means. In such areas of archaeology, which account for a great deal of our past, the effect has been extraordinary.

The centre for the scheme in Staffordshire, in and around my constituency, is the Potteries Museum in Stoke-on-Trent in the middle of my constituency. North Staffordshire is an interesting area, archaeologically. A gentleman called Mr. Tony Rhodes, a metal detectorist, found a bronze age sword that was 2,500 years old a couple of years before the scheme came into effect, unfortunately. However, that sword sits proudly in our local museum. Recently, a unique copper alloy Roman bowl, now known as the Staffordshire moorlands pan, was discovered. The names of four of the forts on Hadrian's wall are written on it. It is of considerable archaeological importance and was acquired jointly by the Potteries Museum in Stoke-on-Trent, Tullie House, the excellent museum in Carlisle, and the British Museum. With such finds, the scheme is redrawing the archaeological map of England and Wales. In the last three years, its data has revealed 24 new Roman settlements in Wiltshire alone, which is an increase of 15 per cent. Suddenly, the Roman-Britannic map of Wiltshire is being changed because of finds under the scheme, so hon. Members can see how important the scheme is.

If the portable antiquities scheme is such a great success, why do we need this debate and what is the problem? This year, thanks to good lobbying by my hon. Friend the Minister and the then Secretary of State for Culture, Media and Sport, now the Secretary of State for Work and Pensions, there was a good comprehensive spending review settlement. Everybody who is interested in this area has probably already congratulated both my hon. Friend the Minister and my right hon. Friend the Secretary of State and, neatly, the subsequent Secretary of State for Culture, Media and Sport, his successor, who was at the time Chief Secretary to the Treasury and happened to provide this good settlement. Everybody was happy and all the national museums, including the British Museum, received inflation-proof increases. The important Renaissance programme in the regions, for example, was ring-fenced and was similarly well treated, but, bafflingly, the portable antiquities scheme was not.

The portable antiquities scheme is administered by the MLA and it was not ring-fenced. The core budget of the MLA will be cut by 25 per cent. over the next three years. The implication is that the scheme will suffer in the same way. The MLA has proposed that the scheme's budget for 2008-09 be frozen at its present level of £1.3 million.

David Taylor (North-West Leicestershire) (Lab/Co-op): Staffordshire is interesting in this sense and so is Leicestershire, which is why I tabled written questions in November, February and March and oral questions in January. My hon. Friend mentioned the £1.3 million, but does he think that the Minister should tell the House that, even at that level, redundancies are still likely to take place, including some valuable education officers who are crucial to the success of the scheme in future? That is why I am seeing the local finds liaison officer in my constituency office on Friday. The PAS may be secure in the short term, but it is still short of funds because of its success.

Mark Fisher: My hon. Friend is right. If the budget is frozen at its present level of £1.3 million, that will in effect be a cut in real terms, because to stand still and not expand the scheme at all would require £1.49 million. If that £690,000 is not found, three posts in the PAS will be lost.

Mr. Michael Fallon (Sevenoaks) (Con): The hon. Gentleman has eloquently described how the scheme has transformed the archaeological map of Britain, nationally. Is not the real fear that, unless the scheme is properly funded, we will end up simply with a series of regional schemes that are not properly co-ordinated?

Mark Fisher: Absolutely. The regional element is important and feeds into Renaissance in the regions. My hon. Friend the Member for North-West Leicestershire (David Taylor) will know about a wonderful museum in Leicester that is directed by a Mrs. Sarah Levitt, who, by a curious coincidence, is the sister of my hon. Friend the Member for High Peak (Tom Levitt). Mrs. Levitt does an extremely good job in a distinguished, important museum.

If the scheme's budget is frozen at its present level, there would be a real cut. These are small sums in Government terms but big sums for the scheme. The hon. Member for Sevenoaks (Mr. Fallon) is right: a national scheme could be reduced to a local scheme.

The local element is crucial in all of this, of course, but it needs context. The custodianship of the British Museum, under the directorship of Mr. Neil MacGregor, is crucial and gives credibility, stability and good international, scholarly expertise and contacts for the scheme to operate. We need both detailed local work on finds and the umbrella of the British Museum, with its scholars, to make sense of the individual finds and put them into a much wider archaeological map.

Already, even at the present time, we have too few finds liaison officers, although the scheme operates well. There is only one finds liaison officer for the whole of the north-east—from Teeside up to the Scottish border—which is an area of incredible archeological importance and includes Hadrian's wall and many other important sites. There is just one officer for that whole area.

Mr. Edward Vaizey (Wantage) (Con) *rose—*

Mark Fisher: The hon. Gentleman who wishes to intervene may talk about his own area, but in Berkshire and Oxfordshire—he will correct me in a moment if I am wrong—I do not think that there is anyone in post. Again, that is a most important archaeological area.

Mr. Vaizey: I congratulate the hon. Gentleman on securing this important debate. He is correct: at the moment Oxfordshire does not have a finds liaison officer because of uncertainty over the budget. Is he also aware that even when a finds liaison officer is appointed, they will not be able to cover Berkshire any more, so that area will also be without an officer?

Mark Fisher: I did not know that. Berkshire is an extremely important area, which covers the Thames valley and a lot of settlements, so it should not have only one officer. We need to expand the scheme and it seems tragic not to do so when it is such a success. If the scheme is frozen and cut over the next year, it will be a tragedy.

Generally, there is much concern in the House about this matter. It is interesting to note that such a number of people have attended this debate as they are sometimes not very well attended occasions. That reflects the concern about this issue. Almost everybody in the Chamber has signed the early-day motion from last year, which now has almost 280 signatures. That is an extraordinarily large number of signatures for a matter of cultural significance. When the budget settlement for the scheme was mooted last year, I visited Mr. Roy Clare of the Museums, Libraries and Archives Council with a number of other former arts Ministers—Lord Inglewood, Baroness Morris, Lord Howarth and the hon. Member for Salisbury (Robert Key), who sadly is not here, but who takes a great interest in these matters. In addition, we all formally and informally talked to the Minister and received a sympathetic hearing on all sides—I hope that it will also be an effective hearing.

There is concern in the House about the matter and that is reflected by what has been taking place. It is a wonderful scheme and it would be terribly sad if it was cut and held back. The scheme needs to be sustained and to do so requires very modest sums of money. It also needs to have a secure future. We need to know that there will be a three-year settlement at the very least, so that the British Museum, the MLA and everybody else can plan for the future of the scheme.

The scheme is too good to be cut, and there are solutions to hand that I shall briefly mention. The British Museum has been responsible for administering the scheme and has done so very well and therefore understands the importance of the scheme. Unlike the MLA, the British Museum has scholars rooted in the scheme and therefore it seems to be the ideal repository for it. If responsibility for the scheme could be transferred from the MLA to the British Museum—I gather from Mr. MacGregor that the British Museum is happy for that to happen—a real understanding and ownership of the scheme could develop. That would not only give the scheme security and continuity, but would send out the message to professional people and, crucially, amateurs and metal detector users around the country that the scheme is safe, is in good hands and will be secure.

I hope that the Minister will say that things will be worked out and that the British Museum will either be responsible for the scheme in future or will be more involved. I also hope that she will inform us that the funding will be secure and inflation proof, particularly over the next few years. That is crucial. After the budget settlement, I know that it might be quite difficult for the Minister to do, but these are relatively small sums and I hope, with her great skill, she will find something in a side-drawer of her Department that will enable her to make up the balance. The scheme is of real importance and is admired throughout the world. I understand that somebody from the British Museum who is involved with the scheme talked to Congress in Washington last year because there is such widespread national interest. We are pioneering the world of archaeology with the scheme as it incorporates and involves non-professionals and professional scholars in a quite remarkable way. The scheme touches the bases of scholarship and of widening access. We, in the House of Commons, cannot afford to let the scheme stall or flounder.

4.44 pm

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): I warmly congratulate my hon. Friend the Member for Stoke-on-Trent, Central (Mark Fisher) on securing the debate. I would like to acknowledge formally his huge contribution to getting us where we are today. We have a scheme of which everybody is rightly proud. The information he has given us supports the importance of the scheme in the ecology of what we have in relation to archaeology in this country. Congratulations to my hon. Friend on that. I also acknowledge that there has been considerable concern about the funding of the scheme from a number of hon. Members who are present.

For the record, I shall say a little about the scheme itself. My hon. Friend was right to say that the scheme was first set up as a pilot—probably when he was Minister with responsibilities for these matters—to complement the treasure system put in place to administer the Treasure Act 1996. The interesting thing about the 1996 Act is that it obliges those who find objects that fall under the definition of treasure to

[Margaret Hodge]

report them to their local coroner within 14 days so that we as a society can have the security of knowing that such objects will be held.

In a way, the scheme celebrates local history. What I have seen of the scheme during my time as Minister is that it is a powerful way in which to engage local people, particularly those who use metal detectors. It allows people to understand, celebrate and commemorate local history and it is great to see that happening. People do find some absolutely wonderful things. I have seen some really exciting and interesting objects. Those who use metal detectors are a bit like fishermen fishing on the land or on dry territory. It is a very lonely experience for those who use metal detectors, but it is incredibly rewarding to uncover something that helps us to better understand our past.

My hon. Friend was right to say that the scheme has been a huge success. The way in which we have run the scheme has been a win-win for everybody. The finder and the landowner are rewarded for their efforts in bringing the treasure into the public domain and the public benefit by being able to see and learn from the important relics of their community's past. The other joy of the scheme is that it is pretty accessible. Everyone, whether a post-graduate researcher at one of our top universities or a young person entering secondary school, can access the information provided by the scheme on the website. Some 320,000 separate objects are catalogued on the website and are accessible to us all. In 2006, which is the last year for which we have figures, 250,000 individual users accessed the data, which are incredibly important for students and currently being used for a number of PhD theses and other dissertations.

On the funding of the scheme, which is what I think hon. Members want to discuss, although we had a good settlement—I am grateful for the kind comments of my hon. Friend—it was nevertheless a tight fiscal settlement. We have tried to ensure that the money went into priorities right across the Department for Culture, Media and Sport family. My hon. Friend will know that we ring-fenced some money for the renaissance programme. That was the right thing to do. The renaissance programme has been hugely effective in improving the quality and the environment of many of our regional museums. If we consider the figures on who accesses the treasures, as a result of the renaissance programme and regional infrastructure developments, people who in the past would probably never have gone into a museum now take the first step across the threshold and enjoy the benefits that that can bring them. That was a very good way of determining how to use a budget which, although better than many other budgets, was not as much as we would have needed to carry on all the programmes and expansions of programmes that we would have liked. We took a priority decision.

The portable antiquities scheme sits as part of the Museums, Libraries and Archives Council family. My hon. Friend is right to say that the MLA has had a considerable cut in its financial settlement and must look for considerable savings. Even with the best will in the world, we could not have protected entirely the portable antiquities scheme from the fiscal constraints that we all face. Getting a flat cash settlement for 2008-09, which is what it has, is not bad in relation to many other organisations that we fund, which are having to look to the future. Every organisation should constantly examine how it functions and how it can renew itself, to see whether it can eke out efficiencies. We should not protect any organisation from that endeavour.

Mark Fisher: I think that hon. Members will have considerable sympathy with what the Minister is saying, but she knows very well, being extremely experienced, that a standstill budget is much easier for a large organisation to handle than it is for a small organisation, although it is difficult for anybody. There is no leeway in something tiny such as the portable antiquities scheme. As I said in my speech, a standstill budget for that scheme, stuck at £1.3 million, will mean a cut in real terms—a cut in field officers, who are already very thin on the ground.

Margaret Hodge: I hear what my hon. Friend says, but I have to say that although some of our budgets may look larger in their totality, they are, of course, distributed to many relatively small organisations. We could say the same of the renaissance programme. We could have taken a bit more money off the renaissance programme and put a bit more money into the MLA, but the impact of that on a programme that is just beginning to blossom and yield results could have been deeply damaging. We could say the same of most of the non-departmental public bodies that are responsible for distributing the resources that we give them. I am not sure that the portable antiquities scheme can be protected any more than any of our other bodies.

However, I have listened very hard, as the MLA and others have, to the representations that we have had from all hon. Members here today and others who have written to me or made representations either to me or directly to the MLA. I am pleased to say that an agreement in principle has now been reached between the British Museum and the MLA to ensure that the British Museum takes the lead and controls and runs the scheme in the future.

However—there are always provisos and these things will have to be negotiated—the British Museum and the MLA will undertake jointly a review of the way in which the portable antiquities scheme is run. That is right and proper to ensure that we maximise value for money. Then a financial negotiation will have to take place between the two organisations to determine what the diary should be after the review has taken place, so that we are clearer as to where we are.

Tim Loughton (East Worthing and Shoreham) (Con): I applaud the Minister's enthusiasm for the scheme, which many of us feel very strongly about. I am delighted to hear the news and we have heard that things are going on in the background, but will she clarify a couple of matters? I understand that the transfer from the MLA to the British Museum may not happen until 2009-10, rather than this year, as had been anticipated. There is also a particular problem about the scheme issuing new three-year contracts to the 39 finance liaison officers, which it needs to do from 1

April, so it needs to have the security of the next three years, if it is to be run by the British Museum. Will she address that point? Also, in terms of it being right that there should be a review, will she acknowledge that the efficiencies in the scheme, which has produced, I think, a 73 per cent. increase in the finds recorded year on year, are absolutely phenomenal? In terms of bang for the taxpayer's buck, this is an incredibly efficient scheme.

Margaret Hodge: May I deal with the first point first? The MLA, I and others have all stated that we want to secure the future of the scheme over this three-year period. The issue in question is the level of funding that goes with that. That must be subject to the review that is taking place to see whether there is an opportunity to eke out further efficiencies or different ways of doing things. Then it has to be subject to financial negotiations between the British Museum and the MLA. The agreement is there in principle, so on the assumption that the organisation does transfer to the British Museum, the British Museum may well be able to attract other resources for this purpose, with the freedoms that it has to raise finance externally.

I cannot in this Chamber today define the precise financial parameters of the budget in year 2 and year 3, because there will be a change. Were the organisation to stay with the MLA, that would be easier. Because there will be change, it has to be subject to the detailed negotiations for which we do not have responsibility, and then to any joy that Neil MacGregor has, if and when it transfers to the British Museum, in trying to raise additional resources. The MLA has been a much maligned partner in this endeavour over time. It recognises as much as everyone else how valued and valuable the scheme is, but it, too, must face financial constraints that we have imposed on it to ensure that we get best value for money from the resources available.

I know from discussions that I have had with both parent organisations—the MLA and the British Museum—that there really is a will now to undertake the review together. It will be jointly commissioned, jointly led and jointly supervised, which is an important step forward. There is an agreement in principle for the transfer, but we have to leave it to them, subject to the review, to sort out the details of the funding.

Mr. Vaizey: I am grateful to the Minister for clarifying in effect that nothing is quite clear about the future of the portable antiquities scheme. People want the scheme to be transferred from 1 April. The portable antiquities scheme needs to know its budgets for the three years. Will she clarify one point? She said that renaissance funds were ring-fenced, but is it not the case that if there is some form of synergy between renaissance and the portable antiquities scheme, some renaissance funds could be used to subsidise the portable antiquities scheme?

Margaret Hodge: The portable antiquities scheme is not under threat. Its future has been secured. I repeat that there is an agreement in principle for the scheme to be transferred to the British Museum. That must be subject, quite properly, to two things. The first is the review, which I think all hon. Members accept is a sensible way to go. Secondly, detailed—

Mr. Vaizey *indicated dissent.*

Margaret Hodge: The hon. Gentleman may disagree. I think that every organisation should constantly—

Mr. Vaizey *rose—*

Margaret Hodge: I am running out of time, but I will give way briefly.

Mr. Vaizey: Just to make it clear, the review is driven by the cuts; there is no other reason for the review.

Margaret Hodge: No, I disagree with that. Every organisation that enjoys any benefits in the form of resources from the public purse should be consistently reviewing its processes and how it operates, and can, every year, eke out some savings. Having been involved in the running of organisations over many years, I think that that is possible. Then there will have to be detailed negotiations. The hon. Gentleman raises the issue of whether some of the renaissance moneys could be used for that. They could. We have to ensure that that does not in any way undermine the renaissance programme, and that is the responsibility of the MLA. We have to see what the review brings out and whether, when the organisation is transferred to the British Museum, that does not facilitate and open up the opportunity for attracting resources from other sources and therefore providing greater stability.

The portable antiquities scheme is very highly valued, but it has to go through a process at a difficult time, as others do—

It being Five o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Thursday 6 March 2008

[ANN WINTERTON *in the Chair*]

International Health Partnership

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Alan Campbell.]*

2.30 pm

The Parliamentary Under-Secretary of State for International Development (Gillian Merron): I am grateful to have this opportunity to participate in a debate in parliamentary time about the international health partnership because I believe, as I am sure we all do, that the state of the health of the world's poorest people is one of the great injustices of our time, and we are keen to put that right. This debate is timely, as yesterday marked the six-month anniversary of the IHP's launch. I would like to begin by setting out the scale of the global health challenge and the depth of human suffering that we need to address.

In 2000, the Governments of the world set out a vision to reduce poverty by 2015. That vision, which was enshrined in the millennium development goals, included reducing by two thirds the number of deaths among children under five, reducing by three quarters the number of maternal deaths, and reversing the spread of AIDS, malaria and other diseases. Today, we are still a long way from achieving those goals. Every day that passes, more lives are lost—every three seconds, one child under the age of five dies; every minute, a mother dies in childbirth; and every day, more than 10,000 people are infected with HIV—yet much of the suffering can be prevented through simple and affordable measures.

That is why the international community is devoting more resources than ever before to tackling the crisis in health. Funding for global health has doubled from $6 billion in 2000 to $13 billion in 2005. Last year, the UK Government committed £1 billion up to 2015 to the Global Fund to Fight AIDS, Tuberculosis and Malaria. Much of the increased funding has targeted specific diseases, with impressive results. For example, the global fund has put more than 750,000 people on to antiretroviral treatments to fight AIDS and has distributed more than 18 million bed nets to prevent malaria. Every day, it helps to save 3,000 lives. The Global Alliance for Vaccines and Immunisation, with the support of the international finance facility for immunisation, has prevented nearly 3 million deaths by dramatically increasing the use of vaccines.

The challenge now is to lever that success to deliver enduring health systems that the poorest people can get to and use. Such systems should include networks of clinics, health workers and available drugs and treatments. Without them, medical tests are not carried out, drugs go undelivered and the regular monitoring of patients and the improvement of their health breaks down, often with tragic results. The Government and I believe that building stronger health systems is critical to meeting the health millennium development goals.

The second challenge that we face is ensuring that we make the most effective use of aid for health. Every pound can save a life, and we have a duty, not only to the poorest in the world but to the UK taxpayer, to ensure that every pound is used to its maximum. The truth is, however, that the global health system is a crowded place. More than 100 different agencies are involved. That is often reflected on the ground in developing countries with fragmented approaches to health provision that function outside the Government's own planning and budgeting processes.

For example, in Rwanda, 21 donors and 40 non-governmental organisations are active in the health sector. As a result, the figures are worrying. Administration consumes more than one quarter of all health spending. The central Government are managing only 14 per cent. of donor expenditure, and only $1 million of donor money goes to the integrated management of childhood diseases, compared with $18 million for malaria and $47 million for AIDS. We need to tackle those figures.

It was because of those two challenges—building stronger health systems and making aid more effective—that, six months ago almost to the day, our Prime Minister launched the IHP from Downing street. The time was right. New people in charge of the World Health Organisation, the World Bank and the global fund were all committed to working more effectively, and 2007 presented a unique opportunity to forge a new alliance for better health. This morning, I spoke at the Women and Children First conference, where Dr. Songane, the chairman of the Partnership for Maternal, Newborn and Child Health, described 2007 as a turning point. He was right, and it is our duty to make it such.

That is why, under our Prime Minister's leadership, developing country Governments, other bilateral donors and heads of the major health agencies have come together to launch and work on the IHP. Without any doubt, this is an important milestone. For the first time, members of the global health community signalled that, working together, they would challenge the idea that business as usual can go on. In other words, we agreed to work together to change the status quo.

However, we need to do that without creating a whole new bureaucracy—another piece of crowding in a very crowded place. We need to do it without creating yet another global fund, or an exclusive club for the few. The IHP is none of those things. What is important is that it is about all partners working together around a set of three principles aimed at transforming the health of the poor.

First, there must be robust, country-led national health strategies. Indeed, some national health plans are very good, while others set out how existing resources will be spent. Some countries have no health plan. Some have several health plans: one for AIDS, one for health systems, and another one for the health work force.

The second principle is that funding should be co-ordinated around those strategies. Alongside the national Governments, there are several international funders of health, including the WHO, the World Bank, the global fund and bilateral donors such as the UK Department for International Development.

[Gillian Merron]

The third principle is that health systems must be central to national strategies. They are essential to complementing and sustaining the success of disease-specific innovations and interventions, including those for AIDS. Health strategies are important for improving child and maternal health, and for addressing other major killers in developing countries, such as diarrhoea and respiratory illnesses.

Developing country Governments agreed to invest more in their own health systems, to address bottlenecks to stronger health systems, and to strengthen planning and accountability systems. The political commitment that we saw in September was critical to all this, but the success of the IHP will be in its implementation. Obviously, the proof of the pudding will be in the eating, and that is our challenge.

It is only if we can change the way in which we work that we will deliver much-needed change and improvements and thereby progress towards meeting the health millennium development goals. The IHP is already fast becoming recognised as the organising framework for support to the health sector. I pay tribute to the efforts of Margaret Chan, Joy Phumaphi and their staff at the WHO and World Bank. Their determination to implement the IHP has been critical to achieving the progress that has been made in the first six months.

Let me give just a few examples of progress. One of the challenges with focusing aid on health systems is the difficulty in showing the impact of additional spending. I am particularly impressed with Burundi's country-level IHP compact, which was signed just two weeks ago and focuses on achieving tangible improvements in health, such as increasing the number of people attending medical facilities and improving immunisation coverage and deliveries in clinics.

One of the most visible and damaging signs of a weak health system, which was raised with me this morning at the Women and Children First conference and of which we are all aware, is a lack of trained health workers. The World Health Organisation estimates that we have a global shortage of some 4 million health workers—1 million are needed in Africa alone. In Mozambique, a central part of the IHP will be developing and implementing a co-ordinated strategy to increase the number of health workers. The United Kingdom Government are supporting that.

We must not forget that even if there is a fully equipped and staffed clinic, that will not lead simply to improvements in health care, if people cannot afford to use it. That is a major issue for us, because fees account for more than 60 per cent. of total health spending in the poorest countries and are, without doubt, one of the most regressive and ineffective sources of health financing. I am delighted that, in Nepal, the IHP has given momentum to a new policy of free health care.

I recognise the important role of civil society and organisations such as Save the Children, which has taken an interest in today's debate, in providing health services to the poor. In Zambia, the IHP further encouraged the Ministry of Health to engage with civil society.

Finally, looking ahead to the next six months, I am delighted that Margaret Chan has agreed to arrange an event at the World Health Assembly to widen support for the IHP. The next milestone for us will be the one-year anniversary of the international health partnership in September. I look forward to being able to report then that it has continued to develop and to deliver real improvements to the health of millions of the world's poorest people.

2.42 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Lady Winterton, it is a great pleasure to serve under your chairmanship today and it is a great pleasure to welcome the Minister. She and I have had various co-operative ventures since we have been in this House. We were both in the armed forces parliamentary scheme for the Royal Air Force, and we were in our respective Whips Offices at the same time. We have always had a good and cordial relationship. My speech this afternoon will do nothing to antagonise that, although I have some questions for her and I do not know whether she will be allowed to reply. If she is not allowed to reply this afternoon, perhaps she would write to me.

On a point of order, Lady Winterton, will the Minister be allowed to reply?

Ann Winterton (in the Chair): May I reassure the hon. Gentleman that, with the number of speakers we have this afternoon, it is imperative that the Minister reply?

Mr. Clifton-Brown: I am pleased to hear that, Lady Winterton. We look forward to her doing so.

Gillian Merron: I look forward to dealing with as many points as the hon. Gentleman, or any other hon. Member, raises.

Mr. Clifton-Brown: In terms of both development and health goals, we in the United Kingdom and others in the developed world have set ourselves a long series of ambitious targets. The interaction between health and development can often leave us in a Catch-22 situation, as improvements in development can lead to a healthier population, but a healthy population is a spur to development. It is therefore no surprise that, as the Minister has spelled out this afternoon, three of the eight millennium development goals—reducing child mortality; improving maternal health; and combating tuberculosis, AIDS, malaria and other preventable diseases—aim directly at delivering improvements in health, and that the international health partnership should target those.

It was with that in mind that I recently returned from a visit to the World Health Organisation in Geneva, where I met Dr. Ian Smith, an adviser to Margaret Chan, the director-general of the WHO, whom the Minister mentioned, and Dr. Bruce Aylward, who is leading the WHO's campaign for polio eradication. From both doctors I was able to further my understanding of the scale of the health crises faced by residents of some of the poorest countries across the globe, and of the challenges that stand in the way of the experts in mitigating those crises.

One of the most salient points that arose from this debate came from Dr. Smith, who mentioned the change in the global health framework. As the Minister mentioned at least twice in her speech, in 1948 when the WHO was established, and for some 20 years subsequently, it was the only key global health player. In recent years, the picture has become far more crowded, with competing non-governmental organisations, the World Bank, the Bill and Melinda Gates Foundation and increasing private sector involvement. That is all to the good, but as the Minister made clear, we must avoid duplication and waste.

On the shortfall in respect of the millennium development goals, which the Minister mentioned, unfortunately, as we have passed the halfway mark set for those goals, it seems that global efforts may well fall short of achieving a number of the targets, despite much good work and will from the WHO and many other organisations working in the health arena. As the Minister said, globally, half a million women die each year in childbirth, 10 million children will not reach their fifth birthday and malaria kills half a million people a year.

The international health partnership is clearly a welcome addition to the fight for global health, through the emphasis that has been placed upon ensuring that all the 40 donor countries, 26 United Nations agencies, 20 global funds and 90 health initiatives are able to work together, as the Minister said, pulling in the same direction and attempting to avoid an overlapping of responsibility. I am glad to see that Governments and agencies representing half the global spending on health are involved in the IHP. Alongside a meaningful strategy, it is through the support of these agencies and organisations that the IHP can make the changes and improvements that the Government and all Members of the House want to see. I hope that the Minister can tell us today what communication she is having with these agencies and nations to increase still further their involvement in this matter and to strengthen the international base in support of the IHP.

I note with interest that the UK has provided £3.5 million of the £4 million that has so far been raised through the IHP. I should be interested to know what representations the Minister is making to encourage increased funding from our other partners in this valuable scheme. As she said, it is almost the six-month anniversary to the day, and it will soon ratchet up a year. We need this valuable time if the millennium goals are to be met. In particular, I hope that she can elaborate further on the participation of the United States, which surely must be expected to play an important role, being one of the largest health donors.

There is a welcome focus on improving local health systems in poor countries. If people do not have the means of accessing or receiving available treatment, they cannot benefit from it. I was delighted that the Minister mentioned the work being done in Nepal, which I visited 18 months ago, and how health fees have been reduced, thereby increasing access in that country. That is a welcome development.

The point is easily demonstrated by comparing Moldova and Angola. In Moldova, the gross domestic product is $2,962 per capita and in Angola it is $2,813, yet in Angola a child is 16 times more likely to die before reaching its fifth birthday: this in a country where the average citizen earns only $149 less than in Moldova. So two countries with broadly similar GDPs have hugely dissimilar health services. We need to start eliminating that sort of disparity. I hope that the IHP, which should be broadened, as I will mention in a minute, will be able to reduce such disparity. How can we account for those figures in Angola and Moldova? The percentage of GDP spent on health in Moldova is four times higher. There are 33 times more physicians per 1,000 of the population in Moldova. Until we begin to address these imbalances worldwide, and unless all the necessary factors are aligned, improving a country's GDP will not necessarily result in improved health.

On preventable diseases, no one said that winning the health battle would ever be easy. What the Minister said today proved that. Alongside infrastructure improvements, we must not take our eye off existing health programmes. Although HIV/AIDS is often the focal point, given that only one in four people in Africa who needs AIDS treatment receives it, other important battles remain to be fought. Every year, 500,000 people die worldwide from malaria, but for just $3 billion a year a complete malaria programme could be established within three years. That would involve not just a net for every bed in need, but clinics, treatments and diagnostics. The Conservative party's policy is to spend $500 million a year, every year, until the millennium development goals for malaria are met.

Dr. Bruce Aylward of the WHO, whom I met in Geneva, is heading the global initiative to eradicate polio. He is an extremely impressive man. He and Margaret Chan, director-general of the WHO, have raised a huge amount of funds and come up with a programme that has worked. Their work in eradicating polio is most welcome. He was keen to express the critical role that the UK has played through both fundraising and advocacy. However, with the end of this important programme nearly in sight, the UK has apparently cut its donations by more than half—from $236 million in 2003-05 to just $101 million for 2006-08.

If that is so, it is a worrying development, and I ask the Minister to investigate whether the Department for International Development could divert some of its resources to meeting the funding gap of approximately $525 million in 2008-09, so that the programme can be well on its way. What a huge boost that would be to some of the poorest countries. We have managed largely to eradicate smallpox, and if we could largely eradicate polio as well, that would be a major triumph.

As a country we have a vital role to play in helping the WHO, which is a key player in the international health partnership, as the Minister made clear, along with the World Bank and the global health fund. If we do not find that funding somehow, the disease will return to blight much of the world, as it did in the 1980s when it was endemic in 125 countries. It is now endemic in only about three countries, Pakistan and Nigeria being two.

We must not be afraid of making the structure of the international health partnership as ambitious as the targets that we have set. Here in the western world, we are blessed with some of the finest doctors and health care professionals in the world, with a fantastic level of

[Mr. Clifton-Brown]

training. If we are to build the national health partnerships in the developing world that the Minister mentioned and that we aspire to, we need to tap this resource. Yet the British Medical Association has raised clear concerns that although there is willingness within the medical community to offer such assistance, far more could be done to encourage and facilitate doctors from this country to travel to help the developing world. Not only could those professionals assist with immediate shortfalls in qualified staff; they could establish a system of training for local doctors to provide long-term cover. It is a shame that doctors who have gone to work overseas have often had to fund such secondments from their own savings, and that they have concerns about their ability to return following their time abroad. Surely a bit of joined-up thinking between DFID and the Department of Health would enable something to be done.

The Conservative party has pledged to improve the links between health systems in the UK and developing countries, and to reduce the barriers to health care professionals when they travel abroad. That will come about through the introduction of a health systems partnership fund worth around £5 million a year, with money to come from DFID. It will be administered jointly by DFID and the Department of Health, thus reducing, I hope, some of those barriers. As my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) suggested, given the good that that programme would do, it is one policy that the Government are welcome to steal. It is worth noting that it would also benefit our own health care system through the skills that staff would pick up while working abroad. Without that in place, we will only ever be able to take a short-term approach to providing training for local doctors, as our medical professionals will continue to be reticent about taking such risks.

On co-ordination, it is important to strengthen the linkages between the various health agencies and donors, and we must consider linkages to other aid programmes because health cannot be separated from them. Too often, health programmes become an enforced necessity through a failure to deal with other, intertwined problems, just as a failure of health care programmes impinges on the success of other, linked goals.

The Earth Policy Institute has built 12 millennium villages in 10 African countries, which will demonstrate how, through working with local people to improve health schemes, along with water, agriculture, education and technological aid, the goal of halving extreme poverty can be achieved for just £55 per person. If that scheme is successful, it would be worth replicating it elsewhere.

Equally, increased spending on education programmes, infrastructure programmes, which have been discussed, and agricultural schemes can yield real gains in health issues. On the other hand, climate change is having a knock-on effect on people's health, which demonstrates the intertwined nature of our world and how one thing can have a knock-on effect elsewhere.

I hope that the Minister will assure us that real co-operation can be achieved within the international health partnership, and between it and Germany's providing for health initiative. After all, it was our Prime Minister, with the German Chancellor, Angela Merkel, who launched the international health partnership in the first place. I hope that we are expecting full participation from the German Government in that partnership. Furthermore, I would be interested to hear what discussions the Minister's Department is having to further co-operation with other development agendas, both domestically and internationally. I hope that that will ensure that we do not pay twice for the same work to be done, nor have contrasting approaches to the same end.

I am aware that there have been many calls for an increase in funding for health programmes, particularly through the international health partnership. What I am most concerned about, before increased funding is pledged, is an assurance that there will be increased accountability for and auditing of the money that is spent through the international fund. I was delighted to hear the Minister say that one of the Government's key aims was that British taxpayers' money, and other countries' taxpayers' money, should be spent effectively in achieving real results. I was delighted to hear that, because it is a change of emphasis in what we have heard previously about how British aid is spent.

Until we can be absolutely certain that money is being targeted in the right areas and is being spent effectively, any increase in expenditure will not be met with a proportional gain in global health. All too often—although I hasten to add, not always—what is needed is not more funding, but for the money to be better spent through increased co-operation and a core strategy. I would like to emphasise that that should not preclude an increase in our country's spending when the money can be spent in a truly meaningful way.

One matter of concern is the level of staffing cuts in DFID's headquarters. During the demonstration on world AIDS day, some AIDS professionals were particularly concerned about cuts in the number of health care specialists in DFID, and its ability to deliver its worldwide health care programme. I hope that the Minister will bear that in mind, and reassure us. Wherever I have travelled around the globe, DFID's staff are internationally respected, and I would like an assurance that those cuts will not affect its ability to implement real change where it is needed.

On an afternoon when there is a debate in the main Chamber on international women's day in preparation for 8 March, which is international women's day, it would be remiss of me not to mention the matter of maternal health, which is of huge concern. Half a million women die each year during childbirth. Women also suffer disproportionately from conflict and poverty.

The health of a country's women is a test of the strength of its health care system. The Select Committee on International Development has said that in the developing world there is an urgent need to increase the number of midwives and improve access to drugs and treatment. I hope that those words will be noted by the Minister. After all, the Nobel peace prize winner Wangari Maathai has reminded us that

"throughout Africa, women are the primary caretakers, holding significant responsibility for tilling the land and feeding their families".

I quoted that statement on Monday during the launch of Oxfam's photo exhibition entitled "Sisters of the Planet", which the hon. Member for Bristol, East (Kerry McCarthy) and I attended. It was a very interesting launch and she will remember the point made by Sahena Begum who had come all the way from Bangladesh. She is the elected president of a 25-member women's committee based in her tiny rural village in Bangladesh and she is determined to help women prepare for the increased difficulties that they face during floods, which in recent years have become increasingly severe. After having lived in only a very small, remote rural community, imagine what it must have been like suddenly to be brought to our Parliament in the centre of London. Yet through an interpreter, she was able graphically to describe the difficulties and the conditions that she faces in her local community.

The group she represents meet to discuss how they can improve health and hygiene issues, and make provisions for the effects of flooding. The value of such work in relation to health concerns cannot be overstated. The continued high mortality rate acts as a fuel to many other problems. I hope that we can receive an assurance that issues of maternal health will have a starring role in the work of the international health partnership, and that women across the globe will be involved in new health care strategies at all stages.

I conclude my comments by commending the principles behind the development of the international health partnership and the sterling work of those charged with implementing its proposals. There is truly a great need for the work and funding that has been pledged. The road towards achieving the millennium development goals is long and difficult, and in approaching that, our policies should be nothing less than ambitious. Our resolve should not weaken and our strategies must be defined and practical. The increased co-ordination of our delivery of aid and an invigoration of the work on building basic health care systems are a step in the right direction. I hope that the Minister will use proposals from today to enable us to keep moving forward.

I am sure that people in Cambodia, Zambia, Ethiopia, Kenya, Mozambique, Nepal and Burundi are grateful for the work being done through the international health partnership. Perhaps the Minister can say whether any other aspirant countries are being considered to join the system. There was a rumour that Malawi may be joining and there may be other countries that are also being considered, so perhaps the Minister could comment on that. We must now strive to increase the beneficiaries of all this good work.

3.3 pm

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): After the sometimes stormy weather in Parliament this week, it is a real pleasure to be in the relative oasis of calm consensus. It has been instructive to listen while the Minister and the Conservative spokesman have introduced the debate. The problem with consensus is that by the time the third person speaks, many of the best statistics and points have been mentioned. I do not wish to try your patience, Lady Winterton, or that of my colleagues by being overly repetitive, but I apologise in advance if some of my points cover ground that has already been discussed.

The Minister and the hon. Member for Cotswold (Mr. Clifton-Brown) were both right to focus on the millennium development goals and on the particular ways in which they draw our attention to horrific problems. Halfway through the period covered by the programme we are still tragically off the pace and struggling to reach the noble goals that were set a few years ago. We must never lose sight of how shocking the statistics are on child mortality, which has already been mentioned. Only 32 of 147 countries are on track to cut child mortality for those under five by two thirds in the period before 2015. In Asia, a number of countries are off track to a greater or lesser degree, but in Africa almost every country will miss the target, which is a wake-up call for us all.

The Conservative spokesman has mentioned the issue of maternal health. Like him, I was impressed by the "Sisters of the Planet" exhibition in Parliament this week. I was unable to attend the official opening, but I spent some time at it yesterday. The stories from different parts of the world were a reminder that we should not be complacent about the challenges and the difficulties facing people as they go about their everyday lives in different parts of the world. The exhibition and the messages from the Oxfam people who assisted us to understand and take on board all the information brought home to us that complacency is not an option. On HIV/AIDS and malaria, as has been mentioned, the figures are staggering. It is mind-boggling to think that nearly 40 million people in the world live with HIV/AIDS. Sadly, contrary to what the millennium development goals seek to achieve, the numbers are going up, rather than down.

As the Minister pointed out, there are a number of different priorities for our country, which have been explicitly set out by the Government over time. Funding is a big part of that and there has certainly been a great increase in funding by the Government over recent years. We pay tribute to that; it is a very welcome development. In this country we also have a particular role in relation to health professionals and the expertise that they have and can share with others around the world. Again, a key theme of the international health partnership is the need for better co-ordination in all the various programmes that exist—not just from non-governmental organisations, the Government and charitable foundations in this country, but across Europe and the world.

A year ago, in his report "Global Health Partnerships" commissioned by the then Prime Minister Tony Blair, Lord Crisp set out the need for partnerships to be established along the lines of those that the Government have now set up. Importantly, he stressed that developments must be based on the needs of the countries themselves and the needs that they have identified for themselves. Proposals put forward must improve the practical value of what is happening and should not simply layer on more bureaucracy. Lord Crisp has established some important principles—for example, that developing countries themselves need to take the lead, and that when we are scaling-up resources they should be in relation to the training, education and employment of health workers. More importantly, he also said that we need to be more rigorous in our research and evaluation of what actually works and that we should not simply keep reinventing the wheel—we are guilty of doing that too often. The Minister demonstrated how those principles

[Mr. Michael Moore]

have been boiled down into factors that are particularly emphasised in the international health partnership, such as the need to develop and support a country's own health plans, to provide better co-ordination among the donors and to focus on health systems as a whole, not just on single diseases.

Indeed, the Overseas Development Institute highlighted several very positive things that can flow from such an approach. We can refocus health aid away from treating individual diseases exclusively and towards developing health systems in the round. We can tackle the tendency to focus on some diseases at the expense of others, which are sometimes called orphan diseases. That is something that we understand from our constituencies and from the way in which health is debated in this country, and action in that respect would certainly be a major breakthrough. Finally, we need greater harmonisation and alignment, and that is a theme that occurs in every aspect of the development work that we consider. Instruments such as IHPs offer us the opportunity to pursue such things, and my party would certainly welcome that.

As the Minister said, we have just had the six-month anniversary of the creation of IHPs, and their implementation is now critical. The hon. Member for Cotswold asked several questions, and, like him, I am keen to hear the answers to them this afternoon or at some other appropriate moment. If I may, however, I would like to add to the list of queries for the Minister to consider.

On the individual country compacts, how far have we got with the individual countries that are listed as the starting points? Like the hon. Gentleman, I would be interested to know how many more countries are being brought on board, by which I mean both developing countries, which we hope will benefit, and developed, donor countries.

On the simplification and harmonisation of the multilateral delivery of health and other assistance, to what extent have the Minister and her colleagues taken up such issues in the EU? A number of the countries that are listed as part of the IHPs are members of the EU, but many other EU members are not listed as part of them. What work is being done to broaden involvement in IHPs across the EU?

Japan and the United States are key players in the delivery of development assistance in its many forms. They can offer a huge degree of funding and expertise, and it is important that they are brought in.

Mr. Clifton-Brown: The hon. Gentleman has reminded me of what I heard at the World Health Organisation last week. Margaret Chan has been an absolute champion at going out and getting funding from some of the emerging wealthy nations that do not usually give to the donor community. I heard how she literally sat down with the King of Saudi Arabia and got funding for the polio eradication programme. Does the hon. Gentleman not think that we should do a lot more of that? A lot of countries are emerging as very wealthy, and we need to tap into them for such programmes.

Mr. Moore: I absolutely agree. I am sure that the Minister will tell us that she has an appointment with President Bush shortly to do exactly that. I do not wish to be flippant, however, because key individuals, such as Margaret Chan, have gone not only the extra mile, but an extra 1,000 miles to draw attention to the fact that we need funds and greater co-ordination if we are to deliver the health assistance that it so desperately required. Anything that we can learn from the Minister about how she and her colleagues are taking such issues forward and doing their bit will be very welcome.

I was talking about Japan and the United States and I wonder whether there will be an opportunity at the G8 in Japan this summer to draw other countries into the IHPs. That would perhaps allow them to build on the work that the Government did three years ago at Gleneagles to draw the world's attention to the poverty agenda.

We have touched on the issue of health professionals and the assistance and expertise that this country can offer developing countries. However, there is also the fraught issue of the migration of health professionals from those countries to our country. Codes have been drawn up broadly to regulate that migration, but how confident is the Minister about the way in which those codes are working? The EU is considering the issue more broadly. What input can we have in that respect?

Mr. David Drew (Stroud) (Lab/Co-op): When I was in Ethiopia about four years ago, I was staggered to hear that there are more Ethiopian doctors in the United States than in Ethiopia. We have done some work to stop that export of valuable people, but it is an international issue and cannot be tackled just at the national level. I am sure that the hon. Gentleman would agree with that.

Mr. Moore: Indeed I do. The hon. Gentleman brings the issue into stark focus with his point about Ethiopian doctors. As I said just before he intervened, it is not only our Government who need to take a lead on this issue; it is a matter for Europe and the G8, where America and others can be brought into the debate. Nobody questions the fact that health professionals and health workers will come to this country, and there are many complex reasons why they wish to do so. However, in seeking to balance such movements—I do not want to use the word "restrict"—we must ensure that there are proper facilities and procedures, so that those who wish to gain access to training and support here can still do so and can then return to their own country to provide the input that is so necessary in their own health services.

Lord Crisp's report made several good recommendations, and I hope that the Government will publish an updated response to them at some point. He highlighted several interesting ideas, including that we should have a global health partnership centre in this country. Such a centre would be a one-stop shop for all the different parts of the national health service, non-governmental organisations, other donors and Government efforts and would allow people in recipient countries and in this country to know how they could contribute efficiently. Lord Crisp also talked about a global health exchange, or health bay, as he put it, which would offer the opportunity to share best practice, expertise and information. Another idea that stood out was that we should encourage and facilitate volunteering by people in the NHS, so that they can go to other countries, make a major contribution and benefit from the experience so that they can understand the challenges that others face.

Given the pressures on the House this week, the debate may prove to be shorter than it deserves to be, but the issues that it raises and the Government efforts that it highlights are fundamental to Britain's contribution to reaching the millennium development goals and ensuring that we never lose sight of the truly appalling lives that many people lead and the short lives that many others have led. At the outset, the Minister set out the scale of the challenge facing us, and I hope that she will be able to answer some of our questions when she concludes.

3.19 pm

Gillian Merron: I am grateful to those hon. Members who have attended for their constructive contributions to this important debate. I hope that the debate will produce real results, because we are talking about improving people's health and well-being and about saving the lives of millions of people across the world. I shall focus on the points that have been raised because they have been very useful in developing my argument and they allow me to say a bit more about the actions that the Government are taking.

Clearly, we are all appalled by the awful levels of child and maternal mortality in the poorest countries and by the devastating impact of diseases such as AIDS and malaria. I am encouraged to find in the House a universal wish for the UK to continue to play a leading role in addressing the health crisis. I believe that people look to us to do that. Many agencies, Governments, organisations and individuals are doing great things, and we should welcome, support and applaud those efforts. Our job is to develop a way forward that allows us to maximise and see more of such efforts. Clearly, the crowded place in which aid is delivered is something that we must tackle, and the international health partnership is critical. The delivery of health care is a complex area and it is our duty to find the best way forward.

Everyone would agree that finances are crucial. More money is always welcome, but we must look at how we use that money and at how we can achieve the results that we want, because results matter. Three of the eight millennium development goals are on health. They are off track, but we are not prepared to be complacent about that. I believe that the world can do more. Aid effectiveness is the key and that has been at the core of our discussions today.

I assure hon. Members that addressing maternal health is a priority for the Government. Our strategy covers a range of factors. It is important to understand that it is about not just the delivery of health care, but enabling women to have access to family planning and safe abortion, and overcoming cultural and financial barriers to accessing care. It is about getting research to guide us so that we do the best that we can. We also need to ensure that women have greater access to midwives, doctors, and the correct, proper, skilled, sympathetic and empathetic health care workers to provide maternity and emergency care where it is needed. We expect all those things in this country, and they can make a difference.

Achieving such goals is complex and requires much navigation and determination. I, like other hon. Members, welcome the International Development Committee report. It agrees that improving maternal health, which is millennium development goal 5, is one of the biggest challenges facing developing countries. I will ensure that we respond in full to that report and I look forward to doing so, not least so that I can explain why maternal health and the health care of women matter. It is very simple to me: if we are to see true development through which countries are able better to serve their people, that cannot be for half the people—that is just an impossibility. There is a very strong lobby on that, which I welcome. As constituency MPs, we should welcome the fact that our constituents have taken a great interest in the matter and are pushing us to do more.

Mr. Drew: I agree with my hon. Friend. Will she go on to say that, sadly, one of the biggest problems with maternal health is the connection with conflict? In the Darfur region, which I know only too well, the biggest problem for women is access to much-needed health care. Health care is needed because of continuing rape and violence against women. The conflict has led to an imbalance in the population because, for all sorts of reasons, there are no men in many of the villages. That has a deleterious effect on the way in which the whole structure of the population operates and on maternal health, in particular.

Gillian Merron: My hon. Friend raises an extremely important point. Violence against women in non-conflict and conflict situations creates huge problems for women's heath and for the future that they and their children can or cannot look forward to.

In Ghana, our DFID officials have worked well with civil society to encourage that country's Government to pass legislation in respect of domestic violence, which has just happened. As we know only too well, this is about not just legislation. There is also a question of whether support will be in place for those women and whether there is somewhere for them to go if they have to leave their homes. There is a range of factors to consider. We know that global poverty and conflict often go hand in hand and that the violence against women that my hon. Friend describes is a feature of that. Such violence creates the big problem of the spread of HIV and AIDS. We therefore have to tackle not just conflict, but attitudes as well, and that is tough.

I hope to respond to all the comments that have been made and I will attempt to do justice to them. With regard to Lord Crisp's report, I can assure hon. Members that the inter-ministerial group on global health will shortly issue the Government's response to outline how to take forward the recommendations, which we welcome.

The role of the United States has been raised. I confirm that the United States is clear that it supports the principles of the international health partnership. The Government work very closely with the US, in four countries in particular, on developing the health work force, and I will return to that important matter in a second. We also work with the United States through the G8 to improve effectiveness and the volume of aid for health systems, so we see the United States as an important partner.

[Gillian Merron]

We need more countries to want to be part of the IHP. I am delighted that Nigeria and Madagascar are asking to join. As I have mentioned, the event at the World Health Assembly in May will be an opportunity to promote the partnership still further. I hope that more developing countries will see the benefits and want to sign up. We will continue to encourage new countries to approach the World Health Organisation and the World Bank.

I have been asked to make reference to progress in countries so far. I am very happy to give hon. Members greater detail on any of those countries if they so wish. In the past few weeks, Burundi has signed a country-level compact. In Ethiopia, the IHP road map was launched early last month and the compact will take that further. Every country is different, so we need to tailor the compact and the international health partnership to achieve the right approach. Tremendous progress is being made and I am heartened by the fact that new countries are clamouring to sign up.

Mr. Clifton-Brown: The hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) was right to raise the issue of compacts. Without a proper health plan in each of the recipient countries, it is difficult to know where the help needs to be targeted. Can the Minister give us any idea of how many of the developing member countries will have a compact in place by the anniversary in six months' time?

Gillian Merron: For the reasons that I have explained, it is difficult to give an exact answer. Every country is different. Let me give another example to illustrate that. In Kenya, where there is a particular situation at present, the Government and the partners have agreed that there should not be a separate IHP document, because as I mentioned, the IHP is not about creating new bureaucracies, but about delivery. If a compact is needed, we should have that. In Kenya, the country compact will instead be the action plan, which is following a mid-term review of Kenya's health sector. The best thing that I can say to hon. Members is, "Don't judge the IHP by the number of compacts. Judge it by the results—by delivery," because that is what I am committed to.

Rightly, a question was raised about what communication we have with other agencies and partners. I can assure hon. Members that there is regular and meaningful dialogue. The UK has been invited to speak at the second meeting of the H8—the eight agencies—and we regularly have contact with the heads of agencies such as the World Bank, UNICEF and the Global Fund to Fight AIDS, Tuberculosis and Malaria. We continue to press the heads of those agencies to deliver on the commitments to which they have signed up. That includes aligning funding with the plans of the particular Government and co-ordinating funding around those plans. Again, there is no point in having the discussion without ensuring that action follows. That is a constant theme in all our discussions.

An allied question is what we are doing to encourage funding from others. We are in close contact with other donors and particularly the WHO and the World Bank, which have received additional funds—for example, from Norway. We will continue our work through both the G8 and the EU to encourage further support.

We have had discussion about UK medical staff and I pay tribute to the staff who have given their expertise, time and skills to supporting developing countries. That is very important work. However, in the long term, the real key to all this is not just to strengthen health care systems, but to ensure that health care professionals are in such countries in sufficient numbers and with sufficient skills, and can reach the right people. That is our main focus, and we will continue to strengthen the in-country health work forces as the long-term commitment that we can make.

Questions were raised about malaria and polio. On malaria, I reiterate that the Government have committed £1 billion up to 2015 to the Global Fund to Fight AIDS, Tuberculosis and Malaria. I am sure that hon. Members are aware of our Prime Minister's absolute commitment to the fight against malaria. We will make a further concerted effort in that regard this year. In Kenya, for example, we are supporting the WHO and NGOs in respect of treated mosquito nets. That has led to a 50 per cent. cut in malaria deaths. As part of our commitment, I am particularly keen that we talk not just about numbers of bed nets but about their usage. In the end, what is important is not just the delivery of a bed net but the fact that it is used.

We have already provided £350 million to tackle polio—we are the second largest bilateral donor. As a result of that and of success in working with our partners, the number of cases has dropped from 350,000 in 1988 to some 2,000 last year. We are keen for other donors to play their part in that.

The hon. Member for Cotswold (Mr. Clifton-Brown) raised a very important point about accountability of funds—how they are used and where they get to. As we know, the IHP is about maximising the impact of existing aid. Depending on the country and what is happening there, we ensure that our aid reaches the people of those countries through the most effective means possible. In many cases, that is through NGOs. It may be through world institutions such as the World Bank and the United Nations. It is about working with organisations such as Oxfam and Save the Children as appropriate, or with the Governments, depending on the situation. However, measuring the impact of the IHP is crucial. We have had discussion about that, and the members of the IHP have agreed a single way of doing it. I am referring to focusing on the changes that it will make to people's lives—for example, measuring the number of people attending clinics, the number of children receiving immunisations and the number of mothers giving birth in a clinic. All those are direct measures of where money is being used.

I can assure hon. Members that we have robust systems in place to assess public financial management systems of the countries in which we work. We will, and do, investigate any cases in respect of which there is any concern. If any hon. Members wish to draw cases to my attention, I will be glad to follow that through. Aid effectiveness is what this is all about.

The EU and our work with EU colleagues were mentioned. Just last week, officials met EU colleagues. We are also active through the G8. Even if some donors do not sign up to the IHP, they are nevertheless

committed to the principles of improving the effectiveness of health aid. At the G8 we are already working, and will continue to work, with officials and politically to ensure that we see stronger action on health systems funding and particularly on the health work force.

I would like to put it on the record that the UK has been at the forefront of efforts to prevent migration of key health workers from developing countries, which has slowed down. We now have a code of conduct that precludes active recruitment in developing countries, and we have increased training of our own UK doctors and nurses so that we no longer need to recruit so many from abroad.

I pay tribute to the staff who work for DFID, many of whom are working in-country. In my role, I am keen to ensure that they feel as much a part of our team as those working in London, because they are our teams in the countries where we are working. We have undergone some reductions in administration costs, as have a number of other Departments. I am sure that hon. Members and our constituents would expect us to do that. It is important to say that our health advisers, for example, are working more strategically. We are liaising and co-ordinating much better and to a greater degree with other countries and other donors at country level, to ensure that we are speaking with one voice in the way that the IHP wants us to do. There is a sharing of expertise.

Mr. Clifton-Brown: I am grateful to the Minister, who has been generous in giving way. My party has pledged not to cut the staff at DFID headquarters any more, because her Department is unique among Departments in having, rightly, an expanded budget. If there are not the staff at headquarters to be able to deliver that expanded budget, things will start to go awry. It will mean fewer bilateral programmes and more multilateral programmes. It would be a pity if the reputation that DFID has worldwide were tarnished because we were unable to deliver the programmes that the Department has set out to deliver.

Gillian Merron: I appreciate the hon. Gentleman's point, but I can give him an absolute assurance that there is no question of DFID's effectiveness on behalf of the UK Government being compromised, nor would we take action that would do so. In fact, wherever I go, I am delighted by the response to the UK Government, DFID and our staff in particular. I want us to use the way in which we are regarded as the world leader and, given the direction of the debate, to encourage others to do likewise. I can assure hon. Members that we will continue to deliver and to do so better, because we all want that.

I welcome the debate on the international health partnership because increasing the benefits that we can bring to people in developing countries is the reason for our development. We need to work with developing countries not as a lone country, but as a world leader, a catalyst, and by example. The international health partnership, which was launched by the Prime Minister, gives us such a framework. I hope that hon. Members will continue to support the Government in our efforts.

Question put and agreed to.

Adjourned accordingly at nineteen minutes to Four o'clock.